

POLICY COVERAGE PAGE

Insured's Name: OASIS HOME OWNERS INC Policy # 0124837844

Policy Dates: From: 01/31/2026 01/31/2027

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: <u>\$6,306.00</u>	Policy Fee: <u>\$100.00</u>
Inspection Fee: <u>\$550.00</u>	Service Fee: <u>\$4.17</u>
Tax: <u>\$343.63</u>	Citizen's Assessment: <u>N/A</u>
EMPA Surcharge: <u>N/A</u>	FHCF Assessment: <u>N/A</u>

Surplus Lines Agent's Countersignature:  Date Signed 12/27/2025

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

“THIS POLICY CONTAINS A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.”



INSURANCE

Underwritten By:
Frontline Insurance Unlimited

COMMERCIAL PROPERTY WIND/
HAIL POLICY
RENEWAL DECLARATIONS

TRANSACTION DATE: 01/31/2026
DATE ISSUED: 12/27/2025
DATE PRINTED: 12/27/2025

POLICY NUMBER	POLICY PERIOD	
0124837844	From: 01/31/2026	To: 01/31/2027
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
OASIS HOME OWNERS INC 24701 US HIGHWAY 19 N STE 102 C/O AMERI-TECH COMPANIES INC CLEARWATER, FL 33763-4086		ACENTRIA INSURANCE - SEMINOLE - CL 8200 113TH ST N SUITE 200 SEMINOLE, FL 33772-4111		
TELEPHONE:	727-726-8000	TELEPHONE:	954-337-1555	

DESCRIPTION OF LOCATION(S):			
LOC NO	BLDG NO	BUILDING ADDRESS	OCCUPANCY
1	1	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	267 OFFICES-NON-GOVERNMENTAL - OFFICE
1	2	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	295 COMMUNITY REC FACILITY-NON-GOV'T - CLUBHOUSE
1	3	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	295 COMMUNITY REC FACILITY-NON-GOV'T - LAUNDRY / STORAGE
1	4	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	295 COMMUNITY REC FACILITY-NON-GOV'T - LAUNDRY / GARAGE
1	5	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 80
1	6	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 81
1	7	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 82
1	8	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 84
1	9	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 86
1	10	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 110
1	11	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 112
1	12	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 114
1	13	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 116



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TELEPHONE:	727-726-8000	TELEPHONE:	954-337-1555	

DESCRIPTION OF LOCATION(S):			
LOC NO	BLDG NO	BUILDING ADDRESS	OCCUPANCY
1	14	12766 SEMINOLE BLVD, LARGO, FL 33778-2256	004 DWELLINGS W/COMM RISK-1 FAMILY - COTTAGE / LOT 118

POLICY LEVEL COVERAGES:	COVERED CAUSES OF LOSS:	WINDSTORM/HAIL
COVERAGE	LIMIT OF INSURANCE	
TERRORISM (TRIA)	EXCLUDED	

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

COVERAGES PROVIDED:					
AGREED VALUE EXPIRATION DATE:			N/A		
LOC NO	BLDG NO	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE
1	1	BUILDING COVERAGE	\$152,480	RCV	80%
1	1	BUSINESS PERSONAL PROPERTY - CONTENTS	\$5,000	RCV	80%
1	2	BUILDING COVERAGE	\$112,614	RCV	80%
1	2	BUSINESS PERSONAL PROPERTY - CONTENTS	\$25,000	RCV	90%
1	3	BUILDING COVERAGE	\$71,959	RCV	80%
1	3	BUSINESS PERSONAL PROPERTY - CONTENTS	\$5,000	RCV	90%



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TELEPHONE:	727-726-8000	TELEPHONE:	954-337-1555	

COVERAGES PROVIDED:					
AGREED VALUE EXPIRATION DATE:			N/A		
LOC NO	BLDG NO	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE
1	4	BUILDING COVERAGE	\$72,072	RCV	80%
1	4	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	5	BUILDING COVERAGE	\$72,635	RCV	80%
1	5	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	6	BUILDING COVERAGE	\$49,211	RCV	80%
1	6	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	7	BUILDING COVERAGE	\$49,211	RCV	80%
1	7	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	8	BUILDING COVERAGE	\$49,211	RCV	80%
1	8	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	9	BUILDING COVERAGE	\$49,211	RCV	80%
1	9	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	10	BUILDING COVERAGE	\$97,185	RCV	80%
1	10	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	11	BUILDING COVERAGE	\$49,211	RCV	80%
1	11	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%



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TELEPHONE:	727-726-8000	TELEPHONE:	954-337-1555	

COVERAGES PROVIDED:					
AGREED VALUE EXPIRATION DATE:			N/A		
LOC NO	BLDG NO	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE
1	12	BUILDING COVERAGE	\$49,211	RCV	80%
1	12	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	13	BUILDING COVERAGE	\$49,211	RCV	80%
1	13	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%
1	14	BUILDING COVERAGE	\$46,958	RCV	80%
1	14	BUSINESS PERSONAL PROPERTY - CONTENTS	\$3,000	RCV	80%

DEDUCTIBLES:						
LOC NO	BLDG NO	COVERAGE	HURRICANE PERCENTAGE - CALENDAR YEAR	WIND/HAIL	OTHER	
1	1	BUILDING COVERAGE	5%	5%		
1	1	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%		
1	1	SPECIAL CLASS ITEM 1 (1 FENCES AND WALLS - VINYL FENCE)	5%	5%		
1	1	SPECIAL CLASS ITEM 2 (1 SPECIAL CLASS ITEMS NOT OTHERWISE CLASSIFIED - LIFT STATION)	5%	5%		
1	2	BUILDING COVERAGE	5%	5%		
1	2	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%		



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TELEPHONE:	727-726-8000	TELEPHONE:	954-337-1555	

DEDUCTIBLES:					
LOC NO	BLDG NO	COVERAGE	HURRICANE PERCENTAGE - CALENDAR YEAR	WIND/HAIL	OTHER
1	3	BUILDING COVERAGE	5%	5%	
1	3	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	4	BUILDING COVERAGE	5%	5%	
1	4	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	5	BUILDING COVERAGE	5%	5%	
1	5	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	6	BUILDING COVERAGE	5%	5%	
1	6	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	7	BUILDING COVERAGE	5%	5%	
1	7	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	8	BUILDING COVERAGE	5%	5%	
1	8	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	9	BUILDING COVERAGE	5%	5%	
1	9	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	10	BUILDING COVERAGE	5%	5%	
1	10	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	11	BUILDING COVERAGE	5%	5%	
1	11	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	12	BUILDING COVERAGE	5%	5%	
1	12	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	



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DEDUCTIBLES:					
LOC NO	BLDG NO	COVERAGE	HURRICANE PERCENTAGE - CALENDAR YEAR	WIND/HAIL	OTHER
1	13	BUILDING COVERAGE	5%	5%	
1	13	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	
1	14	BUILDING COVERAGE	5%	5%	
1	14	BUSINESS PERSONAL PROPERTY - CONTENTS	5%	5%	

APPLICABLE ONLY WHEN ENTRIES ARE MADE IN THE SCHEDULE BELOW						
OPTIONAL COVERAGES:						
LOC NO	BLDG NO	COVERAGE	LIMIT OF INSURANCE	VALUATION	COINSURANCE	
1	1	SPECIAL CLASS ITEM 1 (1 FENCES AND WALLS - VINYL FENCE)	\$26,000	RCV	80%	
1	1	SPECIAL CLASS ITEM 2 (1 SPECIAL CLASS ITEMS NOT OTHERWISE CLASSIFIED - LIFT STATION)	\$5,000	RCV	80%	

ADDITIONAL PROPERTY NOT COVERED:		
LOC NO	BLDG NO	DESCRIPTION OF PROPERTY
1	1	UNDERGROUND EQUIPMENT



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TOTAL COVERAGE PREMIUM	\$6,306.00
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POLICY TAXES AND FEES:	
INSPECTION FEE	\$550.00
POLICY FEE	\$100.00
FLSO FEE	\$4.17
FLORIDA TAX	\$343.63
TOTAL TAXES AND FEES	\$997.80

TOTAL POLICY PREMIUM	\$7,303.80
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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	07 24	NOTICE OF CHANGE IN POLICY TERMS
FIU NOCPT	05 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 10	06 07	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
FIU W	08 14	CAUSE OF LOSS - WINDSTORM OR HAIL FORM
CP 00 90	07 88	COMMERCIAL PROPERTY CONDITIONS
IL 00 17	11 98	COMMON POLICY CONDITIONS



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Table with 2 main columns: POLICY NUMBER (0124837844) and POLICY PERIOD (From: 01/31/2026, To: 01/31/2027, 12:01 AM Standard Time)

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Table with 4 columns: NAMED INSURED & MAILING ADDRESS, AGENT, and telephone numbers for both insured and agent.

Table titled FORMS/ENDORSEMENTS APPLICABLE: listing various form numbers, edition dates, and form names such as EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA, WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE, etc.



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TELEPHONE:	727-726-8000	TELEPHONE:	954-337-1555

FORMS/ENDORSEMENTS APPLICABLE:		
FORM NUMBER	EDITION DATE	FORM NAME
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 POLICY CONTAINS A CO-PAY PROVISION THAT 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:

12/27/2025

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
name of insurance agency has placed my coverage in the surplus lines market.

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.

OASIS HOME OWNERS 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

01/31/2026

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.

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.

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 **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 Statute 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).

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.

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.

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.

BUILDING AND PERSONAL PROPERTY 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, 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;
- (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.

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 unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

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, or if owned by you, only as "stock" while inside of buildings;
- 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 another coverage form of 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. This paragraph, n., does not apply to your "stock" of prepackaged software;
- 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, process 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;

q. The following property while outside of buildings:

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

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: $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$; 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 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.
- (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.

(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, or a Value Reporting period symbol, 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

If this policy covers Building, you may extend that insurance 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
 - (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.

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 (herein after 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.

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:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 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.
 - (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 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.

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.

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. 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%.

7. 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.**, **c.**, **d.** and **e.** 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. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.

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): $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

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:	<u>\$ 75,000</u>
		\$ 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:	<u>\$ 20,000</u>
		\$ 50,000

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

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

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

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 mortgage 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 non-payment 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 applied 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.

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:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments 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.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
 - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- 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.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

CAUSES OF LOSS – WINDSTORM OR HAIL FORM

A. Covered Causes Of Loss

When Wind is shown in the Covered Causes Of Loss section of the Declarations, Covered Causes of Loss means the following:

Windstorm or Hail, but not including:

1. Frost or cold weather;
2. Ice (other than hail), snow or sleet, whether driven by wind or not;
3. Accumulation, freezing, thawing, pressure or weight of hail, ice, snow, sleet, rain, water or any other form of precipitation;
4. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sleet, sand, dust or by falling objects, whether driven by windstorm or not, unless the direct force of windstorm or hail first damages the building or structure causing an opening in the roof, walls, doors or windows, and the rain, snow, sleet, sand, dust or falling objects enters through this opening.

B. Exclusions

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

1. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- a. Regulating the construction, use or repair of any property; or
- b. 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;
- 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;

- c. The requirements of which result in a loss in value to property;
- d. Requiring you 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; or
- e. The requirements of which apply to other structures unless specifically provided under this policy.

2. Earth Movement And Settlement

- a. Earthquake and settlement, including any earth sinking, rising or shifting, land or air shock, waves or tremors and aftershocks, related to such event;
- b. Landslide, mudflow, mudslide, sand flow, shifting sand, scouring, including any earth sinking, rising or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- d. Volcanic eruption, explosion or effusion, land or air shock, waves or tremors, lava flow, ash, dust, particulate matter or effusion of a volcano; all whether before, during or after such earth movement;
- e. Settling, shrinking, bulging or expansion, including resultant cracking of pavements, patios, foundations, walls, floors, roofs or ceilings; or
- f. Catastrophic ground cover collapse, sinkhole, sinkhole activity or sinkhole loss;

whether caused by or resulting from human or animal forces or any act of nature.

3. Nuclear Hazard

Nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

4. Utility Services

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

- a. Originates away from the described premises; or

- b. 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.

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

5. War And Military Action

- a. War, including undeclared or civil war;
- b. Warlike action by a military force or military personnel, 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;
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or
- d. Destruction or seizure or use for a military purpose.

Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

6. Water

- a. Flood, surface water, waves including wave wash, tidal waves and tsunami, tidal water, storm surge, overflow of any body of water, or spray from any of these, all whether or not driven by wind including storm surge;
- b. Mudslide or mudflow;
- c. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- d. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Buildings, sidewalks, driveways, patios, foundations, walls, floors, paved surfaces, swimming pools or other structures;

- (2) Basements, whether paved or not; or

- (3) Doors, windows or other openings; or

- e. Waterborne material carried or otherwise moved by any of the water referred to in paragraphs a, c, or d, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs a. through e., is caused by or results from human or animal forces or any 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 or waterborne material.

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

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

This exclusion does not apply 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 covered Cause of Loss.

8. Rust, smog, decay, or other corrosion.

9. Wear, tear, marring, deterioration.

10. Inherent vice or latent defect.

11. Fire, Lightning, explosion, aircraft damage or vehicular damage, riot or civil commotion, vandalism, burglary or theft.

12. Smoke from agricultural smudging or industrial operations or sudden and accidental damage from smoke.

13. Discharge, dispersal, seepage, migration, release or escape of pollutants.

This exclusion does not apply to the amount of coverage that is provided under Additional Coverages, 4.d., Pollutant Cleanup And Removal.

14. Neglect

Neglect to use all reasonable means to save and preserve property before, at, or after the time of loss.

15. Birds, vermin, rodents, animals, marsupials, reptiles, fish, insects, or pests, including but not limited to, termites, snails, raccoons, opossums, armadillos, flies, bed bugs, lice, ticks, locust, cockroaches, and fleas.

16. Consequential Losses, including but not limited to rental value, business income or business interruption.

17. Intentional Loss

Any loss arising out of any act committed:

- a. By or at the direction of you or any person or organization named as an additional insured; and
- b. With the intent to cause loss.

18. Coastal Construction Control Line Exclusion

The amount of loss, if any, in excess of the actual cost of repair or replacement of the Covered Property where said excess is due to restrictions on reconstruction of coastal dwellings and buildings located within the coastal construction code zones established pursuant to Section 161.052 and 161.053, Florida Statutes, as presently existing or hereafter amended.

19. Existing Damage

- a. Any damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or occurring at a later date; or
- b. Any claims or damages arising out of workmanship, repairs and/or lack of repairs arising from damage which occurred prior to policy inception.

This provision applies to all coverages under this policy.

20. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires including loss to a tube, transistor or similar electronic component.

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

- a. Electrical or electronic wire, device, appliance, system or network; or
- b. 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.

22. Water, steam or other substances from sprinkler equipment, plumbing, heating, air conditioning, household appliance, sump pump, sump, or other piping, to the Interior of a Building, or the property contained in a building, unless the equipment or piping is first damaged as a direct result of a Covered Causes of Loss.

23. Mechanical breakdown;

24. We do not insure for loss to Covered Property caused by any of the following. However, any ensuing loss to Covered Property and caused by a Covered Causes of Loss which is not otherwise excluded or accepted in this policy is covered:

- a. **Weather Conditions.** However, this exclusion only applies if weather conditions other than a Covered Causes of Loss contribute in any way with a cause or event excluded in the Exclusions above, to produce the loss;
- 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 of any property whether on or off the described premises.

Exclusions **B.1** through **B.24** apply whether or not the loss event results in widespread damage or affects a substantial area.

C. Additional Coverage – Limited Coverage For “Fungus”, Wet Rot, Dry Rot And Bacteria

1. The coverage described in **C.2.** only applies when the “fungus”, wet or dry rot or bacteria is the result of a Covered Cause of Loss 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.
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 **C.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 Covered Causes of Loss 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 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.

D. Definitions

“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.

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.

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.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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 micro-organism 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 supercedes 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
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.

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).

The actual Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 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): $\$80,000 \times 2\% = \$1,600$

Step (2): $\$60,000 - \$1,600 = \$58,400$

Personal Property

Step (1): $\$64,000 \times 2\% = \$1,280$

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): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building 2

Step (1): $\$500,000 \times 2\% = \$10,000$

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): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$95,000 - \$25,000 = \$70,000$

Personal Property

Step (1): $\$250,000 \times 5\% = \$12,500$

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL COVERED PROPERTY

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

The following is withdrawn from PROPERTY NOT COVERED and added to COVERED PROPERTY:

SCHEDULE*

Prem. No.	Bldg. No.	Paragraph Reference	Description of Property	Type of Property Coverage (Enter Prem. Bldg. BUILDING or PERSONAL PROPERTY)
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* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL PROPERTY NOT COVERED

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

The following is added to PROPERTY NOT COVERED:

Prem. No.	Bldg. No.	SCHEDULE* Description of Property
1	1	Underground Equipment

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

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

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, unless a different deductible is stated elsewhere in this policy for such loss or damage.

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.

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 Wind/Hail Deductible 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 Wind/Hail Deductible 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 Wind/Hail Deductible 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.

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 the percentage (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 the percentage (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 the percentage (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 the percentage (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 the percentage (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 the percentage (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.

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): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 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): $\$80,000 \times 2\% = \$1,600$

Step (2): $\$60,000 - \$1,600 = \$58,400$

PERSONAL PROPERTY

Step (1): $\$64,000 \times 2\% = \$1,280$

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): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

BUILDING #2

Step (1): $\$500,000 \times 2\% = \$10,000$

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): $\$500,000 \times 3\% = \$15,000$

Step (2): $\$95,000 - \$15,000 = \$80,000$

PERSONAL PROPERTY

Step (1): $\$250,000 \times 3\% = \$7,500$

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.

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 Wind/Hail Deductible is \$1,000.

The Hurricane Deductible is 5%.

BUILDING #1

Step (1) $\$40,000 \times 5\% = \$2,000$ (Calendar Year Hurricane Deductible)

Step (2) $\$20,000 - \$2,000$ deductible = \$18,000

BUILDING #2

Step (1) $\$80,000 \times 5\% = \$4,000$ (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 Wind/Hail Deductible (\$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 Wind/Hail Deductible is \$1,000.

The Hurricane Deductible is 5%.

$\$800,000 \times 5\% = \$40,000$ (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 Wind/Hail Deductible (\$1,000) applies to the loss. The amount that we will pay is \$34,000.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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.

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.

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 \$ 1,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**FLORIDA CHANGES – APPRAISAL
(COMMERCIAL NON-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 non-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 in force 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 in force 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.

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 damaged 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.

FLORIDA CHANGES – WINDSTORM OR HAIL

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:

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. 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.

G. 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.
- (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.

H. Definitions

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

"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.

"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.

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

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.

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.

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 micro-processors;
 - (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.

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.

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.

**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 \$ <u>315.30</u>
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

0124837844

Policy Number

Date