

CAPRI ISLE GARDEN APARTMENTS NO. 2 CONDOMINIUM ASSOC INC
24701 US HWY 19 N STE 102
C/O AMERI-TECH PROPERTY MGMT INC
CLEARWATER, FL 33763



INSURANCE

Underwritten by:
First Protective Insurance Company
PO Box 958405
Lake Mary, FL 32795

TRANSACTION TYPE: Renewal
COMMERCIAL PROPERTY POLICY TRANSACTION DATE: 05/05/2025
DECLARATIONS PAGE DATE PRINTED: 03/06/2025

POLICY NUMBER	POLICY PERIOD	
4719184647	Effective: 05/05/2025	Expiration: 05/05/2026
	12:01 AM Standard Time	

IF YOU HAVE QUESTIONS ABOUT YOUR POLICY, PLEASE CONTACT YOUR AGENT AT 727-471-6002.

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

NAMED INSURED & MAILING ADDRESS:	AGENT:	523-24-21891
CAPRI ISLE GARDEN APARTMENTS NO. 2 CONDOMINIUM ASSOC INC 24701 US HWY 19 N STE 102 C/O AMERI-TECH PROPERTY MGMT INC CLEARWATER, FL 33763	MCGRIFF INSURANCE SERVICES - ST. PETERSBURG - CL 12485 28TH ST N FL 3 ST PETERSBURG, FL 33716-1825 PHONE: 727-471-6002	

PREMIUM INFORMATION:	
COMMERCIAL PROPERTY:	
COMMERCIAL PROPERTY PREMIUM:	\$70,480.00
TRIA:	
TAXES AND FEES:	
FIRE MARSHALL REGULATORY ASSESSMENT TAX:	\$71.00
POLICY FEE:	\$25.00
FLORIDA INSURANCE GUARANTY ASSOCIATION (FIGA) ASSESSMENT:	\$704.80
TOTAL PREMIUM, TAXES AND FEES:	\$71,280.80
HURRICANE PREMIUM:	\$65,825.00
TOTAL INSURED VALUE:	\$6,569,218.00

DESCRIPTION OF LOCATIONS(S):			
LOC NO	BLDG NO	BUILDING ADDRESS	OCCUPANCY
1	1	280 126TH AVE, TREASURE ISLAND, FL 33706	0333 CONDO-RES W/O MERC-OVER 30 UNITS

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



INSURANCE

Underwritten by:
First Protective Insurance Company
PO Box 958405
Lake Mary, FL 32795

TRANSACTION TYPE: Renewal
COMMERCIAL PROPERTY POLICY TRANSACTION DATE: 05/05/2025
DECLARATIONS PAGE DATE PRINTED: 03/06/2025

POLICY NUMBER	POLICY PERIOD	
4719184647	Effective: 05/05/2025	Expiration: 05/05/2026
	12:01 AM Standard Time	

IF YOU HAVE QUESTIONS ABOUT YOUR POLICY, PLEASE CONTACT YOUR AGENT AT 727-471-6002.

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

NAMED INSURED & MAILING ADDRESS:	AGENT:	523-24-21891
CAPRI ISLE GARDEN APARTMENTS NO. 2 CONDOMINIUM ASSOC INC 24701 US HWY 19 N STE 102 C/O AMERI-TECH PROPERTY MGMT INC CLEARWATER, FL 33763	MCGRUFF INSURANCE SERVICES - ST. PETERSBURG - CL 12485 28TH ST N FL 3 ST PETERSBURG, FL 33716-1825 PHONE: 727-471-6002	

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	\$6,556,218	Replacement Cost	80%
1	1	BUSINESS PERSONAL PROPERTY - CONTENTS	\$13,000	Replacement Cost	80%

DEDUCTIBLES:

LOC NO	BLDG NO	BUILDING ADDRESS	AOP PER OCCURENCE	HURRICANE CALENDAR YEAR/ PER OCCURENCE	OTHER WIND PER OCCURENCE
1	1	280 126TH AVE, TREASURE ISLAND, FL 33706		5% Calendar Year	\$10,000

FORMS/ ENDORSEMENTS APPLICABLE:

FORM NUMBER	EDITION DATE	FORM NAME
FPIC FL DEC	09 23	DECLARATIONS PAGE
FPIC TOC CA	09 23	TABLE OF CONTENTS - CONDOMINIUM ASSOCIATION
FPIC NOCPT	03 24	NOTICE OF CHANGE IN POLICY TERMS
FPIC NOCPT	05 24	NOTICE OF CHANGE IN POLICY TERMS
FPIC NOCPT	02 24	NOTICE OF CHANGE IN POLICY TERMS



INSURANCE

Underwritten by:
First Protective Insurance Company
PO Box 958405
Lake Mary, FL 32795

TRANSACTION TYPE: Renewal
COMMERCIAL PROPERTY POLICY TRANSACTION DATE: 05/05/2025
DECLARATIONS PAGE DATE PRINTED: 03/06/2025

POLICY NUMBER	POLICY PERIOD	
4719184647	Effective: 05/05/2025	Expiration: 05/05/2026
	12:01 AM Standard Time	

IF YOU HAVE QUESTIONS ABOUT YOUR POLICY, PLEASE CONTACT YOUR AGENT AT 727-471-6002.

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

NAMED INSURED & MAILING ADDRESS:	AGENT:	523-24-21891
CAPRI ISLE GARDEN APARTMENTS NO. 2 CONDOMINIUM ASSOC INC 24701 US HWY 19 N STE 102 C/O AMERI-TECH PROPERTY MGMT INC CLEARWATER, FL 33763	MCGRUFF INSURANCE SERVICES - ST. PETERSBURG - CL 12485 28TH ST N FL 3 ST PETERSBURG, FL 33716-1825 PHONE: 727-471-6002	

FORMS/ ENDORSEMENTS APPLICABLE:		
FORM NUMBER	EDITION DATE	FORM NAME
FPIC NOCPT	07 24	NOTICE OF CHANGE IN POLICY TERMS
IL P 001	01 04	OFAC ADVISORY NOTICE
CP 00 17	06 07	CONDOMINIUM ASSOCIATION COVERAGE FORM
FPIC WIND	03 23	CAUSES OF LOSS - WINDSTORM OR HAIL FORM
FPIC CPC	07 23	COMMON POLICY CONDITIONS CANCELLATION AND NONRENEWAL
CP 01 40	07 06	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
CP 01 91	07 10	FLORIDA CHANGES - RESIDENTIAL CONDOMINIUM ASSOCIATIONS
CP 03 22	01 06	FLORIDA - MULTIPLE DEDUCTIBLE FORM (FIXED DOLLAR DEDUCTIBLES)
CP 03 23	07 23	FLORIDA CALENDAR YEAR HURRICANE PERCENTAGE DEDUCTIBLE (RESIDENTIAL RISKS)
CP 12 70	09 96	JOINT OR DISPUTED LOSS AGREEMENT
FPIC ADPR	04 23	ADDITIONAL PROPERTY NOT COVERED
FPIC CPPC	03 23	FLORIDA - CLAIM PAYMENT PROVISION - CONDOMINIUM
FPIC EDEE	03 23	EXISTING DAMAGE EXCLUSION ENDORSEMENT
FPIC FC	05 24	FLORIDA CHANGES
FPIC FC APR	01 24	FLORIDA CHANGES - APPRAISAL (COMMERCIAL RESIDENTIAL PROPERTY)
FPIC REM	07 24	ADDITIONAL COVERAGE - REASONABLE EMERGENCY MEASURES ENDORSEMENT
IL 01 75	03 24	FLORIDA CHANGES - LEGAL ACTION AGAINST US
IL 09 35	07 02	EXCLUSION OF CERTAIN COMPUTER - RELATED LOSSES
IL 09 53	01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
FPIC TRIAOPT	07 23	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE



INSURANCE

Underwritten by:
First Protective Insurance Company
PO Box 958405
Lake Mary, FL 32795

TRANSACTION TYPE: Renewal
COMMERCIAL PROPERTY POLICY TRANSACTION DATE: 05/05/2025
DECLARATIONS PAGE DATE PRINTED: 03/06/2025

POLICY NUMBER	POLICY PERIOD	
	Effective:	Expiration:
	05/05/2025	05/05/2026
4719184647	12:01 AM Standard Time	

IF YOU HAVE QUESTIONS ABOUT YOUR POLICY, PLEASE CONTACT YOUR AGENT AT 727-471-6002.

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

NAMED INSURED & MAILING ADDRESS:	AGENT:	523-24-21891
CAPRI ISLE GARDEN APARTMENTS NO. 2 CONDOMINIUM ASSOC INC 24701 US HWY 19 N STE 102 C/O AMERI-TECH PROPERTY MGMT INC CLEARWATER, FL 33763	MCGRUFF INSURANCE SERVICES - ST. PETERSBURG - CL 12485 28TH ST N FL 3 ST PETERSBURG, FL 33716-1825 PHONE: 727-471-6002	

NOTICES:

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

A Rate Adjustment of 0.0% is included to reflect the Building Code Endorsement Grade (BCEG) in your area.
Adjustments range from 1.2% Surcharge to 12.4% Credit.

Premium change due to rate increase/decrease: \$71,280.80

COUNTERSIGNED BY:

DATE SIGNED: 03/06/2025

Frontline Website: www.frontlineinsurance.com

Table of Contents – Condominium Association

COMMERCIAL PROPERTY COVERAGE PART

Condominium Association Coverage Form	CP 00 17 06 07
A. Coverage	1
Covered Property	1
Property Not Covered	2
Covered Causes of Loss	3
Additional Coverages	3
Coverage Extensions	6
B. Exclusions and Limitations	8
C. Limits of Insurance	8
D. Deductible	8
E. Loss Conditions	9
Abandonment	9
Appraisal	9
Duties in the Event of a Loss or Damage	10
Loss Payment	10
Recovered Property	11
Vacancy	11
Valuation	11
F. Additional Conditions	12
Coinsurance	12
Mortgageholders	13
G. Optional Coverages	14
Agreed Value	14
Inflation guard	14
Replacement Cost	14
Extension of Replacement Cost to Personal Property of Others	15
H. Definitions	15

CAUSES OF LOSS FORMS

Basic	CP 10 10 06 07
A. Covered Causes of Loss	1
B. Exclusions	2
C. Additional Coverage – Limited Coverage for “Fungus”, Wet Rot, Dry Rot And Bacteria	5
D. Limitation	6
E. Definition	6
Broad	CP 10 20 06 07
A. Covered Causes of Loss	1
B. Exclusions	3
C. Additional Coverage – Collapse	6
D. Additional Coverage – Limited Coverage for “Fungus”, Wet Rot, Dry Rot And Bacteria	7
E. Limitation	8
F. Definitions	8
Special	CP 10 30 06 07
A. Covered Causes of Loss	1
B. Exclusions	1
C. Limitations	6
D. Additional Coverage – Collapse	7
E. Additional Coverage – Limited Coverage for “Fungus”, Wet Rot, Dry Rot And Bacteria	8
F. Additional Coverage Extensions	9
G. Definitions	10
Windstorm or Hail	FPIC WIND
A. Covered Causes of Loss	1
B. Exclusions	1

MANDATORY ENDORSEMENTS

Commercial Property Conditions	CP 00 90
Florida Changes – Condominiums	CP 01 91
Common Policy Conditions – Cancellation and Nonrenewal.....	FPIC CPC
Florida Changes – Legal Action Against Us	IL 01 75
Exclusion of Certain Computer – Related Losses	IL 09 35
Existing Damage Exclusion Endorsement	FPIC EDEE
Additional Property Not Covered	FPIC ADPR
Florida – Claim Payment Provision - Condominium	FPIC CPPC
Florida Calendar Year Hurricane Percentage Deductible (Residential Risks) (All Policies “With Wind”).....	CP 03 23
Florida Hurricane Percentage Deductible – Each Hurricane	CP 03 27
Florida – Multiple Deductible Form.....	CP 03 22
Catastrophic Ground Cover Collapse	FPIC CGCC
Joint or Disputed Loss Agreement.....	CP 12 70
Exclusion of Loss due to Virus or Bacteria	CP 01 40

OTHER ENDORSEMENTS (May be attached)

Windstorm or Hail Exclusion.....	CP 10 54
Vandalism Exclusion.....	CP 10 55
Sprinkler Leakage Exclusion.....	CP 10 56
Windstorm Protective Devices.....	CP 12 09
Loss Payable Provisions	CP 12 18
Additional Covered Property.....	CP 14 10
Outside Signs.....	CP 14 40
Radio or Television Antennas	CP 14 50
Insured’s Consent To Excess Rate – Florida	IL 09 32
Protective Safeguards.....	IL 04 15
Cap on Losses From Certified Acts of Terrorism	IL 09 52
Exclusion of Certified Acts of Terrorism.....	IL 09 53
Disclosure Pursuant to Terrorism Risk Insurance Act.....	IL 09 85
Property Plus Extension Endorsement - Basic	FPIC BE 01
Property Plus Extension Endorsement - Deluxe	FPIC PE
Sinkhole Deductible Selection	FPIC SDO
Florida – Sinkhole Loss Coverage.....	FPIC SLC
Ordinance or Law	FPIC ORDLAW
Ordinance or Law Coverage Schedule.....	FPIC SOLC
Request to Exclude Windstorm and Hail Coverage.....	FPIC XW

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:

CP 00 90 – Commercial Property Conditions; applies to Condo policies only.

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.

CP 00 90 – Commercial Property Conditions

- A.** The form includes various policy provisions such as concealment, misrepresentation, and fraud; control of property; insurance under two or more coverages; legal action against the insurer; liberalization; no benefit to bailee; other insurance; policy period and coverage territory; and transfer of recovery rights against others (subrogation).

IL 01 75 – Legal Action Against Us

- B.** 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 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

Form **FPIC FC** – Florida Changes has been amended. A summary of the changes to your policy has been provided below.

- A.** Added quotations around books and records in paragraphs **3.a.(7)** and **3.b.** to allow the term books and records to be defined.
- B.** Added additional language as paragraph **3.g.** requiring the insured to provide any new information and or documentation which impacts the amount of loss.
- C.** Added definition for “Books and Records”.
 - 1.** “Books and records” mean the official records the condominium association is required to maintain pursuant to Florida Statute 718.111(12).

NOTICE OF CHANGE IN POLICY TERMS

The purpose of this Notice of Change in Policy Terms is to inform you of changes to the terms, coverages, duties, and conditions of your renewal policy. If you choose to accept our renewal offer, you should carefully review the changes described below along with the enclosed policy. Please contact your agent if you have any questions regarding these changes. Receipt by 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 form **FPIC APR 01 24** – Florida Changes – Appraisal (Commercial Residential Property) has been added to your policy. **FPIC APR 01 24** 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:

- (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.
- (2) If the appraisers agree on all items:
 - (a) They will jointly submit to each party a written report of agreement signed by them.
 - (b) The written report of agreement must:
 - (i) Be itemized;
 - (ii) State separately the **actual cash value**, replacement cost, and if applicable, the market value of each item submitted by the parties.
- (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.
 - (a) The umpire must be chosen within 5 days.
 - (b) If the appraisers cannot agree on an umpire, then a judge in the county where the property is located will make the selection.
 - (c) 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.
- (4) Each party will be responsible for the compensation of their selected appraiser.
- (5) Reasonable expenses of the appraisal and the reasonable compensation of the umpire will be paid equally by **you** and **us**.
- (6) Appraisal is available only to determine the amount of the loss of each item in dispute.
- (7) Appraisal is a non-judicial proceeding and:
 - (a) Does not provide for or require arbitration.
 - (b) Neither party will be awarded attorney fees.
 - (c) The appraisal award may not be entered as a judgement in a court.
- (8) **We** may not demand appraisal after **we** bring suit or action against **you** relating to the amount of loss.

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 form **FPIC REM** – Additional Coverage – Reasonable Emergency Measures Endorsement has been amended. A summary of the changes to your policy has been provided below.

The following conditions have been added:

- 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.

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.

CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and
- (6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
 - (a) Fixtures, improvements and alterations that are a part of the building or structure; and
 - (b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

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

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

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

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

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

q. The following property while outside of buildings:

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

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
(\$10,000 is 20% of \$50,000.)	

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

EXAMPLE #2

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

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

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

b. Preservation Of Property

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

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

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

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

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

- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (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 is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

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

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

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

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (iii) Business personal property that you newly acquire, located at the described premises.

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

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (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 (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

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

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

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

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

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

\$ 60,100

– 250

\$ 59,850 Loss Payable – Building #1

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

Total amount of loss payable:

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

EXAMPLE #2

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

- a. Pay its chosen appraiser; and

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

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

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

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

4. Loss Payment

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

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

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

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

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

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

5. Recovered Property

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

6. Unit-owner's Insurance

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

7. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
 - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

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

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

8. Valuation

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

- a. At actual cash value as of the time of loss or damage, except as provided in b. and c. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

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

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

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

9. Waiver Of Rights Of Recovery

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

F. Additional Conditions

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

1. Coinsurance

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

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

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

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

EXAMPLE #1 (UNDERINSURANCE)

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

Step (1): $\$250,000 \times 80\% = \$200,000$
(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:	\$ 75,000
		<u>\$ 250,000</u>
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location #2:	\$ 30,000
	Personal Property at Location #2:	\$ 20,000
		<u>\$ 50,000</u>

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 applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

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 Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;

(2) Contents of a residence; or

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

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

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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, re-modeling 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 anyway 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 radio active 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 tsunamis, tidal water, storm surge, overflow of anybody 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, sea-wall 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

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.23 apply whether or not the loss event results in widespread damage or affects a substantial area.

COMMON POLICY CONDITIONS

CANCELLATION AND NONRENEWAL

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

A. 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.

B. 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.

C. 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.

D. 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.

E. 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.

F. 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. **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, except we may cancel immediately if there has been:
 - (a) A material misstatement of misrepresentation; or
 - (b) A failure to comply with underwriting requirements established by the insurer.
- b. We may not cancel:
- (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - (2) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
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. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect. 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.

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 may cancel this policy only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) The policy was obtained by a material misstatement;
 - (3) There has been a failure to comply within 90 days after the effective date of coverage, with underwriting requirements established by the insurer before the effective date of coverage;
 - (4) There has been a substantial change in the risk covered by the policy;
 - (5) The cancellation is for all insureds under such policies for a given class of insureds;
 - (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - (7) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for 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 if:
 - (a) Cancellation is for one or more of the reasons stated in 7.a.(2) through 7.a.(7) above; and
 - (b) This policy does not cover a residential structure or its contents; or

- (3) 120 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in 7.a.(2) through 7.a.(7) above; and
 - (b) This policy covers a residential structure or its contents.
- c. If this policy covers a residential structure or its contents, and this policy has been in effect for more than 90 days, we may not cancel on the basis of credit information available in public records.

G. Nonrenewal

- 1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:
 - a. 45 days prior to the expiration of the policy if this policy does not cover a residential structure or its contents.
 - b. 120 days prior to the expiration for all other nonrenewals.
- 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.
- 3. We may not refuse to renew this policy:
 - a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - b. However, we may refuse to renew this policy if:
 - (1) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
 - c. Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

H. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss – Residential Property

- 1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:
 - a. Except as provided in H.1.b., we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing policies in Florida. If we elect to not renew the policy, we will provide at least 120 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.
 - b. We may cancel or nonrenew the policy prior to restoration of the structure, for any of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Material misstatement or fraud related to the claim;
 - (3) We determine that you have unreasonably caused a delay in the repair of the structure; or
 - (4) We have paid the policy limits.

If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel for a reason listed in b.(2), b.(3) or b.(4), we will give you 45 days' notice.
- 2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.

3. With respect to **H.2.**, 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 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.
- I. Renewal Notification.** If we elect to renew this policy, we will let you know, in writing:
1. Of our decision to renew this policy; and
 2. The amount of renewal premium payable to us.

This notice will be delivered to you or mailed to you at your mailing address shown in the Declarations at least 45 days before the expiration date of this policy.

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 microorganism that induces or is capable of inducing physical distress, illness or disease.
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – RESIDENTIAL CONDOMINIUM ASSOCIATIONS

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM

SCHEDULE

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

A. Building section is replaced by the following:

1. Building, meaning the building or structure described in the Declarations, including:
 - a. Additions, alterations and repairs;
 - b. Fixtures, outside of individual units, including outdoor fixtures;
 - c. Permanently installed:
 - (1) Machinery; and
 - (2) Equipment;
 - d. Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (1) Fire extinguishing equipment;
 - (2) Outdoor furniture;
 - (3) Floor coverings; and
 - (4) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
 - e. If not covered by other insurance, materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure;
 - f. Air conditioning and heating equipment, including air conditioning compressors, used to service any part of the building or structure, including individual units and the limited common elements;
 - g. Any other portion of the condominium property located outside of individual units, including improvements, additions and alterations;
 - h. Fixtures, improvements, additions and alterations that are a part of the building or structure and contained within the boundaries of an individual unit, regardless of ownership, if your Condominium Association Agreement requires you to insure such property; and
 - i. Additional property as described in the Schedule or in the Declarations.
2. But Building does not include:
 - a. Any personal property within individual units or limited common elements except as provided in Paragraph A.1.f. of this endorsement;

- b.** Floor coverings, wall coverings and ceiling coverings located within the boundaries of an individual unit and which serve only such unit;
 - c.** Electrical fixtures, water heaters, water filters, window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, and built-in cabinets and countertops which are located within the boundaries of an individual unit and serve only such unit;
 - d.** Appliances, such as those used for refrigerating, ventilating, cooking, dish-washing, laundering, security or housekeeping, which are located within the boundaries of an individual unit and serve only such unit.
- B.** With respect to the coverage provided under this Coverage Form, such coverage will be provided for all portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.
- C.** With respect to Replacement Cost coverage as provided under this Coverage Form, the property described in Paragraph **A.1.f.** of this endorsement is not considered to be the personal property of others.

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.

FLORIDA CALENDAR YEAR HURRICANE PERCENTAGE DEDUCTIBLE (RESIDENTIAL RISKS)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Hurricane Deductible Percentage – Enter 1%, 2%, 3%, 5% Or 10%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The Hurricane Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Hurricane.

Under the terms of this endorsement, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The Hurricane occurrence begins at the time a hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

If a windstorm is not declared to be a hurricane and there is loss or damage by windstorm to Covered Property, the applicable deductible is the same deductible that applies to Fire.

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

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

HURRICANE DEDUCTIBLE CALCULATIONS

A. Calculation of the Deductible – All Policies

1. A Hurricane Deductible is calculated separately for, and applies separately to:
 - a. Each building that sustains loss or damage;

- b. The personal property at each building at which there is loss or damage to personal property;
- c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

The Hurricane Deductible(s), as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Hurricane Deductible(s) will apply to loss or damage that occurs during each calendar year in which the policy is in force. For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Hurricane Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.

2. Subject to Paragraphs **A.3.**, **A.4.** and **A.5.** below, we will not pay for loss or damage until the amount of loss or damage exceeds the applicable Hurricane Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When a hurricane results in loss or damage that exhausts the Hurricane Deductible, then that Deductible will not apply to loss or damage from a subsequent hurricane(s) in the same calendar year. In such case, the Deductible that applies to Fire will apply to loss or damage from each subsequent hurricane in that calendar year.
4. When a hurricane(s) results in loss or damage that does not exhaust the Hurricane Deductible, then the Deductible applicable to a subsequent hurricane(s) in the same calendar year will be the Deductible that applies to Fire or the remaining amount of the Hurricane Deductible, whichever is greater. In this situation, the remaining amount of the Hurricane Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Hurricane Deductible.
5. When the Deductible on Fire applies in accordance with Paragraph **A.3.** or **A.4.**, that Deductible is applied to the total of all loss or damage sustained in one hurricane. It does not apply separately to each item of insurance.
6. If an item of insurance is insured under more than one policy issued by us or another insurer in our insurer group for the same policy period and different Hurricane Deductibles apply to the same item of insurance under such policies, then the Hurricane deductible for that item of insurance shall be the highest amount stated in any of the policies.
7. When a renewal policy is issued by us or another insurer in our insurer group, or we issue a policy that replaces our own policy, and the renewal or replacement policy takes effect on a date other than January 1 of a calendar year, the following provisions apply:
 - a. If the renewal or replacement policy provides a **lower** Hurricane Deductible than the prior policy and you already incurred loss or damage from a hurricane that occurred in that calendar year, the lower Hurricane Deductible will not take effect until January 1 of the following calendar year. We will so notify you in writing at the time we offer the lower Hurricane Deductible.
 - b. If the renewal or replacement policy provides a **higher** Hurricane Deductible than the prior policy, the higher Hurricane Deductible will take effect on the effective date of the renewal or replacement policy. However, all foregoing provisions of this endorsement relating to calendar year application of the Hurricane Deductible apply. If hurricane loss or damage was sustained earlier in the calendar year in which the higher Hurricane Deductible now applies, the difference between the higher and lower Hurricane Deductibles will be figured into the calculation of the remainder of the Hurricane Deductible for a subsequent hurricane that occurs in that calendar year.

B. Calculation Of The Deductible – Specific Insurance Other Than Builders' Risk

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

C. Calculation Of The Deductible – Blanket Insurance Other Than Builders' Risk

1. Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

D. Calculation Of The Deductible – Builders' Risk Insurance

1. Builders' Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

2. Builders' Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

E. Calculation Of The Deductible – Property Covered Under The Coverage Extension For Newly Acquired Or Constructed Property

The following applies when property is covered under the Coverage Extension for Newly Acquired or Constructed Property:

In determining the amount, if any, that we will pay for loss or damage to such property, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown.

EXAMPLES – APPLICATION OF DEDUCTIBLE (ONE HURRICANE OCCURRING DURING A CALENDAR YEAR)

EXAMPLE #1 – SPECIFIC INSURANCE (B.1.)

The amount of loss to the damaged building is \$60,000.

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 Deductible on Fire 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 Deductible that applies to Fire (\$1,000) will apply to the loss. Therefore, we will pay \$7,000 (\$8,000 – \$1,000 = \$7,000).

EXAMPLE #2 – SPECIFIC INSURANCE (B.1.)

Hurricane A Occurs On October 1 Of A Calendar Year

The amount of loss to damaged Building #1 is \$20,000.

The value of Building #1 at time of loss is \$1,000,000. The coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$800,000 (80% of \$1,000,000).

The **actual** Limit of Insurance on the damaged property is \$800,000 (therefore no coinsurance penalty).

The Deductible on Fire is \$1,000.

The Hurricane Deductible is 5%.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JOINT OR DISPUTED LOSS AGREEMENT

This Endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** This endorsement is intended to facilitate payment of insurance proceeds when:
1. Both a boiler and machinery policy and this commercial property policy are in effect;
 2. Damage occurs to Covered Property that is insured by the boiler and machinery policy and this commercial property policy; and
 3. There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.
- B.** This endorsement does not apply if:
1. Both the boiler and machinery insurer(s) and we do not admit to any liability; and
 2. Neither the boiler and machinery insurer(s) nor we contend that coverage applies under the other insurer's policy.
- C.** The provisions of this endorsement apply only if all of the following requirements are met:
1. The boiler and machinery policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;
 2. The damage to the Covered Property was caused by a loss for which:
 - a. Both the boiler and machinery insurer(s) and we admit to some liability for payment under the respective policies; or
 - b. Either:
 - (1) The boiler and machinery insurer(s) does not admit to any liability for payment, while we contend that:
 - (a) All liability exists under the boiler and machinery policy; or
 - (b) Some liability exists under both the boiler and machinery policy and this commercial property policy;
 - (2) We do not admit to any liability for payment, while the boiler and machinery insurer(s) contends that:
 - (a) All liability exists under this commercial property policy; or
 - (b) Some liability exists under both the boiler and machinery policy and this commercial property policy; or
 - (3) Both the boiler and machinery insurer(s) and we:
 - (a) Do not admit to any liability for payment; and
 - (b) Contend that some or all liability exists under the other insurer's policy; and
 3. The total amount of the loss is agreed to by you, the boiler and machinery insurer(s) and us.
- D.** If the requirements listed in Paragraph **C.** above are satisfied, we and the boiler and machinery insurer(s) will make payments to the extent, and in the manner, described as follows:
1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the loss that is in disagreement.
 2. The boiler and machinery insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the boiler and machinery policy and one-half (1/2) the amount of loss that is in disagreement.

3. Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs 1. and 2., do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the boiler and machinery policy.
5. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and machinery policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
6. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

E. Arbitration

1. If the circumstances described in Paragraph C.2.a. exist and the boiler and machinery insurer(s) and we agree to submit our differences to arbitration, the boiler and machinery insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this endorsement.
2. If any of the circumstances described in Paragraph C.2.b. exist, then the boiler and machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.
3. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the boiler and machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

F. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

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

The following is added to PROPERTY NOT COVERED:

Description of Property

1. Awnings, gazebos canopies, cabanas and pavilions of fabric or slat construction, including their supports.
2. Billboards, Signs (not on buildings) of any construction type.
3. Bleachers.
4. Bus Stop Shelter(s).
5. Carport(s).
6. Dumpster Enclosure(s).
7. Electronic Transmission Equipment.
8. Exhibit stands in the open.
9. Fence/Walls of any construction type.
10. Fire Alarm Boxes and Other Similar Equipment.
11. Mailbox Kiosk.
12. Pool, Pool Access Equipment, Pool Access Equipment (with Electronics), Pool Pump and Equipment and Spa/Jacuzzi.
13. Pump House.
14. Recreational Court and Recreational Fence.
15. Screened Enclosure.
16. Solar Panels.
17. Street Lights, Street Signs and Traffic Signals.
18. Tents.
19. Property stored in open yards.
20. Vending machines or their contents.
21. "Stock".
22. Radio or television antennas or aerials, satellite dish (including lead-in wiring, masts or towers and their support) unless specially scheduled in the declarations or Endorsement CP 14 50.
23. Any structure including the personal property contained within or on the structure, located in whole or in part over water.
24. Dune Crossovers.

THE FOLLOWING PROPERTY IS NOT COVERED IF DAMAGE IS CAUSED BY WINDSTORM OR HAIL;

1. Any structure or attachment, whether attached or separate from the covered building, where that structure's roof coverings are of screen, fabric, thatch, lattice, or slats and similar material; or
Where the structure's exterior wall coverings are of fabric, thatch, lattice, or slats and similar material.
2. Greenhouses, Glasshouses, Hothouses, Slathouses, Trellises, Chickees, Gazebos, Pergolas, Cabanas and Tiki huts; or
Similar structures and personal property contained within or on these structures.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA - CLAIM PAYMENT PROVISION - CONDOMINIUM

The following **(4.g.(3))** is added to the Loss Payment section of **CP 00 17 - Condominium Association Coverage Form**.

- (3)** Within 60 days of receiving notice of 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.

EXISTING DAMAGE EXCLUSION ENDORSEMENT

It is understood and agreed that this policy is not intended to and does not provide coverage for any damages which occurred:

1. Prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy; or
2. Became apparent at a later date.

It is also understood and agreed that:

This policy is not intended to and does not provide coverage for any claims or damages arising out of:

1. Workmanship;
2. Repairs and / or lack of repairs;

Arising from damage which occurred prior to policy inception.

It is further understood and agreed that:

This policy does not provide coverage for any stated amount until and unless all structures covered by your previous policy have been fully and completely repaired.

Prior to such completion of repairs, coverage will be limited to the greater of:

1. The actual cash value of the property at the time of a covered loss occurring during this policy period; or
2. The cost of repairing the property to a state at which it existed at the time of a covered loss, provided that such repairs have been made.

This endorsement applies to all coverages under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

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

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

- 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 water-proofing 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. Sinkhole Collapse Coverage Removed

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

1. In the Causes Of Loss – Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
2. In the Causes Of Loss – Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage – Collapse; and sinkhole collapse is no longer an exception to the Earth Movement Exclusion.
3. In the Causes Of Loss – Special Form, Sinkhole Collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement Exclusion.
4. In the Mortgageholders Errors And Omissions Coverage Form, Sinkhole Collapse is deleted from the Covered Causes of Loss under Coverage B and from the "specified causes of loss", and is no longer an exception to the Earth Movement Exclusion.

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

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

Catastrophic Ground Cover Collapse

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

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. "Structural damage" to the building, including the foundation; and
4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

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

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

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

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.

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.

- 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. 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) There 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.

I. 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.

J. Definitions

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

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

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

2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

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.

FLORIDA CHANGES – APPRAISAL (COMMERCIAL RESIDENTIAL PROPERTY)

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM (COMMERCIAL PROPERTY COVERAGE PART)
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM
 STANDARD PROPERTY POLICY

With respect to a loss to commercial residential property, the following replaces the **Appraisal** Condition:

If **you** and **we** fail to agree on the amount of any loss under **A. Coverage**, we can demand that the amount of the loss be set by appraisal. **Our** demand for appraisal must be in writing. If **we** demand appraisal:

1. Each party must select a competent, disinterested appraiser and notify the other party of the appraiser's identity within 15 days of **your** receipt of **our** written demand for appraisal. By that same deadline, **we** and **you** must provide to each other a written, itemized list of all disputes as to the amount of loss, identifying separately each item being disputed. The appraisal will apply only to those disputes on the amount of loss identified in writing by the parties subject to paragraph 7. below. If **you** dispute the amount set by us for an item, but do not identify that dispute in the required list, the amount of loss for that item will be the amount previously set by us.
2. The appraisers will then attempt to set the amount of the loss of each item in dispute as specified by each party. If the appraisers agree on all items, they will jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement must be itemized and state separately the **actual cash value**, replacement cost, and if applicable, the market value of each item submitted by the parties as set forth in paragraph 1. A written report of agreement that meets these requirements will constitute the appraisal. The appraisal will set the amount of the loss for each properly submitted item in dispute and will be binding upon **you** and **us**.

A written report of agreement that does not itemize and resolve all disputes submitted by the parties pursuant to paragraph 1., does not constitute an appraisal and is not binding upon **you** and **us**. In such a case, the matter must be returned to the appraisers for completion.

In the event the appraisers submit a written report that includes items not submitted pursuant to paragraph 1., such additional items have no effect and will be disregarded. If the written report otherwise meets the requirement of an appraisal, it will be binding upon **you** and **us** as to the items properly submitted in writing by **you** and **us**. If the written report does not otherwise meet the requirements of an appraisal, the matter must be returned to the appraisers for completion.

3. If the two appraisers fail to agree on the submitted disputes within 20 days, unless the period of time is extended by mutual agreement, they will select a competent, disinterested umpire and will submit their differences to the umpire. If the appraisers are unable to agree upon an umpire within 5 days, **you** or **we** may make a written application for a judge of a court of record in the same state and county (or city if the city is not within a county) where the **"Described Location"** is located to select an umpire.

If the umpire reaches an agreement with one of the appraisers on all items, they will jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement must be itemized and state separately the **actual cash value**, replacement cost, and

if applicable, the market value of each item in dispute and address all disputes submitted by the parties pursuant to paragraph a. A written report of agreement that meets these requirements will constitute the appraisal. The appraisal will set the amount of the loss for each properly submitted item in dispute and will be binding upon **you** and **us**.

A written report of agreement that does not itemize and resolve all disputes submitted by the parties pursuant to paragraph 1. does not constitute an appraisal and is not binding upon **you** and **us**. In such a case, the matter must be returned to the appraisers and the umpire for completion.

In the event an appraiser and umpire submit a written report that includes items not submitted pursuant to paragraph a., such additional items have no effect and will be disregarded. If the written report otherwise meets the requirement of an appraisal, it will be binding upon you and us as to the items properly submitted in writing by **you** and **us**. If the written report does not otherwise meet the requirements of an appraisal, the matter must be returned to the appraisers and umpire for completion.

4. To qualify as an appraiser or umpire for a loss to property, a person must be one of the following and be licensed or certified as required by the applicable jurisdiction:
 - (a) An engineer or architect with experience and training in building construction, repair, estimating, or investigation of the type of property damage in dispute;
 - (b) An adjuster or public adjuster with experience and training in estimating the type of property damage in dispute;
 - (c) A contractor with experience and training in the construction, repair, and estimating of the type of property damage in dispute.
5. A person may not serve as an appraiser or umpire if that person, any employee of that person, that person's employer, or any employee of their employer has:
 - (a) A familial relationship within the third degree between the umpire or appraiser and a party or a representative of a party;
 - (b) Previously represented a party in a professional capacity in the same claim or matter involving the same property;
 - (c) Represented another person in a professional capacity on the same or a substantially related matter that includes the claim, the same property or an adjacent property, and the other person's interests are materially adverse to the interests of a party; or
 - (d) A financial interest in the outcome of the claim at issue in the appraisal.
6. Each party will be responsible for the compensation of their selected appraiser. Reasonable expenses of the appraisal and the reasonable compensation of the umpire will be paid equally by **you** and **us**.
7. Appraisal is available only to determine the amount of the loss of each item in dispute. Appraisal of the amount of loss will not include determinations of causation unless we include the causation issues in its itemized list of disputes under paragraph 1. A written report of agreement that does not determine causation when required by us does not constitute an appraisal and is not binding upon **you** and **us**. In such a case, the matter must be returned to the appraisers for completion. If we do not identify causation in its list of disputes, the appraisers and the umpire will have no authority to decide questions of causation and any such findings in the appraisal have no effect and will be disregarded. The appraisers and the umpire have no authority to decide:
 - (a) Any other questions of fact;
 - (b) Questions of law;
 - (c) Questions of coverage;
 - (d) Other contractual issues; or
 - (e) To conduct appraisal on a class-wide basis.

8. Appraisal is a non-judicial proceeding and does not provide for or require arbitration. Neither party will be awarded attorney fees. The appraisal award may not be entered as a judgement in a court.
9. **We** may not demand appraisal after **we** bring suit or action against **you** relating to the amount of loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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:

- (c)** 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.
 - (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.

- (d) 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.
- (e) 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.

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 microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;
due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;
 we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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 \$ 704.80
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

4719184647

Policy Number

Date