POLICY COVERAGE PAGE

Insured's Name: ST TROPEZ CONDOMINIUM IV ASSOCIATION INC Policy # 4039852674

Policy Dates: From: 11/09/2025 11/09/2026

Surplus Lines Agent's Name: David Allaire

Surplus Lines Agent's Address: 500 International Parkway, Lake Mary, FL 32746

Surplus Lines Agent's License #: A003734

Producing Agent's Name: Barry Scarr

Producing Agent's Physical Address: 8200 113TH ST N SUITE 200 SEMINOLE, FL 33772-4111

"THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER."

"SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY."

Policy Premium: $16,059.00 Policy Fee: $100.00

Inspection Fee: N/A Service Fee: $9.70

Tax: $798.25 Citizen's Assessment: N/A

EMPA Surcharge: $4.00 FHCF Assessment: N/A

Surplus Lines Agent's Countersignature: Date Signed 10/05/2025

[X] **"THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE OR WIND LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."**

[X] **"THIS POLICY CONTAINS A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."**

FRONTline INSURANCE

Underwritten By:
Frontline Insurance Unlimited

COMMERCIAL PROPERTY POLICY
RENEWAL DECLARATIONS

TRANSACTION DATE: 11/09/2025
DATE ISSUED: 10/05/2025
DATE PRINTED: 10/05/2025

POLICY NUMBER	POLICY PERIOD	
4039852674	From: 11/09/2025	To: 11/09/2026
	12:01 AM Standard Time	

IF YOU HAVE QUESTIONS ABOUT YOUR POLICY, PLEASE CONTACT YOUR AGENT AT 954-337-1555.

TO REPORT A CLAIM CALL: 1-800-675-0145.

NAMED INSURED & MAILING ADDRESS:		AGENT:	523-24-22216
ST TROPEZ CONDOMINIUM IV ASSOCIATION INC 5510 RIVER RD STE 104 C/O CREATIVE MANAGEMENT NEW PORT RICHEY, FL 34652-3704		ACENTRIA INSURANCE - SEMINOLE - CL 8200 113TH ST N SUITE 200 SEMINOLE, FL 33772-4111	
TELEPHONE:	727-478-4909	TELEPHONE:	954-337-1555

DESCRIPTION OF LOCATION(S):

LOC NO	BLDG NO	BUILDING ADDRESS	OCCUPANCY
1	1	3455 COUNTRYSIDE BLVD, CLEARWATER, FL 33761-1304	013 CONDO-RES W/O MERC-UP TO 10 UNITS - UNITS 49 - 56
1	2	3455 COUNTRYSIDE BLVD, CLEARWATER, FL 33761-1304	013 CONDO-RES W/O MERC-UP TO 10 UNITS - UNITS 57 - 64
1	3	3455 COUNTRYSIDE BLVD, CLEARWATER, FL 33761-1304	013 CONDO-RES W/O MERC-UP TO 10 UNITS - UNITS 65 - 72

POLICY LEVEL COVERAGES:	COVERED CAUSES OF LOSS: SPECIAL
COVERAGE	**LIMIT OF INSURANCE**
TERRORISM (TRIA)	EXCLUDED
PROPERTY EXTENSION PLUS (BROADENING ENDORSEMENT) - DELUXE	SEE SCHEDULE

INSURANCE AT THE DESCRIBED LOCATIONS APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN

COVERAGES PROVIDED:

AGREED VALUE EXPIRATION DATE: 11/09/2026

LOC NO	BLDG NO	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE
1	1	BUILDING COVERAGE	$956,550	RCV	AGREED VALUE
1	2	BUILDING COVERAGE	$958,143	RCV	AGREED VALUE
1	3	BUILDING COVERAGE	$1,033,352	RCV	AGREED VALUE

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DEDUCTIBLES:

LOC NO	BLDG NO	COVERAGE	AOP	HURRICANE PERCENTAGE - CALENDAR YEAR	WIND/HAIL	OTHER
1	1	BUILDING COVERAGE	$5,000	5%	1%	
1	2	BUILDING COVERAGE	$5,000	5%	1%	
1	3	BUILDING COVERAGE	$5,000	5%	1%	

APPLICABLE ONLY WHEN ENTRIES ARE MADE IN THE SCHEDULE BELOW

OPTIONAL COVERAGES:

LOC NO	BLDG NO	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE
1	1	ORDINANCE OR LAW	SEE FORM		N/A
1	2	ORDINANCE OR LAW	SEE FORM		N/A
1	3	ORDINANCE OR LAW	SEE FORM		N/A

TOTAL COVERAGE PREMIUM	$16,059.00

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POLICY TAXES AND FEES:	
POLICY FEE	$100.00
FSLSO FEE	$9.70
FLORIDA TAX	$798.25
EMPA	$4.00
TOTAL TAXES AND FEES	**$911.95**

TOTAL POLICY PREMIUM	**$16,970.95**

PROPERTY ENHANCEMENT ENDORSEMENT:	DELUXE
COVERAGE DESCRIPTION	**LIMIT OF INSURANCE**
REAL PROPERTY OF OTHERS REQUIRED BY CONTRACT	$10,000
ELECTRONIC DATA	$10,000
DEBRIS REMOVAL	$50,000
FIRE DEPARTMENT SERVICE CHARGE	$10,000
POLLUTANT CLEANUP AND REMOVAL	$25,000
PERSONAL EFFECTS AND PROPERTY OF OTHERS	$20,000
VALUABLE PAPERS AND RECORDS (OTHER THAN ELECTRONIC DATA)	$25,000
PROPERTY OFF-PREMISES (INCLUDING WHILE IN TRANSIT)	$25,000
OUTDOOR PROPERTY	$10,000
ACCOUNTS RECEIVABLE	$25,000
ARSON REWARD	$10,000
BACK-UP OF SEWERS OR DRAINS	$10,000
FINE ARTS	$10,000
FIRE PROTECTIVE DEVICES	$5,000

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PROPERTY ENHANCEMENT ENDORSEMENT:	DELUXE
COVERAGE DESCRIPTION	**LIMIT OF INSURANCE**
SPOILAGE	$15,000
COMPUTER EQUIPMENT	$25,000
LAPTOP/PORTABLE COMPUTERS	$10,000
LOCK REPLACEMENT	$2,500
MONEY AND SECURITIES INSIDE THE PREMISES	$25,000
MONEY AND SECURITIES OUTSIDE THE PREMISES	$25,000
OFF-PREMISES SERVICES INTERRUPTION	$20,000
CONSEQUENTIAL LOSS	$10,000
SIGNS	$25,000

FORMS/ENDORSEMENTS APPLICABLE:

FORM NUMBER	EDITION DATE	FORM NAME
FIU-FL-DEC	08 24	DECLARATIONS PAGE
FIU FL SLD	01 22	SURPLUS LINES DISCLOSURE - FLORIDA
FIU FL NOCPT	03 24	NOTICE OF CHANGE IN POLICY TERMS
FIU NOCPT	05 24	NOTICE OF CHANGE IN POLICY TERMS
FIU NOCPT	07 24	NOTICE OF CHANGE IN POLICY TERMS
IL P 001	01 04	OFAC ADVISORY NOTICE
FIU CN	06 14	CLAIMS LETTER
FIU PN	05 14	PRIVACY NOTICE
CP 00 17	06 07	CONDOMINIUM ASSOCIATION COVERAGE FORM

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FORMS/ENDORSEMENTS APPLICABLE:

FORM NUMBER	EDITION DATE	FORM NAME
CP 10 30	03 24	CAUSES OF LOSS - SPECIAL FORM
CP 00 90	07 88	COMMERCIAL PROPERTY CONDITIONS
IL 00 17	11 98	COMMON POLICY CONDITIONS
CP 01 25	05 24	FLORIDA CHANGES
CP 01 40	07 06	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
CP 01 91	07 10	FLORIDA CHANGES - RESIDENTIAL CONDOMINIUM ASSOCIATIONS
CP 03 21	10 12	WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE
CP 03 22	01 06	FLORIDA - MULTIPLE DEDUCTIBLE FORM (FIXED DOLLAR DEDUCTIBLES)
CP 03 23	06 07	FLORIDA CALENDAR YEAR HURRICANE PERCENTAGE DEDUCTIBLE (RESIDENTIAL RISKS)
CP 04 05	09 17	ORDINANCE OR LAW COVERAGE
CP 10 32	08 08	WATER EXCLUSION ENDORSEMENT
CP 10 35	06 95	WATERCRAFT EXCLUSION
CP 17 99	10 12	CONDOMINIUM ASSOCIATION CHANGES - STANDARD PROPERTY POLICY
FIU 10 26	04 15	EXCLUSION OF COSMETIC DAMAGE TO ROOF SURFACING
FIU 626	06 14	FLORIDA CHANGES - CANCELLATION AND NONRENEWAL
FIU ASB	04 21	ASBESTOS AND SICK BUILDING EXCLUSION ENDORSEMENT
FIU BE 02	02 23	PROPERTY EXTENSION PLUS (BROADENING) ENDORSEMENT - DELUXE
FIU CD	08 22	COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT
FIU DC	08 14	DEDUCTIBLE CLAUSE
FIU FC APR	01 24	FLORIDA CHANGES - APPRAISAL (COMMERCIAL RESIDENTIAL PROPERTY)
FIU MEPE	06 24	MINIMUM EARNED PREMIUM ENDORSEMENT

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FORMS/ENDORSEMENTS APPLICABLE:

FORM NUMBER	EDITION DATE	FORM NAME
FIU PRLS	04 21	PRIOR LOSS OR DAMAGE EXCLUSION
FIU REM	07 24	ADDITIONAL COVERAGE - REASONABLE EMERGENCY MEASURES ENDORSEMENT
IL 00 03	09 08	CALCULATION OF PREMIUM
IL 01 75	03 24	FLORIDA CHANGES - LEGAL ACTION AGAINST US
IL 09 35	07 02	EXCLUSION OF CERTAIN COMPUTER - RELATED LOSSES
IL 09 53	01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
FIUTRIAOPT	12 20	TRIA REJECTION/ELECTION DISCLOSURE

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR WIND RELATED LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.

SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.

AUTHORIZED SIGNATURE: _____ **DATE SIGNED:** 10/05/2025

Surplus Lines Agent's Name: David Allaire **Surplus Lines Agent License:** **A003734**

Frontline Website: www.frontlineinsurance.com

Surplus Lines Disclosure and Acknowledgement

At my direction, Foundation Risk Partners, Corp has placed my coverage in the surplus lines market.
name of insurance agency

As required by Florida Statute 626.916, I have agreed to this placement. I understand that coverage may be available in the admitted market and that persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

I further understand the policy forms, conditions, premiums, and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market. I have been advised to carefully read the entire policy.

ST TROPEZ CONDOMINIUM IV ASSOCIATION INC

Named Insured

By:

Signature of Named Insured Date

Printed Name and Title of Person Signing

Frontline Insurance Unlimited

Name of Excess and Surplus Lines Carrier

COMMERCIAL PROPERTY

Type of Insurance

11/09/2025

Effective Date of Coverage

NOTICE OF CHANGE IN POLICY TERMS

The purpose of this Notice of Change in Policy Terms is to inform you of changes to the terms, coverages, duties, and conditions of your renewal policy. If you choose to accept our renewal offer, you should carefully review the changes described below along with the enclosed policy. Please contact your agent if you have any questions regarding these changes. Receipt by First Protective Insurance Company of premium payment for your renewal policy will be deemed acceptance of the new policy terms by the named insured.

Summary of Changes

The following forms have been added to your policy:

FIU FC APNR – Florida Changes – Appraisal (Commercial Non-Residential Property); applies to all Non-Residential policies.

The following forms have been revised:

IL 01 75 – Legal Action Against Us; applies to all policies.

CP 10 10 – Causes of Loss – Basic Form; applies to policies which have selected the Basic Cause of Loss.

CP 10 20 – Causes of Loss – Broad Form; applies to policies which have selected the Broad Cause of Loss.

CP 10 30 – Causes of Loss – Special Form; applies to policies which have selected the Special Cause of Loss.

A summary of the changes to your policy has been provided below.

FIU FC APNR – Florida Changes – Appraisal (Commercial Non-Residential Property)

FIU FC APNR replaces paragraph **E. Loss Conditions**, section **2. Appraisal** by revising the entirety of the Appraisal Clause to reflect a shift to a one-way appraisal demand from the current system of either party being able to demand appraisal. A summary of conditions relating to the Appraisal process outlined in the form are provided below:

A. Each party must select a competent, disinterested appraiser and notify the other party of the appraiser's identity within 15 days of ***your*** receipt of ***our*** written demand for appraisal.

B. If the appraisers agree on all items:

1. They will jointly submit to each party a written report of agreement signed by them.

2. The written report of agreement must:

a. Be itemized;

b. State separately the ***actual cash value***, replacement cost, and if applicable, the market value of each item submitted by the parties.

C. If the two appraisers fail to agree on the submitted disputes within 20 days, unless the period of time is extended by mutual agreement, they will select a competent, disinterested umpire and will submit their

differences to the umpire.

1. The umpire must be chosen within 5 days.

2. If the appraisers cannot agree on an umpire, then a judge in the county where the property is located will make the selection.

3. If the umpire reaches an agreement with one of the appraisers on all items, they will jointly submit to each party a written report of agreement signed by them.

D. Each party will be responsible for the compensation of their selected appraiser.

E. Reasonable expenses of the appraisal and the reasonable compensation of the umpire will be paid equally by ***you*** and ***us***.

F. Appraisal is available only to determine the amount of the loss of each item in dispute.

G. Appraisal is a non-judicial proceeding and:

1. Does not provide for or require arbitration.

2. Neither party will be awarded attorney fees.

3. The appraisal award may not be entered as a judgement in a court.

H. ***We*** may not demand appraisal after ***we*** bring suit or action against ***you*** relating to the amount of loss.

IL 01 75 – Legal Action Against Us

A. Revised language in form to address Florida Statute 627.70152(3).

CP 10 10 – Causes of Loss – Basic Form

A. Added section **B.1.g.(5)**, which excludes any accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within any other appliance located at the insured location, which results in repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor, that occurs or develops over a period of 14 or more days, whether hidden or not.

B. Added additional condition in section **B.1.g.(5)** stating "In the event this exclusion applies, we will not pay for any damages sustained starting from the first day and instant the repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture, or vapor began."

CP 10 20 – Causes of Loss – Broad Form

A. Revised wording in section **A.14.a.** to be consistent with the newly added language in relation to Water.

B. Replaced section **A.14.a.(3)**, language updated to reflect which systems/appliances are not covered when loss results from repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor.

C. Added additional condition in section **A.14.a.(3)** stating "In the event this exclusion applies, we will not pay for any damages sustained starting from the first day and instant the repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture, or vapor began."

D. Added section **B.1.g.(5)**, which excludes any accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within any other appliance located at the insured location, which results in repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor, that occurs or develops over a period of 14 or more days, whether hidden or not.

E. Added additional condition in section **B.1.g.(5)** stating "In the event this exclusion applies, we will not pay for any damages sustained starting from the first day and instant the repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture, or vapor began."

CP 10 30 – Causes of Loss – Special Form

A. Added section **B.1.g.(5)**, which excludes any accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within any other appliance located at the insured location, which results in repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor, that occurs or develops over a period of 14 or more days, whether hidden or not.

B. Added additional condition in section **B.1.g.(5)** stating "In the event this exclusion applies, we will not pay for any damages sustained starting from the first day and instant the repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture, or vapor began."

C. Revised Water definition in section **G.2.c.** to be consistent with the newly added language in relation to Water.

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The purpose of this Notice of Change in Policy Terms is to inform you of changes to the terms, coverages, duties, and conditions of your renewal policy. If you choose to accept our renewal offer, you should carefully review the changes described below along with the enclosed policy. Please contact your agent if you have any questions regarding these changes. Receipt by Frontline Insurance Company of premium payment for your renewal policy will be deemed acceptance of the new policy terms by the named insured.

Summary of Changes

Forms **CP 01 25** – Florida Changes, which applies to multi-peril policies, and **FIUW FLCH** – Florida Changes, which applies to wind only policies, have been amended. A summary of the changes to your policy has been provided below.

CP 01 25 – Florida Changes

A. In paragraph **D.(3)**, the number of days within which we must pay for covered loss or damage in regard to receiving notice of an initial, "reopened" or "supplemental claim" was changed from 90 to 60, per Florida Statue 627.70131(7)(a).

B. Added paragraph **E.**, which adds the following to the Loss Payment condition:

1. If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property, subject to **b.** below.

C. Paragraph **I.**, which replaces the Loss Condition Duties In The Event Of Loss Or Damage was amended as follows:

1. Duties In The Event Of Loss Or Damage

In case of a loss to covered property, we have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an insured seeking coverage, or a representative of either

a. You must see that the following are done in the event of loss or damage to Covered Property.

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim.

This will not increase the Limit of Insurance.

However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss.

Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) There is no coverage for repairs that begin before the earlier of:

(a) 72 hours after we are notified of the loss;

(b) The time of loss inspection by us; or

(c) The time of other approval by us;

(6) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

Attach all bills, receipts and related documents that justify the figures in the inventory.

(7) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your “books and records”.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your “books and records”.

(8) Send us a signed, sworn proof of loss containing the information we request to investigate the claim.

You must do this within 60 days after our request. We will supply you with the necessary forms.

(9) Cooperate with us in the investigation or settlement of the claim.

b. We may examine you or any insured under oath, and take recorded statements; while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's “books and records”.

In the event of an examination, an insured's answers must be signed.

c. If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:

(1) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and

(2) Sign the same;

d. Your agents, your representatives, including any public adjusters engaged on your behalf, and anyone insured under this policy other than **b.** or **c.** above; must:

(1) Submit to examinations under oath and recorded statements, while not in the presence of any insured; and

(2) Sign the same.

e. Any claim or “reopened claim”, as those terms are defined in Florida Statute 627.70132 is barred unless notice of the claim was given to us in accordance with the terms of the policy within 1 year after the date of loss or in the time period specified in Florida Statute 627.70132, whichever is less.

A “supplemental claim” is barred unless notice of the “supplemental claim” was given to us in accordance with the terms of the policy within 18 months after the date of loss or in the time period specified in Florida Statute 627.70132, whichever is less.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain, or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain, or other weather-related event is verified by the National Oceanic and Atmospheric Administration (NOAA).

f. Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

g. Produce any updates to the documents and information described above, including revised descriptions of loss, scope of loss, estimates, or other supporting information:

(1) As this information becomes available, and if additional loss or damage is discovered or incurred; and

(2) If you are provided with new estimates or invoices regarding the losses submitted or not submitted in the proof of loss.

The duties above apply regardless of whether you, an "insured" seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

D. Added “Reopened Claim” as a defined term in the Definitions paragraph.

1. “Reopened Claim” means a claim that an insurer has previously closed, but that has been reopened upon an insured’s request for additional costs for loss or damage previously disclosed to the insurer.

E. Added “Supplemental Claim” as a defined term in the Definitions paragraph.

1. “Supplemental Claim” means a claim for additional loss or damage from the same peril which the insurer has previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to the insurer.

F. Added “Books and Records” as a defined term in the Definitions paragraph.

1. “Books and records” mean the official records the condominium association is required to maintain pursuant to Florida Statute 718.111(12).

FIUW FLCH – Florida Changes

A. In paragraph **D.(3)**, the number of days within which we must pay for covered loss or damage in regard to receiving notice of an initial, “reopened” or “supplemental claim” was changed from 90 to 60, per Florida Statue 627.70131(7)(a).

B. Added paragraph **E.**, which adds the following to the Loss Payment condition:

1. If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property, subject to **b.** below.

C. Added paragraph **F.**, which reads as follows:

1. The following applies to the **Additional Coverage – Civil Authority** under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:

a. The Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.

b. The Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.

c. Civil Authority coverage is subject to all other provisions of that Additional Coverage.

D. Paragraph **G.**, which replaces the Loss Condition Duties In The Event Of Loss Or Damage was amended as follows:

1. Duties In The Event Of Loss Or Damage

In case of a loss to covered property, we have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an insured seeking coverage, or a representative of either

a. You must see that the following are done in the event of loss or damage to Covered Property.

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim.

This will not increase the Limit of Insurance.

However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss.

Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) There is no coverage for repairs that begin before the earlier of:

(a) 72 hours after we are notified of the loss;

(b) The time of loss inspection by us; or

(c) The time of other approval by us;

(6) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

Attach all bills, receipts and related documents that justify the figures in the inventory.

(7) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your “books and records”.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your “books and records”.

(8) Send us a signed, sworn proof of loss containing the information we request to investigate the claim.

You must do this within 60 days after our request. We will supply you with the necessary forms.

(9) Cooperate with us in the investigation or settlement of the claim.

b. We may examine you or any insured under oath, and take recorded statements; while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's "books and records".

In the event of an examination, an insured's answers must be signed.

c. If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:

(1) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and

(2) Sign the same;

d. Your agents, your representatives, including any public adjusters engaged on your behalf, and anyone insured under this policy other than **b.** or **c.** above; must:

(1) Submit to examinations under oath and recorded statements, while not in the presence of any insured; and

(2) Sign the same.

e. Any claim or "reopened claim", as those terms are defined in Florida Statute 627.70132 is barred unless notice of the claim was given to us in accordance with the terms of the policy within 1 year after the date of loss or in the time period specified in Florida Statute 627.70132, whichever is less.

A "supplemental claim" is barred unless notice of the "supplemental claim" was given to us in accordance with the terms of the policy within 18 months after the date of loss or in the time period specified in Florida Statute 627.70132, whichever is less.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain, or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain, or other weather-related event is verified by the National Oceanic and Atmospheric Administration (NOAA).

f. Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

g. Produce any updates to the documents and information described above, including revised descriptions of loss, scope of loss, estimates, or other supporting information:

(1) As this information becomes available, and if additional loss or damage is discovered or incurred; and

(2) If you are provided with new estimates or invoices regarding the losses submitted or not submitted in the proof of loss.

The duties above apply regardless of whether you, an "insured" seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

E. Added paragraph **H.**, which defines the following terms:

1. "Reopened Claim"

a. "Reopened Claim" means a claim that an insurer has previously closed, but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to the insurer.

2. "Supplemental Claim".

a. "Supplemental Claim" means a claim for additional loss or damage from the same peril which the insurer has previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to the insurer.

3. "Books and Records"

a. "Books and records" mean the official records the condominium association is required to maintain pursuant to Florida Statute 718.111(12).

NOTICE OF CHANGE IN POLICY TERMS

The purpose of this Notice of Change in Policy Terms is to inform you of changes to the terms, coverages, duties, and conditions of your renewal policy. If you choose to accept our renewal offer, you should carefully review the changes described below along with the enclosed policy. Please contact your agent if you have any questions regarding these changes. Receipt by Frontline Insurance Company of premium payment for your renewal policy will be deemed acceptance of the new policy terms by the named insured.

Summary of Changes

Forms **FIU REM** – Additional Coverage – Reasonable Emergency Measures Endorsement, which applies to all policies, **FIU WDRMP** – Additional Coverage Endorsement – Wind Driven Rain, which applies to multi-peril policies, and **FIU WH** – Wind Driven Rain Endorsement, which applies to wind only policies, have been amended. A summary of the changes to your policy has been provided below.

FIU REM – Additional Coverage – Reasonable Emergency Measures Endorsement

A. Requires the insured to submit a written request to exceed the $10,000 limit for Reasonable Emergency Measures.

1. The insured's written request must include supporting documents and be sent by electronic mail to **commercialEMS@frontlineinsurance.com**.

a. Supporting Documents include:

(1) The date the request is submitted to us;

(2) The identity of all Named Insureds;

(3) The date of loss;

(4) The address where loss occurred;

(5) Description of loss and location of damages;

(6) All photographs, videos, moisture readings, and work logs that demonstrate the damage and work performed up to the time of the request;

(7) Itemized estimate of proposed Reasonable Emergency Measures;

(8) Estimated timeframe of completion;

(9) All other information or documentation reasonably requested.

B. If the insured requests to exceed the $10,000 limit for Reasonable Emergency Measures, the company must provide advance written approval.

C. If required, permit the company to inspect the location for any reasonable emergency measures in excess of the $10,000 limit.

FIU WDRMP – Additional Coverage Endorsement – Wind Driven Rain

A. Revised the definition of Wind Driven Rain to better portray the coverage provided.

B. Included changes specific to Causes of Loss – Basic Form **(CP 10 10)**

1. Paragraphs **A.4.b.** and **A.4.c.** are deleted in their entirety.

C. Added changes specific to Causes of Loss – Broad Form **(CP 10 20)**

1. Paragraphs **A.4.b.** and **A.4.c.** are deleted in their entirety.

D. Added changes specific to Causes of Loss – Special Form **(CP 10 30)**

1. Paragraph **C.1.c.** is deleted in its entirety.

FIU WH – Wind Driven Rain Endorsement

A. Revised the definition of Wind Driven Rain to better portray the coverage provided.

B. Added changes specific to Commercial Property – Windstorm or Hail Policy **(FIU WH 01)**

1. Paragraphs **A.3.a.(2)** and **A.3.a.(3)** are deleted in their entirety.

C. Added changes specific to Causes of Loss – Windstorm or Hail **(FIU W)**

1. Paragraphs **A.2** and **A.4** are deleted in their entirety.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – http//www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

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Dear Frontline Insurance Unlimited Policyholder:

We would like to take this opportunity to thank you for the confidence you have placed in Frontline Insurance Unlimited. We appreciate this opportunity to be of service to you.

Providing superior claims service is our business. Should a loss occur, please contact our claims office toll free at:

1-800-675-0145

It is imperative that all claims are reported, without delay, directly to our claims office. At that time, our service representatives will instruct you on proper procedures to follow and help you mitigate your loss and begin the claims handling process. Again, we sincerely appreciate the opportunity to serve you. Should you have any questions regarding this letter please contact us at 1-800-675-0145.

Frontline Insurance Unlimited Company

PRIVACY NOTICE

As your insurer, our objective is to professionally serve your insurance needs. We recognize that in providing these services, we have an obligation to safeguard the personal information you entrust to us as well as other information we may collect as part of the insurance transaction.

This notice describes the privacy practices and standards we adopted to protect and ensure the confidentiality of your non-public personal information. The insurance company listed above adheres to these practices and standards.

OUR POLICY

We do not disclose any non-public personal information about our policyholders or claimants to any third parties except as permitted by law. Any such disclosures are made for the purpose of underwriting and transacting the business of your insurance coverage or your claim. We do not sell or provide your non-public personal information to others for their marketing purposes.

THE INFORMATION WE COLLECT

We do not disclose any non-public information about you or about participants or claimants under your insurance policy to anyone, except as permitted by law, nor do we sell customer or policyholder information to mailing list companies or mass marketing companies. We may share information about you or about participants or claimants under your insurance policy in the normal business of conducting insurance operations, such as with your agent or broker; appraisers and independent adjusters who investigate, defend or settle your claims; insurance regulators; and your mortgage lender or lienholder.

THE INFORMATION WE DISCLOSE

We do not disclose any non-public information about you or about participants or claimants under your insurance policy to anyone, except as permitted by law, nor do we sell customer or policyholder information to mailing list companies or mass marketing companies. We may share information about you or about participants or claimants under your insurance policy in the normal business of conducting insurance operations, such as with your agent or broker; appraisers and independent adjusters who investigate, defend or settle your claims; insurance regulators; and your mortgage lender or lienholder.

HOW WE PROTECT YOUR PERSONAL INFORMATION

We restrict access to non-public personal information about you or about participants and claimants under your insurance policy to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with state and federal regulations to guard your non-public personal information. Our computer systems are also protected by additional measures intended to prevent unauthorized access.

CHANGES in PRIVACY POLICY

Frontline Insurance Unlimited may choose to modify this policy at any time. We will notify customers of any modifications at least annually.

CONDOMINIUM ASSOCIATION COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H.,** Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.,** and limited in **A.2.,** Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

(1) Completed additions;

(2) Fixtures, outside of individual units, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire-extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

(1) Personal property owned by you or owned indivisibly by all unit-owners;

(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

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c. Personal Property Of Others that is:

(1) In your care, custody or control; and

(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;

b. Animals, unless owned by others and boarded by you;

c. Automobiles held for sale;

d. Bridges, roadways, walks, patios or other paved surfaces;

e. Contraband, or property in the course of illegal transportation or trade;

f. The cost of excavations, grading, backfilling or filling;

g. Foundations of buildings, structures, machinery or boilers if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground if there is no basement;

h. Land (including land on which the property is located), water, growing crops or lawns;

i. Personal property while airborne or waterborne;

j. Bulkheads, pilings, piers, wharves or docks;

k. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;

l. Retaining walls that are not part of a building;

m. Underground pipes, flues or drains;

n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data;

o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

p. Vehicles or self-propelled machines (including aircraft or watercraft) that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

(a) Vehicles or self-propelled machines or autos you manufacture or warehouse;

(b) Vehicles or self-propelled machines, other than autos, you hold for sale;

(c) Rowboats or canoes out of water at the described premises; or

(d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

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q. The following property while outside of buildings:

(1) Grain, hay, straw or other crops; or

(2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs, or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs **(3)** and **(4),** we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph **(4),** the following provisions apply:

(a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to **(a)** above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional $10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus $10,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	$ 90,000
Amount of Deductible:	$ 500
Amount of Loss:	$ 50,000
Amount of Loss Payable:	$ 49,500
	($50,000 – $500)
Debris Removal Expense:	$ 10,000
Debris Removal Expense Payable:	$ 10,000

($10,000 is 20% of $50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense ($49,500 + $10,000 = $59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3).**

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EXAMPLE #2

Limit of Insurance:		$ 90,000
Amount of Deductible:		$ 500
Amount of Loss:		$ 80,000
Amount of Loss Payable:		$ 79,500
		($80,000 – $500)
Debris Removal Expense:		$ 30,000
Debris Removal Expense Payable		
	Basic Amount:	$ 10,500
	Additional Amount:	$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: $80,000 ($79,500 + $500) x .25 = $20,000; capped at $10,500. The cap applies because the sum of the loss payable ($79,500) and the basic amount payable for debris removal expense ($10,500) cannot exceed the Limit of Insurance ($90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4),** because the debris removal expense ($30,000) exceeds 25% of the loss payable plus the deductible ($30,000 is 37.5% of $80,000), and because the sum of the loss payable and debris removal expense ($79,500 + $30,000 = $109,500) would exceed the Limit of Insurance ($90,000). The additional amount of covered debris removal expense is $10,000, the maximum payable under Paragraph **(4).** Thus the total payable for debris removal expense in this example is $20,500; $9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary for you to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is $10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

(1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.

(3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

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(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is $10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: $10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

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(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

(a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.

(c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage, Electronic Data, is $2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

You may extend the insurance that applies to Building to apply to:

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is $250,000 at each building.

(2) Your Business Personal Property

(a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

(i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;

(ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

(iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is $100,000 at each building.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

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(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.

(2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is $2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

(4) Under this Extension, the most we will pay to replace or restore the lost information is $2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

(a) Temporarily at a location you do not own, lease or operate;

(b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or

(c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

(a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is $10,000.

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e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

The most we will pay for loss or damage under this Extension is $1,000, but not more than $250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

(a) The trailer is used in your business;

(b) The trailer is in your care, custody or control at the premises described in the Declarations; and

(c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is $5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is $2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;

2. Pollutant Clean-up And Removal;

3. Increased Cost Of Construction; and

4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

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EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	$ 250
Limit of Insurance – Building #1:	$ 60,000
Limit of Insurance – Building #2:	$ 80,000
Loss to Building #1:	$ 60,100
Loss to Building #2:	$ 90,000

The amount of loss to Building #1 ($60,100) is less than the sum ($60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

$ 60,100
– 250
$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of $80,000.

Total amount of loss payable:

$59,850 + $80,000 = $139,850

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

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(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

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5. **Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. **Unit-owner's Insurance**

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

7. **Vacancy**

a. **Description Of Terms**

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. **Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

8. **Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in **b.** and **c.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is $2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

c. Glass at the cost of replacement with safety-glazing material if required by law.

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9. Waiver Of Rights Of Recovery

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step **(1);**

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **(2);** and

(4) Subtract the deductible from the figure determined in Step **(3).**

We will pay the amount determined in Step **(4)** or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	$ 100,000
	The Deductible is:	$ 250
	The amount of loss is:	$ 40,000

Step **(1):** $250,000 x 80% = $200,000
(the minimum amount of insurance to meet your Coinsurance requirements)

Step **(2):** $100,000 ÷ $200,000 = .50

Step **(3):** $40,000 x .50 = $20,000

Step **(4):** $20,000 – $250 = $19,750

We will pay no more than $19,750. The remaining $20,250 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When:	The value of the property is:	$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	$ 200,000
	The Deductible is:	$ 250
	The amount of loss is:	$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is $200,000 ($250,000 x 80%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than $39,750 ($40,000 amount of loss minus the deductible of $250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When:	The value of the property is:	
	Building at Location #1:	$ 75,000
	Building at Location #2:	$ 100,000
	Personal Property at Location #2:	$ 75,000
		$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	$ 180,000
	The Deductible is:	$ 1,000
	The amount of loss is:	
	Building at Location #2:	$ 30,000
	Personal Property at Location #2:	$ 20,000
		$ 50,000

Step **(1):** $250,000 x 90% = $225,000
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step **(2):** $180,000 ÷ $225,000 = .80

Step **(3):** $50,000 x .80 = $40,000

Step **(4):** $40,000 – $1,000 = $39,000

We will pay no more than $39,000. The remaining $11,000 is not covered.

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2. Mortgageholders

a. The term mortgageholder includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mort gage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.

c. The terms of this Optional Coverage apply only to loss or damage that occurs:

(1) On or after the effective date of this Optional Coverage; and

(2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

(1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times

(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

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EXAMPLE

If:	The applicable Limit of Insurance is:	$ 100,000
	The annual percentage increase is:	8%
	The number of days since the beginning of the policy year (or last policy change) is:	146
	The amount of increase is: $100,000 x .08 x 146 ÷ 365 =	$ 3,200

3. Replacement Cost

a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.

b. This Optional Coverage does not apply to:

(1) Personal property of others;

(2) Contents of a residence; or

(3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under Paragraph **A.1.a.(6)** of this Coverage Form, are not considered to be the personal property of others.

c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

d. We will not pay on a replacement cost basis for any loss or damage:

(1) Until the lost or damaged property is actually repaired or replaced; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1), (2)** or **(3),** subject to **f.** below:

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost to replace the lost or damaged property with other property:

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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CAUSES OF LOSS – SPECIAL FORM

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or

2. Limited in Section **C.** Limitations;

that follow.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of any ordinance or law:

(1) Regulating the construction, use or repair of any property; or

(2) Requiring the tearing down of any property including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

(a) An ordinance or law that is enforced even if the property has not been damaged; or

(b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

(1) Earthquake, including any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

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All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

(1) Originates away from the described premises; or

(2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water that backs up or overflows from a sewer, drain or sump; or

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(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

(5) Any accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from any other system or appliance, that is located on the described premises, which results in repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor, that occurs or develops over a period of 14 or more days, whether hidden or not.
In the event this exclusion applies, we will not pay for any damages sustained starting from the first day and instant the repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture, or vapor began.

But if Water, as described in **g.(1)** through **g.(5)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot, And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungus", wet or dry rot or bacteria results from fire or lightning; or

(2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

(a) Electrical current, including arcing;

(b) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(c) Pulse of electromagnetic energy; or

(d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

b. Delay, loss of use or loss of market.

c. Smoke, vapor or gas from agricultural smudging or industrial operations.

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d. Any of the following:

(1) Wear and tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

(4) Settling, cracking, shrinking, or expansion;

(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

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j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.**, does not apply:

(a) To the extent that coverage is provided under the Additional Coverage – Collapse; or

(b) To collapse caused by one or more of the following:

(i) The "specified causes of loss";

(ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.,** does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all or any property on or off the described premises.

4. Special Exclusions

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The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

(1) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of cost caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leaseholder Interest Coverage Form

(1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this form:

(a) Paragraph **B.1.a.**, Ordinance Or Law;
(b) Paragraph **B.1.c.**, Governmental Action;
(c) Paragraph **B.1.d.**, Nuclear Hazard;
(d) Paragraph **B.1.e.**, Utility Services; and
(e) Paragraph **B.1.f.**, War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

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We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property.

LOSS OR DAMAGE TO PRODUCTS

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

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(1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(2) Business Income Coverage or Extra Expense Coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

a. Animals, and then only if they are killed or their destruction is made necessary.

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

a. $2,500 for furs, fur garments and garments trimmed with fur.

b. $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth $100 or less per item.

c. $2,500 for patterns, dies, molds and forms.

d. $250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.,** does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

a. Results in discharge of any substance from an automatic fire protection system; or

b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

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D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

(1) A cause of loss listed in 2.a. or 2.b.;

(2) One or more of the "specified causes of loss";

(3) Breakage of building glass;

(4) Weight of people or personal property; or

(5) Weight of rain that collects on a roof;

3. This **Additional Coverage – Collapse** does **not** apply to:

a. A building or any part of a building that is in danger of falling down or caving in;

b. A part of a building that is standing, even if it has separated from another part of the building; or

c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

b. Awnings, gutters and downspouts;

c. Yard fixtures;

d. Outdoor swimming pools;

e. Fences;

f. Piers, wharves and docks;

g. Beach or diving platforms or appurtenances;

h. Retaining walls; and

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i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in **2.b.** through **2.d.** we will pay for loss or damage to that property only if:

(1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.** above;

b. The personal property which collapses is inside a building; and

c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.

8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

a. A "specified cause of loss" other than fire or lightning; or

b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;

b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and

c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under E.2. of this Limited Coverage is limited to $15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we

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will not pay more than a total of $15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.

6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is $5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

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If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.,** does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss or damage to:

(1) Personal property in the open; or

(2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means any accidental discharge, leakage or overflow of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

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COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;

2. The Covered Property;

3. Your interest in the Covered Property; or

4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and

2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:

a. During the policy period shown in the Declarations; and

b. Within the coverage territory.

2. The coverage territory is:

a. The United States of America (including its territories and possessions);

b. Puerto Rico; and

c. Canada.

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I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.

2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

a. Someone insured by this insurance;

b. A business firm:

(1) Owned or controlled by you; or

(2) That owns or controls you; or

c. Your tenant.

This will not restrict your insurance.

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COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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FLORIDA CHANGES

This endorsement modifies insurance provided under the following:
COMMERCIAL PROPERTY COVERAGE PART

A. When this endorsement is attached to Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following provision applies when a Coinsurance percentage is shown in the Declarations:

Florida law states as follows:

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

C. The following is added:

If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;

2. Dade County;

3. Martin County;

4. Monroe County;

5. Palm Beach County; and

6. All the areas east of the west bank of the Intracoastal Waterway in the counties of:

a. Indian River; and

b. St. Lucie.

Windstorm Exterior Paint And Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

1. Paint; or

2. Waterproofing material;

applied to the exterior of buildings unless the building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

a. The amount of the Windstorm or Hail Deductible; or

b. The value of Covered Property when applying the Coinsurance Condition.

D. The **Loss Payment** Condition dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:

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Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

(1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;

(2) Within 30 days after we receive the sworn proof of loss and:

(a) is an entry of a final judgment; or

(b) There is a filing of an appraisal award with us; or

(3) Within 60 days of receiving notice of an initial, “reopened” or “supplemental claim”, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 60-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph **(3)** applies only to the following:

(a) A claim under a policy covering residential property;

(b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or

(c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

E. The Loss Condition **Loss Payment**, paragraph **4.a.(5)** is added:

(5) If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property, subject to **b.** below.

F. Sinkhole Collapse Coverage Removed

Sinkhole Collapse coverage is removed, as indicated in Paragraphs **E.1.** through **E.4.**; and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph **F**.

1. In the Causes Of Loss – Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.

2. In the Causes Of Loss – Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage – Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.

3. In the Causes Of Loss – Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.

4. In the Mortgageholders Errors And Omissions Coverage Form, Sinkhole Collapse is deleted from the Covered Causes of Loss under Coverage B and from the "specified causes of loss", and is no longer an exception to the Earth Movement Exclusion.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

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G. The following is added to this Coverage Part as a Covered Cause of Loss. In the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

Catastrophic Ground Cover Collapse

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;

2. A depression in the ground cover clearly visible to the naked eye;

3. "Structural damage" to the building, including the foundation; and

4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The **Earth Movement** Exclusion and the **Collapse** Exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

H. The following applies to the **Additional Coverage – Civil Authority** under the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form and Extra Expense Coverage Form:

1. The Additional Coverage – Civil Authority includes a requirement that the described premises are not more than one mile from the damaged property. With respect to described premises located in Florida, such one-mile radius does not apply.

2. The Additional Coverage – Civil Authority is limited to a coverage period of up to four weeks. With respect to described premises located in Florida, such four-week period is replaced by a three-week period.

3. Civil Authority coverage is subject to all other provisions of that Additional Coverage.

I. Loss Condition **Duties In The Event Of Loss Or Damage** is deleted and replaced by the following:

3. Duties In The Event Of Loss Or Damage

In case of a loss to covered property, we have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an insured seeking coverage, or a representative of either

a. You must see that the following are done in the event of loss or damage to Covered Property.

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

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(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim.

This will not increase the Limit of Insurance.

However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss.

Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) There is no coverage for repairs that begin before the earlier of:

(a) 72 hours after we are notified of the loss;

(b) The time of loss inspection by us; or

(c) The time of other approval by us;

(6) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

Attach all bills, receipts and related documents that justify the figures in the inventory.

(7) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your “books and records”.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your “books and records”.

(8) Send us a signed, sworn proof of loss containing the information we request to investigate the claim.

You must do this within 60 days after our request. We will supply you with the necessary forms.

(9) Cooperate with us in the investigation or settlement of the claim.

b. We may examine you or any insured under oath, and take recorded statements; while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's “books and records”.

In the event of an examination, an insured's answers must be signed.

c. If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:

(1) Submit to examinations under oath and recorded statements, while not in the presence of any other insured; and

(2) Sign the same;

d. Your agents, your representatives, including any public adjusters engaged on your behalf, and anyone insured under this policy other than **b.** or **c.** above; must:

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(1) Submit to examinations under oath and recorded statements, while not in the presence of any insured; and

(2) Sign the same.

e. Any claim or "reopened claim", as those terms are defined in Florida Statute 627.70132 is barred unless notice of the claim was given to us in accordance with the terms of the policy within 1 year after the date of loss or in the time period specified in Florida Statute 627.70132, whichever is less.

A "supplemental claim" is barred unless notice of the "supplemental claim" was given to us in accordance with the terms of the policy within 18 months after the date of loss or in the time period specified in Florida Statute 627.70132, whichever is less.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain, or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain, or other weather-related event is verified by the National Oceanic and Atmospheric Administration (NOAA).

f. Any inspection or survey by us, or on our behalf, of property that is the subject of a claim, will be conducted with at least 48 hours' notice to you. The 48-hour notice may be waived by you.

g. Produce any updates to the documents and information described above, including revised descriptions of loss, scope of loss, estimates, or other supporting information:

(1) As this information becomes available, and if additional loss or damage is discovered or incurred; and

(2) If you are provided with new estimates or invoices regarding the losses submitted or not submitted in the proof of loss.

The duties above apply regardless of whether you, an "insured" seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

J. The following definition of structural damage is added with respect to the coverage provided under this endorsement:

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following.

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;

2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;

3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;

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4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or

5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

K. The following definitions are added to the Commercial Property Coverage Part:

1. "Reopened Claim" means a claim that an insurer has previously closed, but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to the insurer.

2. "Supplemental Claim" means a claim for additional loss or damage from the same peril which the insurer has previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to the insurer.

3. "Books and records" mean the official records the condominium association is required to maintain pursuant to Florida Statute 718.111(12).

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EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.

B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

C. With respect to any loss or damage subject to the exclusion in Paragraph **B.,** such exclusion supersedes any exclusion relating to "pollutants".

D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:

1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and

2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.

E. The terms of the exclusion in Paragraph **B.,** or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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FLORIDA CHANGES – RESIDENTIAL CONDOMINIUM ASSOCIATIONS

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM

SCHEDULE

Condominium Additional Building Property		
Premises Number	**Building Number**	**Additional Covered Property**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Building section is replaced by the following:

1. Building, meaning the building or structure described in the Declarations, including:

a. Additions, alterations and repairs;

b. Fixtures, outside of individual units, including outdoor fixtures;

c. Permanently installed:

(1) Machinery; and

(2) Equipment;

d. Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(1) Fire extinguishing equipment;

(2) Outdoor furniture;

(3) Floor coverings; and

(4) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;

e. If not covered by other insurance, materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure;

f. Air conditioning and heating equipment, including air conditioning compressors, used to service any part of the building or structure, including individual units and the limited common elements;

g. Any other portion of the condominium property located outside of individual units, including improvements, additions and alterations;

h. Fixtures, improvements, additions and alterations that are a part of the building or structure and contained within the boundaries of an individual unit, regardless of ownership, if your Condominium Association Agreement requires you to insure such property; and

i. Additional property as described in the Schedule or in the Declarations.

2. But Building does not include:

a. Any personal property within individual units or limited common elements except as provided in Paragraph **A.1.f.** of this endorsement;

b. Floor coverings, wall coverings and ceiling coverings located within the boundaries of an individual unit and which serve only such unit;

c. Electrical fixtures, water heaters, water filters, window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, and built-in cabinets and countertops which are located within the boundaries of an individual unit and serve only such unit;

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d. Appliances, such as those used for refrigerating, ventilating, cooking, dish-washing, laundering, security or housekeeping, which are located within the boundaries of an individual unit and serve only such unit.

B. With respect to the coverage provided under this Coverage Form, such coverage will be provided for all portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.

C. With respect to Replacement Cost coverage as provided under this Coverage Form, the property described in Paragraph **A.1.f.** of this endorsement is not considered to be the personal property of others.

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WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Windstorm Or Hail Deductible Percentage – Enter 1%, 2% Or 5%
		%
		%
		%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) Of Insurance are shown in the Declarations.

WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS

A. Calculation Of The Deductible – All Policies

1. A Deductible is calculated separately for, and applies separately to:

a. Each building that sustains loss or damage;

b. The personal property at each building at which there is loss or damage to personal property; and

c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.

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3. When property is covered under the Coverage Extension for Newly Acquired Or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Schedule for any described premises.

B. Calculation Of The Deductible – Specific Insurance Other than Builders' Risk

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.

b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

C. Calculation Of The Deductible – Blanket Insurance Other Than Builders' Risk

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

D. Calculation Of The Deductible – Builders' Risk Insurance

1. Builders' Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

2. Builders' Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.

b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

Examples – Application Of Deductible

Example 1 – Specific Insurance (B.1.)

The amount of loss to the damaged building is $60,000.

The value of the damaged building at time of loss is $100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is $80,000 (80% of $100,000).

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The actual Limit of Insurance on the damaged building is $70,000.

The Deductible is 1%.

Step **(1):** $70,000 ÷ $80,000 = .875

Step **(2):** $60,000 x .875 = $52,500

Step **(3):** $70,000 x 1% = $700

Step **(4):** $52,500 – $700 = $51,800

The most we will pay is $51,800. The remainder of the loss, $8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps **(1)** and **(2)**) and the application of the Deductible (Steps **(3)** and **(4)**).

Example 2 – Specific Insurance (B.1.)

The amounts of loss to the damaged property are $60,000 (Building) and $40,000 (Personal Property in building).

The value of the damaged building at time of loss is $100,000. The value of the personal property in that building is $80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the Coinsurance requirement are $80,000 (80% of $100,000) for the building and $64,000 (80% of $80,000) for the personal property.

The actual Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the personal property (therefore, no Coinsurance penalty).

The Deductible is 2%.

Building

Step **(1):** $80,000 x 2% = $1,600

Step **(2):** $60,000 – $1,600 = $58,400

Personal Property

Step **(1):** $64,000 x 2% = $1,280

Step **(2):** $40,000 – $1,280 = $38,720

The most we will pay is $97,120. The portion of the total loss not covered due to application of the Deductible is $2,880.

Example 3 – Blanket Insurance (C.1.)

The sum of the values of Building 1 ($500,000), Building 2 ($500,000) and Building 3 ($1,000,000), as shown in the most recent Statement of Values on file with us, is $2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is $1,800,000 (90% of $2,000,000).

The actual Blanket Limit Of Insurance covering Buildings 1, 2, and 3, shown in the Declarations, is $1,800,000 (therefore, no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are $40,000 (Building 1) and $20,000 (Building 2).

The Deductible is 2%.

Building 1

Step **(1):** $500,000 x 2% = $10,000

Step **(2):** $40,000 – $10,000 = $30,000

Building 2

Step **(1):** $500,000 x 2% = $10,000

Step **(2):** $20,000 – $10,000 = $10,000

The most we will pay is $40,000. The portion of the total loss not covered due to application of the Deductible is $20,000.

Example 4 – Blanket Insurance (C.1.)

The sum of the values of Building 1 ($500,000), Building 2 ($500,000), Personal Property at Building 1 ($250,000) and Personal Property at Building 2 ($250,000), as shown in the most recent Statement of Values on file with us, is $1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is $1,350,000 (90% of $1,500,000).

The actual Blanket Limit Of Insurance covering Buildings 1 and 2 and Personal Property at Buildings 1 and 2, shown in the Declarations, is $1,350,000. Therefore, there is no Coinsurance penalty.

Building 1 and Personal Property at Building 1 have sustained damage; the amounts of loss are $95,000 (Building) and $5,000 (Personal Property).

The Deductible is 5%.

Building

Step **(1):** $500,000 x 5% = $25,000

Step **(2):** $95,000 – $25,000 = $70,000

Personal Property

Step **(1):** $250,000 x 5% = $12,500

The loss, $5,000, does not exceed the Deductible.

The most we will pay is $70,000. The remainder of the building loss, $25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

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FLORIDA – MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes Of Loss *
		$	
		$	
		$	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

* For each Deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) Of Loss to which that Deductible applies (or enter the description):

(1) All Covered Causes Of Loss
(2) All Covered Causes Of Loss **except** Windstorm Or Hail
(3) All Covered Causes Of Loss **except** Theft
(4) All Covered Causes Of Loss **except** Windstorm Or Hail and Theft
(5) Windstorm Or Hail
(6) Theft

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The following is added to the **Deductible** Section:

A. If this policy provides a Hurricane Percentage Deductible, then any deductible stated in this endorsement, for Windstorm Or Hail or for a Covered Cause Of Loss other than Windstorm Or Hail, does not apply to loss or damage caused by hurricane, with respect to the property to which the Hurricane Percentage Deductible applies. However, if the Hurricane Percentage Deductible applies on a calendar-year basis and contains a provision enabling application of a Fire Deductible (under circumstances where the Hurricane Percentage Deductible is exhausted or reduced), then a Deductible under this endorsement that applies to Fire (if any) will apply under such circumstances to hurricane loss or damage in accordance with the terms of the Calendar Year Hurricane Percentage Deductible endorsement or clause.

B. When an Earthquake Deductible or a Windstorm Or Hail Percentage Deductible is provided elsewhere in this policy, the terms of this endorsement do not apply to any loss or damage to which such Deductible applies.

C. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause Of Loss, shown in the Schedule above or in the Declarations, will apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CALENDAR YEAR HURRICANE PERCENTAGE DEDUCTIBLE (RESIDENTIAL RISKS)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Hurricane Deductible Percentage – Enter 1%, 2%, 3%, 5% Or 10%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The Hurricane Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Hurricane.

Under the terms of this endorsement, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The Hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

If a windstorm is not declared to be a hurricane and there is loss or damage by windstorm to Covered Property, the applicable deductible is the same deductible that applies to Fire.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

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HURRICANE DEDUCTIBLE CALCULATIONS

A. Calculation of the Deductible – All Policies

1. A Hurricane Deductible is calculated separately for, and applies separately to:

a. Each building that sustains loss or damage;

b. The personal property at each building at which there is loss or damage to personal property;

c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

The Hurricane Deductible(s), as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Hurricane Deductible(s) will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Hurricane Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.

2. Subject to Paragraphs **A.3., A.4.** and **A.5.** below, we will not pay for loss or damage until the amount of loss or damage exceeds the applicable Hurricane Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; any provision in a Value Reporting Form relating to full reporting or failure to submit reports.

3. When a hurricane results in loss or damage that exhausts the Hurricane Deductible, then that Deductible will not apply to loss or damage from a subsequent hurricane(s) in the same calendar year. In such case, the Deductible that applies to Fire will apply to loss or damage from each subsequent hurricane in that calendar year.

4. When a hurricane(s) results in loss or damage that does not exhaust the Hurricane Deductible, then the Deductible applicable to a subsequent hurricane(s) in the same calendar year will be the Deductible that applies to Fire or the remaining amount of the Hurricane Deductible, whichever is greater. In this situation, the remaining amount of the Hurricane Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Hurricane Deductible.

5. When the Deductible on Fire applies in accordance with Paragraph **A.3.** or **A.4.,** that Deductible is applied to the total of all loss or damage sustained in one hurricane. It does not apply separately to each item of insurance.

6. If an item of insurance is insured under more than one policy issued by us or another insurer in our insurer group for the same policy period and different Hurricane Deductibles apply to the same item of insurance under such policies, then the Hurricane deductible for that item of insurance shall be the highest amount stated in any of the policies.

7. When a renewal policy is issued by us or another insurer in our insurer group, or we issue a policy that replaces our own policy, and the renewal or replacement policy takes effect on a date other than January 1 of a calendar year, the following provisions apply:

a. If the renewal or replacement policy provides a **lower** Hurricane Deductible than the prior policy and you already incurred loss or damage from a hurricane that occurred in that calendar year, the lower Hurricane Deductible will not take effect until January 1 of the following calendar year. We will so notify you in writing at the time we offer the lower Hurricane Deductible.

b. If the renewal or replacement policy provides a **higher** Hurricane Deductible than the prior policy, the higher Hurricane Deductible will take effect on the effective date of the renewal or replacement policy. However, all foregoing provisions of this endorsement relating to calendar year application of the Hurricane Deductible apply. If hurricane loss or damage was sustained earlier in the calendar year in which the higher Hurricane Deductible now applies, the difference between the higher and lower Hurricane Deductibles will be figured into the calculation of the remainder of the Hurricane Deductible for a subsequent hurricane that occurs in that calendar year.

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B. Calculation Of The Deductible – Specific Insurance Other Than Builders' Risk

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.

b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

C. Calculation Of The Deductible – Blanket Insurance Other Than Builders' Risk

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

D. Calculation Of The Deductible – Builders' Risk Insurance

1. Builders' Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

2. Builders' Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.

b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

E. Calculation Of The Deductible – Property Covered Under The Coverage Extension For Newly Acquired Or Constructed Property

The following applies when property is covered under the Coverage Extension for Newly Acquired or Constructed Property:

In determining the amount, if any, that we will pay for loss or damage to such property, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown.

EXAMPLES – APPLICATION OF DEDUCTIBLE (ONE HURRICANE OCCURRING DURING A CALENDAR YEAR)

EXAMPLE #1 – SPECIFIC INSURANCE (B.1.)

The amount of loss to the damaged building is $60,000.

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The value of the damaged building at time of loss is $100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is $80,000 (80% of $100,000).

The **actual** Limit of Insurance on the damaged building is $70,000.

The Deductible is 1%.

Step **(1):** $70,000 ÷ $80,000 = .875

Step **(2):** $60,000 X .875 = $52,500

Step **(3):** $70,000 X 1% = $700

Step **(4):** $52,500 – $700 = $51,800

The most we will pay is $51,800. The remainder of the loss, $8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps **(1)** and **(2)**) and the application of the Deductible (Steps **(3)** and **(4)**).

EXAMPLE #2 – SPECIFIC INSURANCE (B.1.)

The amounts of loss to the damaged property are $60,000 (building) and $40,000 (personal property in building).

The value of the damaged building at time of loss is $100,000. The value of the personal property in that building is $80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are $80,000 (80% of $100,000) for the building and $64,000 (80% of $80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are $80,000 on the building and $64,000 on the personal property (therefore no Coinsurance penalty).

The Deductible is 2%.

BUILDING

Step **(1):** $80,000 X 2% = $1,600

Step **(2):** $60,000 – $1,600 = $58,400

PERSONAL PROPERTY

Step **(1):** $64,000 X 2% = $1,280

Step **(2):** $40,000 – $1,280 = $38,720

The most we will pay is $97,120. The portion of the total loss not covered due to application of the Deductible is $2,880.

EXAMPLE #3 – BLANKET INSURANCE (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000) and Building #3 ($1,000,000), as shown in the most recent Statement of Values on file with us, is $2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is $1,800,000 (90% of $2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is $1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are $40,000 (Building #1) and $20,000 (Building #2).

The Deductible is 2%.

BUILDING #1

Step **(1):** $500,000 X 2% = $10,000

Step **(2):** $40,000 – $10,000 = $30,000

BUILDING #2

Step **(1):** $500,000 X 2% = $10,000

Step **(2):** $20,000 – $10,000 = $10,000

The most we will pay is $40,000. The portion of the total loss not covered due to application of the Deductible is $20,000.

EXAMPLE #4 – BLANKET INSURANCE (C.1.)

The sum of the values of Building #1 ($500,000), Building #2 ($500,000), Personal Property at Building #1 ($250,000) and Personal Property at Building #2 ($250,000), as shown in the most recent Statement of Values on file with us, is $1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is $1,350,000 (90% of $1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Personal Property at Buildings #1 and #2, shown in the Declarations, is $1,350,000. Therefore there is no Coinsurance penalty.

Building #1 and Personal Property at Building #1 have sustained damage; the amounts of loss are $95,000 (Building) and $5,000 (Personal Property).

The Deductible is 3%.

BUILDING

Step **(1):** $500,000 X 3% = $15,000

Step **(2):** $95,000 – $15,000 = $80,000

PERSONAL PROPERTY

Step **(1):** $250,000 X 3% = $7,500

The loss, $5,000, does not exceed the deductible.

The most we will pay is $80,000. The remainder of the building loss, $15,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

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EXAMPLES – APPLICATION OF DEDUCTIBLE (TWO OR MORE HURRICANES OCCURRING DURING A CALENDAR YEAR)

EXAMPLE #1 – SPECIFIC INSURANCE (B.1.)

Hurricane A Occurs On September 1 Of A Calendar Year

The amounts of loss to the damaged buildings are $20,000 to Building #1 and $10,000 to Building #2.

The value of damaged Building #1 at time of loss is $50,000 and the value of damaged Building #2 at time of loss is $100,000. The coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirements are $40,000 for Building #1 (80% of $50,000) and $80,000 for Building #2 (80% of $100,000).

The **actual** Limits of Insurance on the damaged buildings are $40,000 for Building #1 and $80,000 for Building #2 (therefore no coinsurance penalty).

The Deductible on Fire is $1,000.

The Hurricane Deductible is 5%.

BUILDING #1

Step **(1)** $40,000 X 5% = $2,000 (Calendar Year Hurricane Deductible)

Step **(2)** $20,000 – $2,000 deductible = $18,000

BUILDING #2

Step **(1)** $80,000 X 5% = $4,000 (Calendar Year Hurricane Deductible)

Step **(2)** $10,000 – $4,000 deductible = $6,000

The most we will pay is $24,000. The portion of the loss not covered due to application of the deductible is $6,000. The total loss ($30,000) exceeds the Hurricane Deductible of $6,000. The Hurricane Deductible is exhausted.

Hurricane B Occurs On October 1 Of The Same Calendar Year

The amounts of loss to the damaged buildings are $3,000 to Building #1 and $5,000 to Building #2. Because the Hurricane Deductible applicable to each building was exceeded by the amount of loss incurred in Hurricane A, the Deductible that applies to Fire ($1,000) will apply to the loss. Therefore, we will pay $7,000 ($8,000 – $1,000 = $7,000).

EXAMPLE #2 – SPECIFIC INSURANCE (B.1.)

Hurricane A Occurs On October 1 Of A Calendar Year

The amount of loss to damaged Building #1 is $20,000.

The value of Building #1 at time of loss is $1,000,000. The coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is $800,000 (80% of $1,000,000).

The **actual** Limit of Insurance on the damaged property is $800,000 (therefore no coinsurance penalty).

The Deductible on Fire is $1,000.

The Hurricane Deductible is 5%.

$800,000 X 5% = $40,000 (Calendar Year Hurricane Deductible)

We will not pay for loss or damage since the amount of loss ($20,000) did not exceed the Hurricane Deductible ($40,000). The loss of $20,000 is subtracted from the Hurricane Deductible. The remaining amount of Hurricane Deductible applicable to such subsequent claims is $20,000.

Hurricane B Occurs On November 1 Of The Same Calendar Year

The amount of loss to damaged Building #1 is $80,000. The remaining amount of the Hurricane Deductible ($20,000) is applied to the loss of $80,000. The amount that we will pay is $60,000. The Hurricane Deductible is exhausted.

Hurricane C Occurs On December 1 Of The Same Calendar Year

The amount of loss to damaged Building #1 is $35,000.

Since the Hurricane Deductible is exhausted, the Deductible that applies to Fire ($1,000) applies to the loss. The amount that we will pay is $34,000.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance*	Post-Loss Ordinance Or Law Option
1/1	X			$23,914	**Yes** ☐ **No** X
2/1	X			$23,954	**Yes** ☐ **No** X
3/1	X			$25,834	**Yes** ☐ **No** X
*Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages **B** and **C,** or if one of these Coverages is not applicable.					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

A. Each Coverage – Coverage **A,** Coverage **B** and Coverage **C** – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies with respect to an ordinance or law that regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises, subject to the following:

1. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph **B.2.** applies instead of this Paragraph **B.1.**

2. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

3. Coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

4. Coverage under this endorsement applies only if:

a. The building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

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b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

However, there is no coverage under this endorsement if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, even if the building has also sustained covered direct physical damage.

5. If coverage applies under this endorsement based on the terms of Paragraph **B.4.b**., we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Paragraph **F.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

6. We will not pay under this endorsement for:

a. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

b. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

7. We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

C. Coverage

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage **A** is included within the Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

(1) Repair or reconstruct damaged portions of that building; and/or

(2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

(1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage **C** applies to that building in accordance with Paragraph **C.3.a.** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph **C.3.a.:**

(1) The cost of excavations, grading, backfilling and filling;

(2) Foundation of the building;

(3) Pilings; and

(4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

D. Loss Payment

1. All following loss payment provisions, **D.2.** through **D.5.,** are subject to the apportionment procedures set forth in Paragraph **B.5.** of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

a. If the Replacement Cost Coverage Option applies and such building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(1) The amount you would actually spend to repair, rebuild or reconstruct such building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

b. If the Replacement Cost Coverage Option applies and such building is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

(1) The actual cash value of such building at the time of loss; or

(2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

3. Unless Paragraph **D.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

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a. The amount you actually spend to demolish and clear the site of the described premises; or

b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule.

4. Unless Paragraph **D.5.** applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:

a. We will not pay under Coverage **C:**

(1) Until the building is actually repaired or replaced, at the same or another premises; and

(2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:

(1) The increased cost of construction at the same premises; or

(2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:

(1) The increased cost of construction at the new premises; or

(2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule, Paragraphs **D.3.** and **D.4.** do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages **B** and **C** in the Schedule. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost of Construction:

(1) We will not pay for the increased cost of construction:

(a) Until the building is actually repaired or replaced, at the same or another premises; and

(b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Paragraph **B.5.**).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of $200,000

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- Total direct physical damage to building: $100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): $30,000
- Portion of direct physical damage that is not covered (caused by flood): $70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: $60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$30,000 ÷ $100,000 = .30

Step 2:

Apply that proportion to the Ordinance or Law loss.

$60,000 x .30 = $18,000

In this example, the most we will pay under this endorsement for the Coverage **C** loss is $18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

G. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

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WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

2. Mudslide or mudflow;

3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

4. Water under the ground surface pressing on, or flowing or seeping through:

a. Foundations, walls, floors or paved surfaces;

b. Basements, whether paved or not; or

c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1., 3.** or **4.,** or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.,** is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.,** results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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WATERCRAFT EXCLUSION

This endorsement modifies insurance provided under the following:
CAUSES OF LOSS – SPECIAL FORM

The following is added to the **EXCLUSIONS** section:

We will not pay for loss or damage to the following property caused by or resulting from watercraft:

A. Retaining walls that are not part of a building;

B. Bulkheads; or

C. Pilings, piers, wharves or docks.

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CONDOMINIUM ASSOCIATION CHANGES – STANDARD PROPERTY POLICY

This endorsement modifies insurance provided under the following:
STANDARD PROPERTY POLICY

A. Paragraph **A.1.a.** Building is replaced by the following:

a. Building, meaning the building or structure described in the Declarations, including:

(1) Completed additions;

(2) Fixtures, outside of individual units, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

(d) Appliances used for refrigeration, ventilating, cooking, dishwashing or laundering that are not contained within individual units;

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure; and

(b) Materials, equipment and supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure;

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

(b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

b. But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

B. Paragraph **A.1.b.** Your Business Personal Property is replaced by the following:

b. Your Business Personal Property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

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(1) Personal property owned by you or owned indivisibly by all unit-owners;

(2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

C. The following is added to the **Loss Payment** Condition:

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

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EXCLUSION OF COSMETIC DAMAGE TO ROOF SURFACING

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number
ALL	ALL
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following applies with respect to loss or damage by **wind and/or hail** to a building or structure identified in the Schedule:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail.

B. For the purpose of this endorsement:

1. Cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

2. Roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

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FLORIDA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation For Policies In Effect 90 Days Or Less

a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 20 days before the effective date of cancellation if we cancel for any other reason.

B. The following is added to the **Cancellation** Common Policy Condition:

7. Cancellation For Policies In Effect For More Than 90 Days

a. If this policy has been in effect for more than 90 days, we will mail or deliver to the first Named Insured written notice of cancellation, at least:

(1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or

(2) 45 days before the effective date of cancellation for any other reason.

C. The following is added:

NONRENEWAL

1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal at least 45 days prior to the expiration of the policy.

2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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ASBESTOS AND SICK BUILDING EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY.
PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following forms:

CAUSES OF LOSS – BASIC FORM (CP 10 10),
CAUSES OF LOSS – BROAD FORM (CP 10 20),
CAUSES OF LOSS – SPECIAL FORM (CP 10 30), and
CAUSES OF LOSS – WINDSTORM OR HAIL FORM (FIU W)
COMMERCIAL PROPERTY – WINDSTORM AND HAIL POLICY (FIU WH 01)

The following **Definition** is added:

"Pollutants" as used in this policy means any solid, liquid, gaseous, or thermal irritant or contaminant, including without limitation, irritants and contaminants like smoke, vapor, soot, fumes, acids, alkalis, carbon monoxide, chemicals, waste, asbestos, and Chinese Drywall.

The following **Exclusion** is added:

Asbestos and Sick Building Exclusion

We will not pay for any loss, damage or expense caused by or resulting directly or indirectly from any of the following set forth in **A.** or **B.** below. Such loss, damages or expenses are excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damages or expenses.

A. Any loss, damage or expense, or increase in loss, damage or expense caused by or resulting from:

(1) The removal, encapsulation, covering, or any manner of control or abatement from any goods, products, or structure of asbestos, dioxin, or polychlorinated biphenyls;

(2) The demolition, increased cost of construction, repair, debris removal or loss of use necessitated by the enforcement or any law or ordinance regulating asbestos, dioxins, or polychlorinated biphenyls;

(3) Any governmental direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of the Named Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified;

(4) The presence of asbestos in any building or structure whether covered or not covered by this Policy;

B. Any loss, damage or expense, or increase in loss, damage or expense caused by or resulting from ventilation, heating, air conditioning, or sick building condition(s). Sick building condition(s) as used herein means a building(s) or structure(s) with actual or alleged conditions which create or may create an environment which is, or is suspected to be, unhealthy in any way to any person or other living thing.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY EXTENSION PLUS (BROADENING) ENDORSEMENT - DELUXE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
CAUSES OF LOSS - BROAD FORM

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy which means that it is subject to all limitations and conditions applicable to this Coverage Part, Coverage Form or Causes of Loss Form unless specifically deleted, replaced, or modified herein. This endorsement is applicable only to those premises described in the Declarations. Coverage for loss of Business Income or Extra Expense, whether provided by this endorsement or elsewhere, does not apply if a loss is covered only as a result of this endorsement.

Coverage Description	Limit of Insurance
Broadened Premises	Included
Real Property of Others Required by Contract	$10,000
Electronic Data	$10,000
Debris Removal	$50,000
Fire Department Service Charge	$10,000
Pollutant Clean up and Removal	$25,000
Personal Effects and Property of Others	$20,000
Valuable Papers and Records (Other Than Electronic Data)	$25,000
Property Off-Premises (Including while in Transit)	$25,000
Outdoor Property	$10,000
Accounts Receivable	$25,000
Arson Reward	$10,000
Back-up of Sewers or Drains	$10,000
Fine Arts	$10,000
Fire Protective Devices	$5,000
Spoilage	$15,000
Computer Equipment	$25,000
Laptop/Portable Computers	$10,000
Lock Replacement	$2,500
Money and Securities	
Inside the Premises	$25,000
Outside the Premises	$25,000
Off-Premises Services Interruption	$20,000
Consequential Loss	$10,000
Signs	$25,000

A The following changes apply to Section A COVERAGE of the BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

1. Broadened Premises

The within 100 feet of the described premises description stated in Paragraph A.1.a.(5)(b), Building, Paragraph A.1.b., Your Business Personal Property, Paragraph A.1.c.(2), Personal Property of Others and Paragraph A.5., Coverage Extensions is deleted and replaced by within 1,000 feet of the described premises.

2. Real Property of Others Required by Contract

The following is added to item b. Your Business Personal Property of Paragraph 1.Covered Property:

(8) Real Property coverage including but not limited to building, doors and windows you are responsible for due to contract or lease agreement.

The most we will pay for loss or damage to covered property is $10,000.

3. Electronic Data

Item f.(4) Electronic Data of Paragraph 4. Additional Coverages is deleted and replaced by the following:

(4) The most we will pay under this Additional Coverage- Electronic Data is $10,000 for all loss of damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount; then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

4. Debris Removal

Paragraph A.4.a.(4) is deleted and replaced by the following:

(4) We will pay up to an additional $50,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus $50,000.

5. Fire Department Service Charge

Item c. Fire Department Service Charge of Paragraph 4. Additional Coverages is deleted and replaced by the following:

When the fire department is called to *save* or protect Covered Property from a Covered Cause of Loss, we will pay up to $10,000 for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

6. Pollutant Clean Up and Removal

Item d. Pollutant Clean Up and Removal of Paragraph 4. Additional Coverages is amended as follows:

The most we will pay under this Additional Coverage for each described premises is $25,000 for the sum of all covered expenses arising out of covered Causes of Loss occurring during each separate 12 month period of this policy.

7. Personal Effects and Property of others

Item b. Personal Effects and Property of Others of Paragraph 5. Coverages Extensions is amended as follows:

The most we will pay for loss or damage under this Extension is $20,000 at each described premises. Our payment for loss of or damage to personal property of others (including property of others held by you on consignment) will only befor the account of the owner of the property.

8. Valuable Papers and Records (Other Than Electronic Data)

Item c. (4)Valuable Papers and Records (other Than Electronic Data) of Paragraph 5. *Coverage* Extensions is deleted and replaced by the following:

(4) Under this Extension, the most we will pay to replace or restore the lost information is $25,000 at each described premises. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on your Business Personal Property and therefore coverage of such costs is not additional insurance.

9. Property Off-Premises

Item d. Property Off-Premises of Paragraph 5. Coverage Extensions is deleted and replaced by:

(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises if it is:

(a) Temporarily at a location you do not own, lease or operate;

(b) In storage at a location you lease, provided the lease was executed after the beginning of the

current policy term; or

(c) Al any fair, trade show or exhibition

This Extension applies only if loss or damage is caused by a Covered Cause of Loss.

(2) You may extend the insurance provided by this Coverage Form to apply to your personal property in transit more than 1,000feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory. Loss or damage must be caused by or result from one of the following causes of loss:

(a) Fire, lightning, explosion, windstorm or hail riot or civil commotion, or vandalism.

(b) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. Collision does not mean the vehicle's contact with the roadbed.

(c) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible signs of forced entry.

(3) The most we will pay for loss or damage under this Extension is $25,000.

10. Outdoor Property

Item e. Outdoor Property of Paragraph 5. Coverage Extensions is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, lighting, lighting standards, radio and television antennas, satellite dish, signs (other than signs attached to buildings), playground equipment, scoreboards, trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for loss or damage under this Extension is $10,000, but not more than $500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or numbers of items lost or damaged in that occurrence.

11. The following are added to Paragraph 5. Coverage Extensions:

h. Accounts Receivable We will

pay:

(1) All amounts due from your customers that you are unable to collect;

(2) Interest charges on any loans required to offset amounts you are unable to collect pending our payment of these amounts;

(3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and

(4) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from a Covered Cause of Loss to your records of accounts receivable.

The most we will pay for loss under this Extension is $25,000.

i. Arson Reward

We will pay on behalf of the insured up to $10,000 for information which leads to an arson conviction in connection with a fire loss covered under this Coverage Form. Regardless of the number of persons involved in providing information, our liability under this Coverage Extension will not be increased.

j. Back-Up of Sewers or Drains

Exclusion B. 1.g. (3) under the CAUSES OF LOSS- SPECIAL FORM is deleted and replaced by the following:

We cover direct physical damage caused by water:

(5) Which backs up through sewers it drains; or

(6) Which enters into and overflows from within a sump pump, sump pump well or other type of system designed to remove subsurface water which is drained from the foundation **area.**

This coverage does not apply if the damage is caused by your negligence. The most

we will pay for damage under this Coverage Extension is $10,000.

k. Fine Arts

You may extend the insurance that applies to Your Business Personal Property to apply to your fine arts and fine arts owned by others that are in your care, custody or control.

This Extension does not apply to damage caused by or resulting from:

(1) While fine arts are at any fair or on exhibition;

(2) Any repairing, restoration or retouching process;

(3) Insects, birds, rodents or other animals;

(4) Wear and tear;

(5) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;

(6) Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles. But we will pay for loss or damage caused directly by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, explosion, vandalism, or by accident to the vehicle carrying the property.

The most we will pay for loss or damage under this Extension is $10,000.

l. Fire Protective Devices

You may extend the insurance provided by this Coverage Form to apply to recharging or refilling of your fire protective devices that are permanently installed in buildings at the described premises when such devices have been discharged by accident or after being used infighting a fire. This Extension does not apply to periodic recharge or refilling.

The most we will pay under this Extension is $5,000 for each separate 12-month period of this policy.

m. Spoilage

The Coverage Form to which this endorsement applies is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to coverage provided by this endorsement.

A. Paragraph A.1., Covered Property, is amended as follows:

1. Covered Property

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

B. With respect to the coverage provided by this endorsement, property located on buildings or in the open or in vehicles is considered to be Property Not Covered.

C. Paragraph A.3., Covered Causes of Loss, is amended as follows:

3. Covered Causes of Loss

a. Breakdown or Contamination, meaning:

(1) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

(2) Contamination by the refrigerant.

b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, at the described premises, due to conditions beyond your control.

D. Paragraph A.5., Coverage Extensions, does not apply.

E. Paragraph B., Exclusions, is amended as follows:

B. Exclusions

1. Only the following Exclusions contained in Paragraph B.l. of the Causes of Loss Form applicable to this Coverage Part apply to Spoilage Coverage:

a. Earth Movement;

b. Governmental Action;

c. Nuclear Hazard;

d. War and Military Action; and

e. Water.

2. The following Exclusions are added:

We will not pay for loss or damage caused by or resulting from:

a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.

b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

c. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

d. Breaking of glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The most we will pay for loss or damage under this Extension is $15,000.

n. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "computer equipment" owned by you or similar property of others in your care, custody or control for which you are legally liable, caused by a Covered Cause of Loss.

You may extend the insurance that applies to your Business Personal Property to apply to loss or damage to "laptop/portable computers" owned by you and in your care, custody and control or in the care, custody or control of your employee.

a. Property Not Covered

We will not cover the following kinds of property under this Extension;

i. Property which you rent or lease to others;

ii. Software or other electronic data;

iii. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents;

iv. "Computer equipment" held for sale by you;

v. "Computer equipment" of others on which you are performing repairs or work;

vi. "Computer equipment" that is part of any;

1. Production or processing equipment (such as CAD, CAM or CNC machines);

(ii) Equipment used to maintain or service your building (such as healing, ventilating, cooling or alarm system); or

(iii) Communication equipment (such as telephone systems).

vii. Property that is covered under another coverage form of this or any policy in which such property is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

b. Property In Transit

We will pay for your "computer equipment", or "laptop/portable computer" while in transit.

c. Section B. Exclusions, 1.b. Earth Movement of the CAUSES OF LOSS- SPECIAL FORM, as respects Computer Equipment, is deleted in its entirety.

d. Section B. Exclusions, 1.e. Utility Services of the CAUSES OF LOSS- SPECIAL FORM, as respects Computer Equipment, is deleted in its entirety.

e. Section B. Exclusions, 1.g.Water of the CAUSES OF LOSS- SPECIAL FORM, as respects Computer Equipment, is deleted in its entirety.

f. The artificially generated electrical current exclusion, Item B.2.a of the CAUSES OF LOSS- SPECIAL FORM, as respects Computer Equipment, is deleted in its entirety.

g. The mechanical breakdown exclusion, Item 8.2.d.(6) of the CAUSES OF LOSS- SPECIAL FORM, as respects Computer Equipment, is deleted and replaced by the following:

(6) Mechanical breakdown, failure or derangement, except:

(a) This exclusion does not apply for the accidental loss or damage caused by a resulting fire or explosion.

(b) This exclusion does not apply if any of the above is sudden and accidental and manifests itself by physical damage to "computer equipment" which requires repair or replacement.

h. Loss Payment will be determined as follows:

"Computer equipment" or "laptop/portable computers:"

We will pay the least of the following amounts:

(i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or

(ii) The cost of replacing that property with identical property of comparable material and quality and used for the same purpose.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

"Computer Equipment" means a network of electronic machine components capable of accepting information, processing it according to instructions and producing the results in a desired form.

"Laptop/Portable Computers" means "computer equipment" and accessories that are designed to function with it, that can easily be carried and is designed to be used at more than one location.

The most we will pay for loss or damage to "computer equipment" under this Extension is $25,000.

The most we will pay under this Extension for loss or damage to "laptop/portable computers" while away from the described premises is $10,000.

o. Lock Replacement

You may extend the insurance provided by this Coverage Form to apply to replacement of locks necessitated by theft of Covered Property or theft of keys from the described premises.

The most we will pay for loss under this Coverage Extension is $2,500 in any one occurrence.

p. Money and Securities

a. You may extend the insurance that applies to Business Personal Property to apply loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

i. Theft, meaning any act of stealing;

ii. Destruction.

b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

i. Resulting from accounting or arithmetical errors or omissions;

ii. Due to the giving or surrendering of property in any exchange or purchase; or

iii. Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

c. The most we will pay for loss in any one occurrence is:

i. $25,000 for Inside the Premises for "money" and "securities" while:

1. In or on the described premises: or

(ii) Within a bank or savings institution; and

ii. $25,000 for Outside the Premises for "money" and "securities" while anywhere else.

d. All loss:

i. Caused by one or more persons; or

ii. Involving a single act or series of related

acts; is considered one occurrence.

(5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

(6) "Money" means:

(a) Currency, coins and bank notes in current use and having a face value; and

(b) Travelers checks, register checks and money orders held for sale to the public.

(7) "Securities" means negotiable and non-negotiable instruments or contract representing either "money" or other property and includes:

(a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

q. Off-Premises Services Interruption

You may extend the insurance provided by this Coverage Form to apply to loss of or damage to Covered Property caused by interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

(8) Water Supply Services, meaning the following types of property supplying water to the described premises:

(a) Pumping stations; and

(b) Water mains.

(2) Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

(a) Communication transmission lines, including optic fiber transmission lines;

(b) Coaxial cables; and

(c) Microwave radio relays except satellites.

It does not include above ground communication lines.

(3) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

(a) Utility generating plants;

(b) Switching stations;

(c) Substations;

(d) Transformers; and

(e) Transmission lines.

It does not include *above* ground transmission or distribution lines.

The most we will pay under this Extension is $20,000.

r. Consequential Loss

We will pay up to $10,000 for the consequential loss of undamaged business personal property.

Consequential Loss, as applicable to this Coverage Extension is the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss or damage to another part or parts of the product caused by a Covered Cause of Loss.

B. The second paragraph of Section C. LIMITS OF INSURANCE of the BUILDING AND PROPERTY COVERAGE FORM is deleted and replaced by the following:

Signs

The most we will pay for loss or damage to outdoor signs is $25,000 per sign in any one occurrence.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
COMMERCIAL PROPERTY – WINDSTORM AND HAIL POLICY
BUILDERS RISK COVERAGE FORM

The policy is amended to include the following:

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. For the purposes of this endorsement, loss, damage, claim, cost or expense of whatsoever nature, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

    a. for any Communicable Disease, or

    b. any property insured hereunder that is affected by such Communicable Disease

3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

    a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

    b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

    c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

THIS ENDORSEMENT MODIFIES YOUR POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE CLAUSE

In any one occurrence of Windstorm or Hail, the total deductible for all covered Windstorm or Hail losses will not be less than $ 5,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – APPRAISAL (COMMERCIAL RESIDENTIAL PROPERTY)

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM (COMMERCIAL PROPERTY COVERAGE PART)
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY

With respect to a loss to commercial residential property, the following replaces the **Appraisal** Condition:

If ***you*** and ***we*** fail to agree on the amount of any loss under **A. Coverage**, we can demand that the amount of the loss be set by appraisal. ***Our*** demand for appraisal must be in writing. If ***we*** demand appraisal:

1. Each party must select a competent, disinterested appraiser and notify the other party of the appraiser's identity within 15 days of ***your*** receipt of ***our*** written demand for appraisal. By that same deadline, ***we*** and ***you*** must provide to each other a written, itemized list of all disputes as to the amount of loss, identifying separately each item being disputed. The appraisal will apply only to those disputes on the amount of loss identified in writing by the parties subject to paragraph **7**. below. If ***you*** dispute the amount set by us for an item, but do not identify that dispute in the required list, the amount of loss for that item will be the amount previously set by us**.**

2. The appraisers will then attempt to set the amount of the loss of each item in dispute as specified by each party. If the appraisers agree on all items, they will jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement must be itemized and state separately the ***actual cash value***, replacement cost, and if applicable, the market value of each item submitted by the parties as set forth in paragraph **1.** A written report of agreement that meets these requirements will constitute the appraisal. The appraisal will set the amount of the loss for each properly submitted item in dispute and will be binding upon ***you*** and ***us*****.**

A written report of agreement that does not itemize and resolve all disputes submitted by the parties pursuant to paragraph **1.**, does not constitute an appraisal and is not binding upon ***you*** and ***us***. In such a case, the matter must be returned to the appraisers for completion.

In the event the appraisers submit a written report that includes items not submitted pursuant to paragraph **1.**, such additional items have no effect and will be disregarded. If the written report otherwise meets the requirement of an appraisal, it will be binding upon ***you*** and ***us*** as to the items properly submitted in writing by ***you*** and ***us***. If the written report does not otherwise meet the requirements of an appraisal, the matter must be returned to the appraisers for completion.

3. If the two appraisers fail to agree on the submitted disputes within 20 days, unless the period of time is extended by mutual agreement, they will select a competent, disinterested umpire and will submit their differences to the umpire. If the appraisers are unable to agree upon an umpire within 5 days, ***you*** or ***we*** may make a written application for a judge of a court of record in the same state and county (or city if the city is not within a county) where the ***"Described Location"*** is located to select an umpire.

If the umpire reaches an agreement with one of the appraisers on all items, they will jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement must be itemized and state separately the ***actual cash value***, replacement cost, and

if applicable, the market value of each item in dispute and address all disputes submitted by the parties pursuant to paragraph a. A written report of agreement that meets these requirements will constitute the appraisal. The appraisal will set the amount of the loss for each properly submitted item in dispute and will be binding upon ***you*** and ***us***.

A written report of agreement that does not itemize and resolve all disputes submitted by the parties pursuant to paragraph **1**. does not constitute an appraisal and is not binding upon ***you*** and ***us***. In such a case, the matter must be returned to the appraisers and the umpire for completion.

In the event an appraiser and umpire submit a written report that includes items not submitted pursuant to paragraph a., such additional items have no effect and will be disregarded. If the written report otherwise meets the requirement of an appraisal, it will be binding upon you and us as to the items properly submitted in writing by ***you*** and ***us***. If the written report does not otherwise meet the requirements of an appraisal, the matter must be returned to the appraisers and umpire for completion.

4. To qualify as an appraiser or umpire for a loss to property, a person must be one of the following and be licensed or certified as required by the applicable jurisdiction:

(a) An engineer or architect with experience and training in building construction, repair, estimating, or investigation of the type of property damage in dispute;

(b) An adjuster or public adjuster with experience and training in estimating the type of property damage in dispute;

(c) A contractor with experience and training in the construction, repair, and estimating of the type of property damage in dispute.

5. A person may not serve as an appraiser or umpire if that person, any employee of that person, that person's employer, or any employee of their employer has:

(a) A familial relationship within the third degree between the umpire or appraiser and a party or a representative of a party;
(b) Previously represented a party in a professional capacity in the same claim or matter involving the same property;
(c) Represented another person in a professional capacity on the same or a substantially related matter that includes the claim, the same property or an adjacent property, and the other person's interests are materially adverse to the interests of a party; or
(d) A financial interest in the outcome of the claim at issue in the appraisal.

6. Each party will be responsible for the compensation of their selected appraiser. Reasonable expenses of the appraisal and the reasonable compensation of the umpire will be paid equally by ***you*** and ***us***.

7. Appraisal is available only to determine the amount of the loss of each item in dispute. Appraisal of the amount of loss will not include determinations of causation unless we include the causation issues in its itemized list of disputes under paragraph **1.** A written report of agreement that does not determine causation when required by us does not constitute an appraisal and is not binding upon ***you*** and ***us***. In such a case, the matter must be returned to the appraisers for completion. If we do not identify causation in its list of disputes, the appraisers and the umpire will have no authority to decide questions of causation and any such findings in the appraisal have no effect and will be disregarded. The appraisers and the umpire have no authority to decide:

(a) Any other questions of fact;

(b) Questions of law;

(c) Questions of coverage;

(d) Other contractual issues; or

(e) To conduct appraisal on a class-wide basis.

8. Appraisal is a non-judicial proceeding and does not provide for or require arbitration. Neither party will be awarded attorney fees. The appraisal award may not be entered as a judgement in a court.
9. ***We*** may not demand appraisal after ***we*** bring suit or action against ***you*** relating to the amount of loss.

THIS ENDORSEMENT CHANGES THE POLICY – PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

A. Earned Premium

1. Cancellation by the Insured

a. If the insured cancels the policy and the policy was inforce at any time between Jun 1 and November 30, the refund will be prorated based upon the number of days remaining until the end of the policy period subject to a minimum earned premium of 60% of the total policy premium.

This does not include the Policy Fee and Inspection Fee as these are 100% earned at inception.

b. If the insured cancels the policy and the policy was not inforce at any time between Jun 1 and November 30, the refund will be prorated based upon the number of days remaining until the end of the policy period subject to a minimum earned premium of 25% of the total policy premium.

This does not include the Policy Fee and Inspection Fee as these are 100% earned at inception.

2. Cancellation by the Company

If we cancel the policy at any time during the policy period, the refund will be prorated based upon the number of days remaining until the end of the policy period and will not be subject to minimum earned premium.

This does not include the Policy Fee and Inspection Fee as these are 100% earned at inception.

All other terms and conditions of the policy remain unchanged.

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PRIOR LOSS OR DAMAGE EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

In the following forms:

CAUSES OF LOSS – BASIC FORM (CP 10 10),

CAUSES OF LOSS – BROAD FORM (CP 10 20),

CAUSES OF LOSS – SPECIAL FORM (CP 10 30),

CAUSES OF LOSS – WINDSTORM OR HAIL FORM (FIU W),

COMMERCIAL PROPERTY – WINDSTORM AND HAIL POLICY (FIU WH 01),

the following **Exclusion** is added:

Prior Loss or Damage Exclusion

We will not pay for any loss or damage that occurred prior to the effective date of this policy, including any continuation, change or resumption of such loss or damage during the policy period. In the event the effective date of this Policy is prior to the date coverage was requested to be bound, this Policy will not pay for any loss or damage occurring between the effective date of this Policy and the date coverage was requested to be bound.

All other terms and conditions of this policy remain.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL COVERAGE – REASONABLE EMERGENCY MEASURES ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM

In **Paragraph A. Coverage**, section **4. Additional Coverages**, the following is added.

Reasonable Emergency Measures

(a) We will pay up to $10,000 for the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage, when loss or damage is caused by a Covered Cause of Loss.

(b) We will not pay more than the amount in **(a)** above unless you submit a written request for an increase and we provide you advance written approval to exceed this limit within 72 hours of your request to exceed this limit. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

Any request to exceed the limit in **(a)** above may require our agreement to a mutual schedule with you and your permission for us and/or our designated representative(s) to enter the described location at the address(es) shown as the Described Locations in the Declarations, for the purpose of inspecting any reasonable emergency measures in excess of the limit stated in **(a)**.

The written request must include supporting documents and be sent by electronic mail to **commercialEMS@frontlineinsurance.com**. We will make such determination for an increase above the amount in **(a)** above based upon submission of the following supporting documentation:

(i) The date the request is submitted to us;

(ii) The identity of all Named Insureds;

(iii) The date of loss;

(iv) The address where loss occurred;

(v) Description of loss and location of damages;

(vi) All photographs, videos, moisture readings, and work logs that demonstrate the damage and work performed up to the time of the request;

(vii) Itemized estimate of proposed Reasonable Emergency Measures;

(viii) Estimated timeframe of completion;

(ix) All other information or documentation reasonably requested.

If we fail to respond to you within 72 hours of your request to us and the damage or loss is caused by a Covered Cause of Loss, you may exceed the limit in **(a)**, but only up to the actual cost incurred by you for the reasonable emergency measures necessary to protect the covered property from further damage.

(c) A reasonable measure under this Additional Coverage may include permanent repair when necessary to protect the Covered Property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.

(d) This coverage does not:

(i) Increase the limit of liability that applies to the covered property.

(ii) Relieve you of your duties, in case of a loss to the Covered Property described in the Declarations.

(iii) Pay for **Property Not Covered**, or for repairs resulting from a Covered Cause of Loss, or for loss excluded under this policy.

Paragraph C. Limits of Insurance is replaced with the following:

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other Coverage:

1. Fire Department Service Charge;

2. Pollutant Clean-up and Removal;

3. Increased Cost of Construction; and

4. Electronic Data.

Payments under the Preservation of Property Additional Coverage and Reasonable Emergency Measures Additional Coverage will not increase the applicable Limit of Insurance.

In **Paragraph E. Loss Conditions**, section **3. Duties In the Event Of Loss Or Damage**, the following is added:

3. Duties In the Event Of Loss Or Damage

a. Except for Reasonable Emergency Measures taken under the Additional Coverage **Reasonable Emergency Measures**, there is no coverage for repairs that begin before the earlier of:

(1) 72 hours after we are notified of the loss; or

(2) The time of loss inspection by us.

To the degree reasonably possible, you shall retain the damaged property and allow us to inspect all damaged property prior to its removal from the premises described in the Declarations.

b. Protect the Covered Property from further damage. The following must be performed:

(1) Take reasonable emergency measures that are necessary to protect the Covered Property from further damage, as provided under the Additional Coverage **Reasonable Emergency Measures.**

A reasonable measure under **b.(1)** above may include permanent repair when necessary to protect the Covered Property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damage property must be retained for us to inspect.

All other terms and conditions in the policy remain.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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FLORIDA CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART FARM COVERAGE PART

Paragraph **2.** of Condition **D. Legal Action Against Us** is deleted and replaced with the following:

D. LEGAL ACTION AGAINST US

2. No action can be brought unless the policy provisions have been complied with and the action commenced within the specified number of years from the date of loss as provided in Section 95.11 Florida Statutes.

   If you and we fail to agree on the settlement or the amount of loss, you must provide the Department of Financial Services with written notice of intent to initiate litigation at least 10 business days before filing suit under the policy, in accordance with Section 627.70152, Florida Statutes.

   Concurrent with the notice provided to the Florida Department of Financial Services, you must also notify us of your disagreement and intent to file suit in writing to allow us an opportunity to exercise our right to request and complete the appraisal process at least 10 days prior to filing suit.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

A. We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

1. The failure, malfunction or inadequacy of:

a. Any of the following, whether belonging to any insured or to others:

(1) Computer hardware, including microprocessors;

(2) Computer application software;

(3) Computer operating systems and related software;

(4) Computer networks;

(5) Microprocessors (computer chips) not part of any computer system; or

(6) Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or

2. Under the Commercial Property Coverage Part:

a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or

b. In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C)** applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2027, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

	I hereby elect to purchase coverage for acts of terrorism for a prospective premium of $ 802.95
X	I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

_____
Policyholder/Applicant's Signature

_____
Print Name

4039852674
_____
Policy Number

_____
Date