

DOUGLAS ANTHONY DIERDORF
BALDWIN KRYSTYN SHERMAN PARTNERS LLC
4211 W BOY SCOUT BLVD STE 900
TAMPA, FL 33607

LAURA STREET TOWNHOMES OF CLEARWATER HOA INC
28050 US HWY 19 N
CLEARWATER, FL 33761-2634

Welcome to Citizens Property Insurance Corporation. Citizens is a not-for-profit governmental entity committed to providing the highest level of service to our customers. Here are some quick tips to help you make the most of your Citizens policy.

Register for myPolicy

Citizens offers an online, self-service, policy management tool called myPolicy. Register for myPolicy at www.citizensfla.com/mypolicy to access policy documents, view claims and billing information, make payments and report a claim online. Qualified customers also can make a one-time payment through www.citizensfla.com/payments.

Contact Citizens First

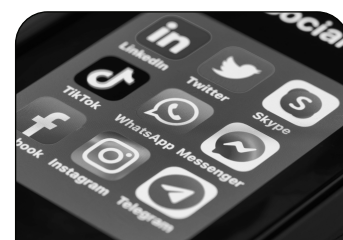
Contacting Citizens or your agent as soon as you become aware of or suspect any damage and before beginning any emergency or permanent repairs puts you in control of your claim. You can report a claim even before you know the full extent of damage. Loss reporting and repair requirements affect coverage for emergency and permanent repairs. Citizens will work with you to make sure any covered damage is repaired quickly and correctly. Learn more at www.citizensfla.com/call-citizens-first.



www.citizensfla.com/mypolicy
866.411.2742
Available 24/7/365

Assessments

Citizens policyholders could be required to pay assessments in addition to their regular policy premiums when – due to a major storm, series of less severe storms or other catastrophic events – additional funds are needed to pay policyholder claims. Your potential exposure is disclosed in the *Acknowledgement of Potential Surcharge and Assessment Liability* section of your application. Learn more at www.citizensfla.com/assessments.



Citizens Is Social!

Follow Citizens Property Insurance Corporation on Facebook and on Twitter @citizens_flas for storm preparedness tips, Citizens news and insurance education. You'll also find policyholder resources and comprehensive information at www.citizensfla.com.

We're Here to Help

Contact your agent at the telephone number provided on your *Declarations* page or call Citizens at 866.411.2742 or send an online message at www.citizensfla.com/contactus.



COMMERCIAL PROPERTY POLICY DECLARATIONS

POLICY NUMBER: 13123438 - 1 **POLICY PERIOD FROM** 08/15/2024 **TO** 08/15/2025
 at 12:01 a.m. Eastern Time

Transaction: NEW BUSINESS CR-M

Pay Plan: Citizens Full Pay **Bill:** Insured Billed

Named Insured and Mailing Address	Agent	Fl. Agent Lic. #
Laura Street Townhomes of Clearwater HOA Inc 28050 US HWY 19 N CLEARWATER, FL 33761-2634	DOUGLAS ANTHONY DIERDORF BALDWIN KRISTYN SHERMAN PARTNERS LLC 4211 W BOY SCOUT BLVD STE 900 TAMPA, FL 33607	W035824_2

Telephone: 727-798-8982 **Telephone:** 754-333-4298

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENTS.

	PREMIUM
COMMERCIAL PROPERTY COVERAGE	\$16,052.00
Required Additional Charges:	
Emergency Management Preparedness and Assistance Trust Fund (EMPA)	\$4.00
2023-A Florida Insurance Guaranty Association (FIGA) Emergency Assessment	\$161.00
State Fire Marshal Regulatory Surcharge	\$16.00
Tax-Exempt Surcharge	\$281.00
TOTAL:	\$16,514.00

The portion of your premium for
 Hurricane Coverage is: \$6,378.00 Non - Hurricane Coverage is: \$9,674.00

See Form CDEC-FE-SCH – Commercial Policy Forms And Endorsements Schedule

Authorized By: DOUGLAS ANTHONY DIERDORF

Issued Date: 08/13/2024

Countersigned: 08/13/2024

BY:

Timothy M. Cerio
 President/CEO and Executive Director
 Citizens Property Insurance Corporation



COMMERCIAL PROPERTY POLICY DECLARATIONS

Policy Number: 13123438 - 1

Effective Date: 08/15/2024 to 08/15/2025

Insured Name: Laura Street Townhomes of Clearwater HOA Inc

LOCATION NO. 1	BUILDING OR SPECIAL CLASS ITEM NO. 1	CSP Code: 0311				
BUSINESS DESCRIPTION: Apartments/Co-Ops, Continuing Care Retirement Community (CCRC) and HOA without Mercantile Occupancies - Up to 10 Units						
DESCRIPTION OF PREMISES		1: 900 LAURA ST		3 story, 9 Unit JM Townhome Bldg		
Location Address	Group I Construction	Group II Construction	Protection Class	BCEGS Grade		
900 LAURA ST 900-916 Laura St CLEARWATER, FL 33755-4531	Joisted Masonry Group I Territory Statewide	B Group II Territory Seacoast Zone 3	1 Coastal Territory None	03		No. of Units 9
COVERAGES PROVIDED Insurance at the Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown.						
Coverage	Limit Of Insurance	Covered Causes Of Loss	Total Replacement Cost	Rates	Premium	First Loss
Building (Bldg)	\$1,913,100	Basic	\$1,913,100	Class	\$7,634.00	N/A
					FHCF Build-Up Premium:	\$205
OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below						
Coverage	Premium		Replacement Cost			
			Building	Business Personal Property		
			Yes			
DEDUCTIBLE						
All Other Perils Deductible		Hurricane Percentage Deductible				
\$10,000		Deductible Percentage (Deductible Amount) Bldg: 5% (\$95,655)				
WINDSTORM MITIGATION FEATURES						
Terrain	Year Built	Roof Cover	Roof Deck	Roof-Wall Connection	SWR	
B	2004	N/A	Level C	N/A	Yes	
Building Type	Roof Shape	Opening Protection	FBC Wind Speed	FBC Wind Design		
Type I	Other	None	Unknown	Unknown		
*A premium adjustment of \$ 15,571.00 is included to reflect building code enforcement and the building's wind loss mitigation features or construction techniques that exist. Adjustments range from a 1% surcharge to a 65% credit.						
Mortgageholder(s) & Other Policyholder Interest(s) – See Policy Interest Schedule.						
PREMIUM: \$7,839.00						



COMMERCIAL PROPERTY POLICY DECLARATIONS

Policy Number: 13123438 - 1

Effective Date: 08/15/2024 to 08/15/2025

Insured Name: Laura Street Townhomes of Clearwater HOA Inc

LOCATION NO. 2	BUILDING OR SPECIAL CLASS ITEM NO. 1	CSP Code: 0311				
BUSINESS DESCRIPTION: Apartments/Co-Ops, Continuing Care Retirement Community (CCRC) and HOA without Mercantile Occupancies - Up to 10 Units						
DESCRIPTION OF PREMISES		2: 922 LAURA ST		3 Story, 9 Unit JM Townhome Bldg		
Location Address	Group I Construction	Group II Construction	Protection Class	BCEGS Grade		
922 LAURA ST 922-938 Laura St CLEARWATER, FL 33755-4531	Joisted Masonry Group I Territory Statewide	B Group II Territory Seacoast Zone 3	1 Coastal Territory None	03 No. of Units 9		
COVERAGES PROVIDED Insurance at the Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown.						
Coverage	Limit Of Insurance	Covered Causes Of Loss	Total Replacement Cost	Rates	Premium	First Loss
Building (Bldg)	\$1,913,100	Basic	\$1,913,100	Class	\$7,634.00	N/A
					FHCF Build-Up Premium:	\$205
OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below						
Coverage	Premium		Replacement Cost			
			Building	Business Personal Property		
			Yes			
DEDUCTIBLE						
All Other Perils Deductible		Hurricane Percentage Deductible				
\$10,000		Deductible Percentage (Deductible Amount) Bldg: 5% (\$95,655)				
WINDSTORM MITIGATION FEATURES						
Terrain	Year Built	Roof Cover	Roof Deck	Roof-Wall Connection	SWR	
B	2004	N/A	Level C	N/A	Yes	
Building Type	Roof Shape	Opening Protection	FBC Wind Speed	FBC Wind Design		
Type I	Other	None	Unknown	Unknown		
*A premium adjustment of \$ 15,571.00 is included to reflect building code enforcement and the building's wind loss mitigation features or construction techniques that exist. Adjustments range from a 1% surcharge to a 65% credit.						
Mortgageholder(s) & Other Policyholder Interest(s) – See Policy Interest Schedule.						
PREMIUM: \$7,839.00						



COMMERCIAL PROPERTY POLICY DECLARATIONS

Policy Number: 13123438 - 1

Effective Date: 08/15/2024 to 08/15/2025

Insured Name: Laura Street Townhomes of Clearwater HOA Inc

LOCATION NO. 2	BUILDING OR SPECIAL CLASS ITEM NO. 2	CSP Code: N/A				
BUSINESS DESCRIPTION: Swimming Pool (Inground Concrete or Metal)						
DESCRIPTION OF PREMISES 2: 922 LAURA ST Pool & Pool Deck						
Location Address 922 LAURA ST 922-938 Laura St CLEARWATER, FL 33755-4531	Group I Construction N/A	Group II Construction N/A	Protection Class 1	BCEGS Grade 03		
	Group I Territory Statewide	Group II Territory Seacoast Zone 3	Coastal Territory None	No. of Units N/A		
COVERAGES PROVIDED Insurance at the Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown.						
Coverage	Limit Of Insurance	Covered Causes Of Loss	Total Replacement Cost	Rates	Premium	First Loss
Special Class Item	\$78,200	Basic	\$78,200	Class	\$361.00	N/A
					FHCF Build-Up Premium:	\$13
OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below						
Coverage	Premium		Replacement Cost			
			Building	Business Personal Property		
			Yes			
DEDUCTIBLE						
All Other Perils Deductible		Hurricane Percentage Deductible				
\$10,000		Deductible Percentage (Deductible Amount) Bldg: 5% (\$3,910)				
WINDSTORM MITIGATION FEATURES						
Terrain B	Year Built 2004	Roof Cover N/A	Roof Deck N/A	Roof-Wall Connection N/A	SWR N/A	
Building Type N/A	Roof Shape N/A	Opening Protection N/A	FBC Wind Speed N/A	FBC Wind Design N/A		
*A premium adjustment of \$ 0.00 is included to reflect building code enforcement and the building's wind loss mitigation features or construction techniques that exist. Adjustments range from a 1% surcharge to a 65% credit.						
Mortgageholder(s) & Other Policyholder Interest(s) – See Policy Interest Schedule.						
PREMIUM: \$374.00						



COMMERCIAL PROPERTY POLICY DECLARATIONS

Policy Number: 13123438 - 1

Effective Date: 08/15/2024 to 08/15/2025

Insured Name: Laura Street Townhomes of Clearwater HOA Inc

WARNING: PREMIUM PRESENTED COULD INCREASE IF CITIZENS IS REQUIRED TO CHARGE ASSESSMENTS FOLLOWING A MAJOR CATASTROPHE.

FLOOD COVERAGE IS NOT PROVIDED BY THIS POLICY.

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

YOUR POLICY PROVIDES COVERAGE FOR A CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE, YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM.

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

TO REPORT A LOSS OR CLAIM CALL 866.411.2742

PLEASE CONTACT YOUR AGENT IF THERE ARE ANY QUESTIONS PERTAINING TO YOUR POLICY. IF YOU ARE UNABLE TO CONTACT YOUR AGENT, YOU MAY REACH CITIZENS AT 866.411.2742.



**COMMERCIAL PROPERTY POLICY
 FORMS AND ENDORSEMENTS SCHEDULE**

POLICY NUMBER 13123438 - 1 **POLICY PERIOD FROM** 08/15/2024 **TO** 08/15/2025
 at 12:01 a.m. Eastern Time

Named Insured Laura Street Townhomes of Clearwater HOA Inc

An entry below of "All" indicates the form applies to all items scheduled in the policy

Location No.	Building No.	Form No.	Edition Date	Description
ALL	ALL	CP 00 90	07 88	COMMERCIAL PROPERTY CONDITIONS
ALL	ALL	CP 10 10	06 07	CAUSES OF LOSS - BASIC FORM
ALL	ALL	CIT 02 55	12 23	FLORIDA CHANGES - CANCELLATION AND NONRENEWAL
ALL	ALL	CIT 00 01	12 23	TABLE OF CONTENTS - BUILDING AND PERSONAL PROPERTY
ALL	ALL	IL 00 17	11 98	COMMON POLICY CONDITIONS
ALL	ALL	IL 09 35	07 02	EXCLUSION OF CERTAIN COMPUTER- RELATED LOSSES
ALL	ALL	IL P 001	01 04	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS
ALL	ALL	CIT 03 27	12 23	FLORIDA HURRICANE PERCENTAGE DEDUCTIBLE - EACH HURRICANE (RESIDENTIAL RISKS)
ALL	ALL	IL 09 53	01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
ALL	ALL	CIT 01 75	07 23	FLORIDA CHANGES - LEGAL ACTION AGAINST US
ALL	ALL	CIT CR 01 25	12 23	FLORIDA CHANGES
ALL	ALL	CP 01 40	07 06	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
ALL	ALL	CIT 14 20	12 23	ADDITIONAL PROPERTY NOT COVERED
1	ALL	CP 00 10	06 07	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
2	ALL	CP 00 10	06 07	BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Issued Date: 08/13/2024

First Named Insured Copy

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COMMERCIAL PROPERTY POLICY
POLICY INTEREST SCHEDULE

POLICY NUMBER 13123438 - 1 **POLICY PERIOD FROM** 08/15/2024 **TO** 08/15/2025
at 12:01 a.m. Eastern Time

Named Insured Laura Street Townhomes of Clearwater HOA Inc

Location No. **Building No.** **Interest Type** **Name and Mailing Address**
No Additional Interests.



NOTICE OF PRIVACY POLICY

FACTS	WHAT DOES CITIZENS PROPERTY INSURANCE CORPORATION DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> - Social Security number - Information you provide on your application for insurance coverage such as your name, address, telephone number, date of birth, and occupation - Information gathered from you as our insured – your payment history, type of coverage you have, underwriting information and claims information - Credit card or bank account information - Mortgage information - Information from your visits to <i>www.citizensfla.com</i> <p>When you are no longer our customer, your information will be retained in accordance with Citizens' records retention schedule. While your information is retained, it may continue to be shared as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. Citizens uses your personal information only as authorized or required by law and as necessary to provide our products and services to you. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Citizens chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Citizens share?	Can you limit this sharing?
For our everyday business purposes – We share with nonaffiliates to assist us to process your transactions, underwrite and/or rate your policy, service your policy, administer claims, comply with authorized depopulation programs, respond to court orders and legal investigations, and when permitted by federal or state law.	Yes	No
For our marketing purposes – to offer our products and services to you	No	We don't share.
For joint marketing with other financial companies	No	We don't share.
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share.
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share.
For nonaffiliates to market to you	No	We don't share.
Questions?	Call 866.411.2742; Deaf/Hard of Hearing: 800.955.8771 (TTY) or 800.955.8770 (Voice); or go to www.citizensfla.com	

What we do	
How does Citizens protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our employees and vendors are authorized to access information only for valid business reasons. They must agree in writing to maintain the confidentiality of nonpublic personal information. We do not share medical information unless authorized by you or as required by law.
How does Citizens collect my personal information?	<p>We collect your personal information, for example, when:</p> <ul style="list-style-type: none"> - You apply for insurance - We process your application - You pay insurance premiums - You give us your contact information - You give information to your agent or property inspector - You file an insurance claim (or if a claim is made against you) - You show us your government-issued ID or driver's license - You visit Citizens' website if you voluntarily provide the information <p>We also collect information, such as your loss history, from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> - Sharing for affiliates' everyday business purposes – information about your creditworthiness - Affiliates from using your information to market to you - Sharing for nonaffiliates to market to you <p>State law and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
Definitions	
Affiliates	<p>These are companies related by common ownership or control. They can be financial and nonfinancial companies:</p> <p>Citizens has no affiliates.</p>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial or nonfinancial company. Nonaffiliates we share with can include:</p> <ul style="list-style-type: none"> - Independent insurance agents and agencies - Independent adjusters or claims representatives - Inspection companies - Auditors - Insurance support organizations - Attorneys, courts and government agencies
Joint marketing	<p>This is a formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p>Citizens does not jointly market</p>
Other important information	
<p>State law: The Florida public records law requires that all information received by a state entity be made available to anyone upon request, including e-mail addresses, unless the information is subject to a specific statutory exemption.</p>	

Notice of Collection and Use of Social Security Numbers

Introduction	Section 119.071(5), Florida Statutes, governs the collection of Social Security numbers by certain government entities, including Citizens. Citizens collects Social Security numbers only in cases where it is specifically authorized to do so or when it is imperative for performance of Citizens' duties. To protect your identity, Citizens secures your Social Security number from unauthorized access and strictly prohibits the release of your Social Security number to unauthorized parties contrary to state or federal law.
How are Social Security numbers used to underwrite and service my policy?	<p>Social Security numbers are collected from prospective policyholders during the underwriting process for the following purposes:</p> <ul style="list-style-type: none"> - Obtaining loss history reports for underwriting purposes - Implementing the enhanced Property Insurance Clearinghouse application authorized by paragraph 627.3518(3)(e), Florida Statutes - Reporting unclaimed property to state government agencies - Processing insurance claims - Ensuring compliance with US Department of Treasury Office of Foreign Asset Control requirements

Table of Laws and Regulations

The table below summarizes the purposes for which Citizens collects Social Security numbers and the laws and regulations under which collection is authorized or required. It also identifies whether collection is authorized by statute or mandatory for the performance of that agency's duties and responsibilities as prescribed by law.

Purpose for Collection	Law or Regulation	Authorized by Statute	Mandatory for Performance of Agency Duties
Obtaining Loss History Reports	627.351(6)(n), Florida Statutes		✓
Implementing the enhanced clearinghouse application	627.3518(3)(e), Florida Statutes		✓
Reporting unclaimed property	Chapter 717, Florida Statutes	✓	
Processing insurance claims	627.351(6)(k)		✓
Office of Foreign Asset Control requirements	31 CFR 501 et seq		✓

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- B. Control Of Property..... 1
- C. Insurance Under Two Or More Coverages..... 1
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Florida Changes – Legal Action Against Us..... CIT 01 75 07 23

Exclusion Of Certain Computer – Related Losses..... IL 09 35 07 02

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U.S. Treasury Department’s Office Of Foreign Assets Control (“OFAC”) Advisory Notice To Policyholders..... IL P 001 01 04

OTHER ENDORSEMENTS (May Be Attached)

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COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

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

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:

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

c. Personal Property Of Others that is:

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

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

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

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

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

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

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

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

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

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

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

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

EXAMPLE #2

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

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

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

b. Preservation Of Property

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

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

c. Fire Department Service Charge

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

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

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

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

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

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

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

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and

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

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

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

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

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

f. Electronic Data

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

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

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

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

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

(2) Your Business Personal Property

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

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

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

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

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

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

b. Personal Effects And Property Of Others

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

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

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

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

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.

- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

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

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

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

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.

- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

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

B. Exclusions And Limitations

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

C. Limits Of Insurance

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

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

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

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

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

D. Deductible

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

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

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

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

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

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

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

\$ 59,850 Loss Payable – Building #1

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

Total amount of loss payable:

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

EXAMPLE #2

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
- (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
- (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

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

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

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

- (i)** Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

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

7. Valuation

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

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

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

However, the following property will be valued at the actual cash value even when attached to the building:

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

F. Additional Conditions

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

1. Coinsurance

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

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

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

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

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

EXAMPLE #1 (UNDERINSURANCE)

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

Step (1): $\$250,000 \times 80\% = \$200,000$

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

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

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

Step (4): $\$20,000 - \$250 = \$19,750$

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

EXAMPLE #2 (ADEQUATE INSURANCE)

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

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

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

EXAMPLE #3

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

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

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

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

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

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

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.

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

G. Optional Coverages

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

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

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

EXAMPLE

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

3. Replacement Cost

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

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
 - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
- (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

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

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

CAUSES OF LOSS – BASIC FORM

A. Covered Causes Of Loss

When Basic is shown in the Declarations, Covered Causes of Loss means the following:

1. Fire.
2. Lightning.
3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
 - a. Rupture, bursting or operation of pressure-relief devices; or
 - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
4. Windstorm or Hail, but not including:
 - a. Frost or cold weather;
 - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - c. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
5. Smoke causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.
6. Aircraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

7. Riot or Civil Commotion, including:
 - a. Acts of striking employees while occupying the described premises; and
 - b. Looting occurring at the time and place of a riot or civil commotion.

8. Vandalism, meaning willful and malicious damage to, or destruction of, the described property.

We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- a. Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
 - (1) Results in sprinkler leakage; or
 - (2) Is directly caused by freezing.
- b. Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

Automatic Sprinkler System means:

- (1) Any automatic fire-protective or extinguishing system, including connected:
 - (a) Sprinklers and discharge nozzles;
 - (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire-protective system:
 - (a) Non-automatic fire-protective systems; and
 - (b) Hydrants, standpipes and outlets.

10. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

11. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust or particulate matter; or
- c. Lava flow.

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

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

B. Exclusions

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

a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

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

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

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

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

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

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

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

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

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

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

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

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

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

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

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

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

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or micro-waves.

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

- b.** Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

- c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss. But we will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- d. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.
But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.
- e. Mechanical breakdown, including rupture or bursting caused by centrifugal force.
But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- f. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or

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

This exclusion does not apply to Extra Expense.

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

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

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

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

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

- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

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

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

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. Legal Liability Coverage Form

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

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

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

(a) Contractual Liability

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

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

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

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

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

- a. A Covered Cause of Loss other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

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

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under **C.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

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

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **b.** of Covered Causes Of Loss **9.**, Sprinkler Leakage.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
 - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

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

D. Limitation

We will pay for loss of animals only if they are killed or their destruction is made necessary.

E. Definitions

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – CANCELLATION AND NONRENEWAL

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

A. Paragraphs A.1. to A.6. in the Cancellation condition of the Common Policy Conditions (Form IL 00 17) are deleted and replaced by the following:

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 60 Days Or Less

a. If this policy has been in effect for 60 days or less, we may cancel this policy by delivering to the first Named Insured, mailing to the first Named Insured, or “electronically transmitting” 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 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 or misrepresentation; or

(b) A failure to comply with underwriting requirements established by the insurer.

b. When this Policy has been in effect for 90 days or less, we may immediately cancel this policy that, prior to the date of application, the risk was most recently insured by an insurer that has been placed in receivership under Chapter 631 for misrepresentation or failure to comply with underwriting requirements established by us before effectuation of coverage.

c. 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.

Proof of mailing or “electronic transmittal” is sufficient proof of notice.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. Cancellation For Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 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 60 days after the effectuation of coverage, with underwriting requirements established by us before the date of effectuation 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; or
 - (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, deliver, or “electronically transmit”, 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 **5.a.(2)** through **5.a.(7)** above; and
 - (b) This policy does not cover a residential structure or residential property; or
 - (3) 120 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs **5.a.(2)** through **5.a.(7)** above; and
 - (b) This policy covers a residential structure or residential property.
- c. If this policy covers a residential structure or residential property, 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.
6. 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 or with your written approval electronically transfer the refund within 15 working days, either after the date cancellation takes effect, or after our receipt of your request to cancel the policy, whichever is later.

The cancellation will be effective even if we have not made or offered a refund.

E. The following is added:

NONRENEWAL

- 1. If we do not renew this policy we will deliver to the first Named Insured, mail to the first Named Insured at the mailing address shown in the Declarations, or “electronically transmit” to the first Named Insured, written notice, 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 residential property; or
 - b. 45 days prior to the expiration of the policy if:
 - (1) This policy covers a residential structure or residential property, and nonrenewal is for a policy that has been assumed by an authorized insurer offering replacement or renewal coverage to you; or
 - (2) This policy covers a residential structure or residential property, and nonrenewal is for a risk that has received an offer of coverage from an authorized insurer, pursuant to Citizens’ policyholder eligibility clearinghouse program.

If we nonrenew a policy pursuant to **1.b.(1)** or **1.b.(2)** above, we will also notify any additional named insured shown in the Policy Interest Schedule of your Declarations at their mailing address shown in the Schedule.

- c. For all other nonrenewals, 120 days prior to the expiration of the policy.

- 2. Any notice of nonrenewal will be delivered to the first Named Insured, mailed to the first Named Insured at the mailing address shown in the Declarations, or “electronically transmitted” to the first Named Insured.

If notice is mailed or “electronically transmitted”, proof of mailing or “electronic transmittal” is sufficient proof of notice.

3. We may refuse to renew this policy if we, or the Florida Market Assistance Program (FMAP), obtain an offer from an authorized insurer to cover the property described in the Declarations, at approved rates.

This policy may be replaced by a policy that may not provide coverage identical to the coverage provided by Citizens.

Acceptance of Citizens coverage by the first Named Insured creates a conclusive presumption that the insured is aware of this potential.

4. 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;
 - b. On the basis of filing of claim(s) for "sinkhole loss"; unless:
 - (1) The total of such payments equals or exceeds the policy limits of coverage for the policy in effect on the date of loss, for property damage to the affected "principal building"; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any payment or policy proceeds were based; or
 - 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

F. 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 residential property:
 - a. We may not cancel or nonrenew this Policy:
 - (1) For a period of 90 days after the covered residential structure or covered residential property has been repaired, if such property which has been damaged as a result of a "hurricane" or wind loss that is the subject of the declaration of emergency pursuant to Section 252.36 Florida statutes, and the filing of an order by the Commissioner of Insurance Regulation.

- (2) Until the earlier of when the covered residential structure or covered residential property has been repaired or 1 year after we issue the final claim payment, if such property was damaged by any covered peril and a.(1) above does not apply.

A structure is deemed to be repaired when substantially completed and restored to the extent it is insurable by another authorized insurer writing policies in Florida.

If we elect to not renew the policy under 1.a. above, we will provide at least 90 days' notice that we intend to nonrenew 90 days after the repairs are complete.

- b. We may cancel or nonrenew the policy prior to the repair of the residential structure or residential property 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 residential structure or residential property; 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 or nonrenew for a reason listed in Paragraph b.(2), b.(3) or b.(4), we will give you 45 days' notice.

- c. The cancellation notice or nonrenewal notice will be delivered to the first named insured, mailed to the first named insured at the mailing address shown in the Declarations, or "electronically transmitted" to the first named insured.

Proof of mailing or "electronic transmittal" is sufficient proof of notice.

For all other nonrenewals, we will give the first named insured at least 120 days written notice before the expiration of this Policy.

2. With respect to a policy covering a residential structure or residential property, 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 shall be entitled to collect premium for the period of time the policy remains in effect.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following replaces COMMERCIAL PROPERTY
CONDITION **D. Legal Action Against Us** in Form **CP
00 90**:

D. LEGAL ACTION AGAINST US

No action can be brought against us; unless:

1. Notice of the loss has been given to us;
2. There has been full compliance with all of the terms of this policy;
3. If there is failure to agree on a settlement regarding the loss, prior to filing suit, we must be notified in writing of your disagreement; and
4. The action is started within 5 years after the date of the loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE
COMMERCIAL PROPERTY CONDITIONS
COMMON POLICY CONDITIONS

A. Additional Coverages 4.a., Debris Removal, is deleted and replaced by the following:

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 \$5,000 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 \$5,000.

(5) Examples

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	\$ 5,000

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 \$5,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$19,500; \$10,500 of the debris removal expense is not covered.

B. Coverage Extensions 5. (First two paragraphs) is deleted and replaced by the following:

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.

You may extend the insurance provided by this Coverage Part as follows:

C. Coverage Extensions 5.e. Outdoor Property is deleted and replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), 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.

D. Limits Of Insurance C. is deleted and replaced by the following:

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 attached to a building is \$1,000 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; and
- 3. Electronic Data.

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

E. Loss Condition Appraisal is deleted and replaced by the following:

2. Alternative Dispute Resolution.

a. Mediation.

If you and we are in dispute regarding a claim under this policy, either you or we may request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

- (1) If the dispute is mediated the settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement.

However, you may rescind the settlement within 3 business days after reaching settlement, unless you have cashed or deposited any settlement check or draft we disbursed to you for the disputed matters as a result of the mediation conference.

- (2) We will pay the cost of conducting any mediation conferences.

If you fail to appear at the conference, the conference must be rescheduled upon your payment of the costs of a rescheduled conference.

- (3) However, if we fail to appear at a mediation conference requested by you without good cause, we will pay:

- (a) The actual cash expenses you incurred while attending the conference; and

- (b) Also pay the mediator's fee for the rescheduled conference.

b. Appraisal.

Appraisal is an alternative dispute resolution method to address and resolve disagreement regarding the amount of the covered loss.

- (1) If you and we fail to agree on the amount of loss, either party may demand an appraisal of the loss. If you or we demand appraisal, the demand for appraisal must be in writing and shall include an estimate of the amount of any dispute that results from the covered cause of loss.

- (2) The estimate in **b.(1)** above shall include a description of each item of damaged property in dispute as a result of the covered loss, along with the extent of damage and the estimated amount to repair or replace each item.

- (3) Upon receipt of the written demand for appraisal, the parties shall have up to 60 calendar days from receipt of the written demand to examine all damages claimed, including the right to re-inspect the property, before commencing the formal Appraisal process.

The start of the formal Appraisal process will not begin until the earlier of:

- (a) The day the parties mutually agree in writing to commence the formal appraisal process; or

- (b) The 61st calendar day after the receipt of the written demand for appraisal;

- (4) Upon commencement of the formal Appraisal process as outlined above in **2.b.(3)** above each party will choose a competent appraiser within 20 days from the date of commencement.

In order to be deemed competent, each appraiser must be experienced and proficient in preparation of commercial property damage estimates, conducting on-site examination of commercial property damages and reviewing commercial engineering reports, regarding repair and replacement of commercial property multi-story and high-rise commercial building damage and business personal property damage.

- (5) The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss.

Both appraisers must sign the written report of agreement.

- (6) If the appraisers fail to agree within 60 days from the commencement of the formal appraisal process, the two appraisers will choose a competent and impartial umpire.

To be deemed competent, the umpire selected by the two appraisers above must be experienced and proficient in preparation of commercial property damage estimates, conducting on-site examination of commercial property damages and reviewing commercial expert reports, regarding the repair and replacement of commercial property damage.

- (7) If the two appraisers cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record located in the county corresponding to the applicable LOCATION NO. and its DESCRIPTION OF PREMISES address shown in the Declarations in accordance with the following:
- (8) The two appraisers will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.
- (9) The appraisal award will be in writing, must be provided in a form approved by us, and must be signed by either:
 - (a) The two appraisers who have agreed in setting the amount of loss; or
 - (b) The umpire and the appraiser who has agreed with the umpire in setting the amount of loss.

The appraisal award shall include the following:

 - (a) A detailed list, including the amount to repair or replace, of each specific item included in the award from the appraisal findings;
 - (b) The agreed amount of each item, its replacement cost value and corresponding actual cash value;
 - (c) Provisions relevant to the umpire's agreement to act in accordance with the Policy provisions; and
 - (d) A statement of "This award is made subject to the terms and conditions of the policy."
- (10) Each party will:
 - (a) Pay its own appraiser, including their costs associated with producing the estimate described in **b.(1)** above; and
 - (b) Pay the reasonable fees and the reasonable expenses of the appraisal and umpire equally.
- (11) You, we, the appraisers and the umpire shall be given reasonable and timely access to inspect the damaged property, in accordance with the terms of the policy.

(12) If, however, we requested the mediation in **2.a.** above and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

(13) If, however, you or any party other than us requested the mediation in **2.a.** above, we may still demand appraisal.

F. Loss Condition E.3. Duties In The Event Of Loss Or Damage is deleted and replaced by the following:

3. Duties In The Event Of Loss Or Damage

a. In case of a loss to covered property, we have no duty to provide coverage under this Policy, if there is failure to comply with any of the following duties.

These duties must be performed either by you, any other insured seeking coverage, or by a representative of either.

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

(2) As soon as possible, give us or any person authorized to act on our behalf a description of how, when and where the loss or damage occurred.

(3) 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.

To the degree reasonably possible, damaged property and any other property that is related to the loss, whether the property is covered or not, must be retained for us or any person authorized to act on our behalf, to inspect.

(4) Keep an accurate record of expenses.

- (5) Within 14 days after the discovery of the loss, or earlier if reasonably possible, notify the police if a law may have been broken and provide us a copy of the police report.
- (6) Send to us, within 60 days after our request, a signed, sworn statement in a Proof of Loss form provided by us and completed in its entirety, which sets forth, to the best of your knowledge and belief:
- (a) The description of the loss, including the date and time of the loss, the cause of the loss, a description of how the loss occurred, when the loss was discovered, and who discovered the loss;
 - (b) The names of all persons who resided at the insured location at the time of loss;
 - (c) The interests of all insureds and all others in the property involved and all liens on the property;
 - (d) Other insurance which may cover the loss;
 - (e) Changes in title or occupancy of the property during the term of the policy; and
 - (f) Specifications of the damage to the building; including:
 - (i) Detailed descriptions of the damage to the property;
 - (ii) Repair estimates which show the extent of damage to each item or property;
 - (iii) Estimated amount(s) to repair or replace each item of property; and
 - (iv) Amount(s) of payment made for any temporary or permanent repairs.

Photographs, videos and any other supporting documentation that exists should be included to the extent it is reasonable and practical to obtain.
- (7) The inventory of damaged Business Personal Property described in **a.(14)** below.
- (8) Produce any updates to the documents and information in **a.(1)** through **a.(7)** above, including revised descriptions of loss, scope of loss, estimates or other supporting information:
- (a) As this information becomes available, and if additional loss or damage is discovered or incurred; and
 - (b) If you are provided with new estimates or invoices regarding the losses submitted or not submitted in the proof of loss.
- (9) Cooperate with us or any person authorized to act on our behalf, in the investigation or settlement of the claim.
- This includes speaking and sharing information with us or any person authorized to act on our behalf, and providing documents which can be reasonably obtained by you, to facilitate our investigation of the claim.
- When requested, this includes providing us with a copy of all minutes, associated notes, rules and regulations and exhibits, created or developed at or as a result of meetings of the insured's governing board and its committees.
- A representative of an insured:
- (a) Must cooperate with our investigation;
 - (b) Must not act in any manner that prevents us or any person acting on our behalf, from investigating the claim; and
 - (c) May not act in any manner to obstruct our investigation.
- (10) As often as we reasonably require, allow us or any person authorized to act on our behalf:
- (a) Access to the location insured;
 - (b) To inspect the location insured, and to inspect subject to **a.(17)**, **a.(18)** and **a.(19)** below all damaged property and any other property that is related to the loss, whether the property is covered or not, prior to its removal from the insured location;
 - (c) Examine your books and records; and

- (d) To require an insured or their representative, or both if reasonably possible, to be present at our inspection and to assist in identifying the damaged property during the inspection.

At our request, identify the person or persons with knowledge of how the loss occurred and the extent of damage.

- (11) At our request, identify all person(s) with knowledge of the facts of the loss.
- (12) Execute all work authorizations and allow contractors and related parties entry to the property.
- (13) Keep an accurate record of repair expenses.
- (14) At our request, give us or any person authorized to act on our behalf, complete inventories of the damaged and undamaged property. Include descriptions, quantities, costs, values and amount of loss claimed.

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

- (15) As often as we or any person authorized to act on our behalf, reasonably require:
 - (a) Show the damaged property retained as required by this policy; and
 - (b) Provide requested records and documents, including all updates to the revised documentation, and permit us or any person authorized to act on our behalf, to make copies.
- (16) Cooperate in obtaining and executing any necessary municipal, county or other governmental documentation or permits for repairs to be made and any necessary work authorizations, as required by these entities.

- (17) To the degree reasonably possible, retain the damaged property and any photographs and videos of the damaged property.

Allow us or any person authorized to act on our behalf, to inspect the retained property and make copies of the photographs and videos.

- (18) To the degree reasonably possible, prior to materially altering, destroying, trenching or excavating any part of the property or structure insured, allow us or any person authorized to act on our behalf, the opportunity to inspect the property.

- (19) To the degree reasonably possible, you must permit us or any person authorized to act on our behalf, to take samples of the damaged and undamaged property for inspection, testing and analysis and permit us or any person acting on our behalf, to make copies from your books and records.

- (20) As often as we or any person authorized to act on our behalf reasonably require:

- (a) You or any insured;
- (b) Any member, officer, director, partner or similar representative of the association, corporation or other entity, if you are the association, corporation or other entity, who is an insured; and
- (c) Any agent or representative, including any public adjuster, engaged on behalf of you or any insured, or any member, officer, director, partner or similar representative of an association, corporation, or other entity, described in (20)(b) above;

must:

- (a) Submit to examinations under oath and recorded statements, at the location insured or other reasonable location designated by us, while not in the presence of each other or any other insured;
- (b) Provide government issued photo identification. If you do not possess government issued photo identification, a signed sworn statement identifying who you are may be accepted; and
- (c) Sign any transcript of the examinations under oath and recorded statements.

Such examinations and recorded statements must be either in-person or utilize video and audio technology, or both, as determined by us; and

Such examinations and recorded statements may be about any matter relating to this insurance or the claim, including an insured's books and records.

- b. The duties above apply regardless of whether a person 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. 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 property insurance claim, unless we deny the claim during that time or factors beyond our control.

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) above does not form the sole basis for a private cause of action against us.

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.

- H. The Loss Condition **Loss Payment**, paragraph 4.a.(4) is deleted and replaced by the following:

- (4) Repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality, subject to b. below.

- 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. The Loss Condition **Loss Payment**, paragraph 4.c. is deleted and replaced by the following:

- c. We will give the first Named Insured, mail to the first Named Insured at the address shown in the Declarations, or "electronically transmit" to the first Named Insured, written notice of our intentions within 30 days after we receive the signed, sworn proof of loss.

Proof of mailing or "electronic transmittal" is sufficient proof of notice.

- K. The Loss Condition **Loss Payment**, paragraph 4.i. is added:

- i. In the event of a Catastrophic Ground Cover Collapse to a "principal building," you must repair the damage or loss in accordance with the recommendations of our professional engineer.

If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

- (1) Pay to complete our professional engineer's recommended repairs; or
- (2) Pay the policy limits of the applicable building.

- L. The following is added to the **Loss Payment** Condition:

Payment of a portion of the claim(s) being asserted in a loss under this policy does not act as a waiver of our right to dispute or deny any unpaid portion of any claim(s) that you may assert arose from a loss.

M. The following is added to the Loss Condition Valuation:

Throughout this policy, when determining the actual cash value of the loss, the costs necessary to repair, rebuild or replace the covered damaged property may be depreciated. Such costs subject to depreciation may include, but are not limited to, goods, materials, equipment, labor, overhead and profit, taxes, fees or similar charges.

N. In form CP 00 17, Loss Condition Valuation, paragraph 8.d. is added:

- d. "Stock" you have sold but not yet delivered at the selling price less discounts and expenses you otherwise would have had.

O. In the Loss Conditions, the following is added:

Salvage

We may permit you to keep damaged insured property after a loss. If we permit you to keep damaged insured property, we will reduce the amount of loss proceeds payable to you under the policy by the value of the salvage.

P. In the Loss Conditions, the following is added:

Notice

A company employee adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that needs access to an insured or the claimant or to the insured property that is the subject of a claim must provide at least 48 hours' notice to the insured or the claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property.

The insured or the claimant may deny access to the property if notice has not been provided. The insured or the claimant may waive the 48-hour notice.

Q. In the Loss Conditions, the following is added:

Claim, Supplemental Claim, Or Reopened Claim

- a. A claim or reopened claim is barred unless notice of the claim is given to us in accordance with the terms of the Policy within 1 year after the date of loss.

A reopened claim means a claim that we have previously closed, but that has been reopened upon an insured's request for additional costs for loss or damage previously disclosed to us.

- b. A supplemental claim is barred unless notice of the supplemental claim is given to us in accordance with the terms of the Policy within 18 months after the date of loss.

A supplemental claim means a claim for additional loss or damage from the same peril which we have 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 us.

- c. For claims resulting from "hurricane(s)", 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.

This provision concerning time for submission of claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Policy under the Legal Action Against Us Condition, including any amendment to that condition.

R. Additional Condition Mortgageholders, paragraph 2.a. is deleted and replaced by the following:

- a. The term mortgageholder includes trustee and lienholder.

S. Additional Condition Coinsurance is deleted in its entirety.

T. In the Additional Conditions, the following is added:

Adjustment of Limits and Amounts

If this policy is a renewal with us, the Limit of Insurance for your Covered Property may be adjusted.

Any change in the Limit of Insurance does not, in any way, represent, warrant, or guarantee to any person or entity, that:

- a. These adjustments will keep pace with inflation; or
- b. The amounts of coverage are adequate to repair or rebuild any specific building or structure.

U. In form CP 00 17, Optional Coverages, Replacement Cost, paragraph 3.b.(4) is added:

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

V. The following is added to **H. Definitions** part of this policy:

“Assumption insurer” means an insurer who assumes contractual liability of your Citizens policy under an assumption agreement or take out plan pursuant to Sections 627.351(6) and 627.3511, Florida Statutes.

“Diminution in value” means any reduction in the value of any covered property as compared to the value of that property immediately before the loss.

“Electronic transmittal” means:

- a. The electronic transmittal of any document or notice to the designated Primary Email Address shown in your Declarations; or
- b. The electronic posting of any document or notice, with notification to you of the posted document or notice, by electronic transmittal to the designated Primary Email Address shown in your Declarations.

(Hereafter referred to as “electronically transmitted”, “electronic transmittal”, “electronically transmit” or “electronically transmitting”)

“Hurricane” means a “hurricane” means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service. The duration of the “hurricane” includes the time period, in Florida:

- a. Beginning at the time a hurricane warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
- b. Ending 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

“Principal building”:

- a. If we are insuring your Business Personal Property located within a building we do not insure under this policy, “principal building” means:

The building including any attached garage located at the Business Personal Property’s insured location shown in the Declarations.

“Principal building” does not include property described in paragraphs **b.(1)** through **b.(7)** below.

- b. If we are insuring a building or structure under this policy, “principal building” means each building shown in the Declarations, including any attached garage.

“Principal building” does not include:

- (1) Appurtenant structures connected to the “principal building” by a fence, utility line, open space, or breezeway;
- (2) Structures whose foundation is not part of or connected to the applicable “principal building” foundation.
These structures include, but are not limited to, screen enclosures, porches, lanais, carports, pools, pool decks, spas, gazebos, buildings that are not fully enclosed, buildings or structures constructed to be open to the weather, and other open sided or ancillary structures;
- (3) Driveways, sidewalks, decks or patios; including, but not limited to, walkways, pavement, fences and other similar property;
- (4) Structures and other property excluded or not covered elsewhere in your policy;
- (5) Materials, equipment, supplies and temporary structures on or within 100 feet of the described premises used for making additions, alterations or repairs to property other than the “principal building”;
- (6) Temporary structures on or within 100 feet of the described premises used for making additions, alterations or repairs to the “principal building”; or
- (7) Other buildings or garages whose foundation is not part of or connected to the applicable “principal building” foundation.

“Primary structural member” means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

“Primary structural system” means an assemblage of “primary structural members.”

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

- a. 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 represents a safety hazard as defined within the Florida Building Code;
- b. 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" exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
- c. Damage that results in listing, leaning or buckling of the exterior load bearing walls or other vertical "primary structural members" to 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;
- d. 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
- e. Damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

W. In Form **CP 00 17**, the following definition is added to **H. Definitions** part of this policy:

"Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

X. Sinkhole Collapse Coverage Removed.

Sinkhole Collapse coverage is removed and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Part **V.** below.

In the Causes Of Loss – Basic Form **CP 10 10**, **Sinkhole Collapse** is deleted from the Covered Causes of Loss.

Further, this policy 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.

Y. The following is added to this policy as a Covered Cause of Loss:

Catastrophic Ground Cover Collapse.

We will pay for direct physical loss or damage to the "principal building" caused by or resulting from Catastrophic Ground Cover Collapse, meaning geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. "Structural damage" to the "principal building," including the foundation; and
- d. The "principal building" being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that "principal building."

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.

Direct physical loss from Catastrophic Ground Cover Collapse does not apply to the costs to repair the depression or hole, or to stabilize the land on the premises. However:

- a. If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, and we at our option pay to complete our professional engineer's recommended repairs, our payments will include payment for stabilization of the applicable land in accordance with our professional engineer's recommended repairs.

- b. The total of our payments in (a) above will not exceed the applicable Limit of Insurance.

Business Personal Property:

We will pay for direct physical loss or damage to Business Personal Property shown in the Declarations, when the following apply:

- a. The Business Personal Property is located within a “principal building,” and
- b. The direct physical loss or damage results from or is caused by Catastrophic Ground Cover Collapse that occurs during the policy period, as described above.

The Earth Movement And Settlement Exclusion does 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.

Z. In the Causes Of Loss – Basic Form **CP 10 10**, the following is added to paragraph **B.1.**:

These Exclusions in **B1.** and **B.2** below apply whether or not the loss event results in widespread damage or affects a substantial area.

AA.In the Causes Of Loss – Basic Form **CP 10 10**, the Ordinance or Law Exclusion **B.1.a.** is deleted and replaced by the following:

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

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

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

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

- (c) The requirements of which result in a loss in value to property;

- (d) Requiring you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

- (e) The requirements of which apply to other structures unless specifically provided under this policy.

BB.In the Causes Of Loss – Basic Form **CP 10 10**, the Earth Movement Exclusion **B.1.b.** is deleted and replaced by the following:

b. Earth Movement And Settlement

- (1) Earthquake and settlement, including land shock waves, tremors, aftershocks, or any earth sinking, rising or shifting, related to such event;

- (2) Earth sinking (other than catastrophic ground cover collapse), rising or shifting, landslide, mudflow, mudslide, sand flow, shifting sand, scouring, including soil conditions.

Soil conditions include contraction, expansion, freezing, thawing, erosion, scouring, improperly compacted soil, clay shrinkage or other expansion or contraction of soils or organic materials and the action of water under the ground surface;

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

- (4) Settling, cracking, shrinking, bulging, expansion or other disarrangement, of foundations, walls, floors, ceilings, retaining walls, pavements and patios;

- (5) Blasting, including shockwaves and vibrations, carried through the air or through the ground, caused by or as a result of blasting and other earth removal activities;

(6) Pile driving, including shockwaves or vibrations, carried through the air and through the ground, caused by or as a result of pile driving; or

(7) Vibrations from construction equipment on adjacent property, caused by or as a result of blasting, pile driving, demolition and other construction activities which cause vibrations;

whether caused by or resulting from human or animal activities, any act of nature or is otherwise caused.

But if Earth Movement, as described in **b.(1)** through **(7)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

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

CC.In the Causes Of Loss – Basic Form **CP 10 10**, the Nuclear Hazard Exclusion **B.1.d.** is deleted and replaced by the following:

d. Nuclear Hazard

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

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

DD.In the Causes Of Loss – Basic Form **CP 10 10**, the following is added to the War And Military Action Exclusion **B.1.f.:**

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

EE.In the Causes Of Loss – Basic Form **CP 10 10**, the Water Exclusion **B.1.g.** is deleted and replaced by the following:

g. Water

(1) Flood, surface water, waves, including tidal waves and tsunamis, tides, tidal water, wave wash, storm surge, overflow of any body of water, or spray from any of these, all whether or not driven by wind including storm surge;

(2) Mudslide or mudflow;

(3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, septic tank, septic system, drain field, cess pool, sump, sump pump or related equipment or similar systems;

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

(a) Buildings, foundations, walls, floors, driveways, sidewalks, patios, swimming pools, paved surfaces, or other structures;

(b) Basements, whether paved or not;

(c) Doors, windows or other openings; or

(5) Waterborne material carried or otherwise moved by any of the water referred to in **g.(1)**, **g.(3)** or **g.(4)** or material carried or otherwise moved by mudslide or mudflow.

This Exclusion **g.** applies regardless of whether any of the above in **g.(1)** through **g.(5)** is caused by or resulting from human or animal forces or by an act of nature or is otherwise caused.

An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or any other boundary or containment system fails in whole or in part, for any reason, to contain the water or waterborne material.

But if any of the above, as described in **g.(1)** through **g.(5)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

FF.In the Causes Of Loss – Basic Form **CP 10 10**, the following paragraph **i.** is added to **B.1.** Exclusions:

i. Windstorm Exterior Paint And Waterproofing Exclusion

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

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

(1) Paint;

(2) Stain; or

(3) Waterproofing material;

applied to the exterior of any building or structure.

GG.In the Causes Of Loss – Basic Form **CP 10 10**, the following paragraph **j.** is added to **B.1.** Exclusions:

j. Existing Damage

Existing Damage, also known as pre-existing damage.

- (1) 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;
- (2) Damages existing prior to the time of loss: or
- (3) Any unrepaired part or portion of a loss to property for which you have made an insurance claim, whether or not paid by insurance.

Paragraph (3) above does not apply, for the same loss, to a reopened claim or a supplemental claim described under Loss Conditions Part **R.**, Claim, Supplemental Claim, Or Reopened Claim.

However, under this Exclusion **j.** any ensuing loss to property described in Coverages not otherwise excluded or excepted in this policy is covered.

This provision applies to all coverages in this policy.

HH.In the Causes Of Loss – Basic Form **CP 10 10**, the following exclusions are added to **B.1.** Exclusions are added:

- i. Rust, smog**, decay, or other corrosion.
- j. Wear, tear**, marring, deterioration.
- k. Inherent vice** or latent defect.
- l. 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 Clean-up And Removal.

m. Neglect

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

- n. 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.

This exclusion does not apply to the limited coverage provided under Property Not Covered, paragraph **2.b.**

- o. Nesting or infestation**, or discharge or release of waste products or secretions, by any animals or creatures in **n.** above and any ensuing loss, except this exclusion will not apply when the ensuing loss to the property is:

- (1) Fire; or
- (2) Explosion;

as covered under Covered Cause of Losses **A.1.** and **A.3.** in Form **CP 10 10.**

- p. Animals or creatures** in **n.** above, owned or kept by an any insured except this exclusion will not apply when the ensuing loss to the property is:

- (1) Fire; or
- (2) Explosion;

as covered under Covered Cause of Losses **A.1.** and **A.3.** in Form **CP 10 10.**

- q. Consequential Losses**, including but not limited to rental value, business income or business interruption.

r. Intentional Loss

Any loss arising out of any act committed or conspiracy to commit:

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

In the event of such loss, no insured or any person or organization is entitled to coverage, even they did not commit or conspire to commit the act causing the loss.

s. Criminal Acts Or Illegal Activity

Criminal acts or illegal activity means any and all criminal or illegal acts:

- (1) Performed by;
- (2) At the direction of; or
- (3) With the prior knowledge of any insured.

t. Governmental Action

Seizure or destruction of property by order of governmental authority.

u. We do not insure for loss to Covered Property caused by any of the following.

(1) **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;

(2) **Acts or decisions,** including the failure to act or decide, of any person, group, organization or governmental body;

(3) **Faulty, inadequate or defective**

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

(b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction.

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

(d) Maintenance of part or all of any property whether on or off the described premises.

However, under **u.(1), (2) or (3)** above, any ensuing loss to Covered Property and caused by a Covered Cause of Loss which is not otherwise excluded or accepted in this policy is covered.

II. In the Causes Of Loss – Basic Form **CP 10 10**, exclusion **B.2.c.** is deleted and replaced by the following:

c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler or Fire Suppression System), unless the leakage or discharge occurs because the system or appliance was damaged as a result of a Covered Cause of Loss.

In no event will we pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of time, whether hidden or not and results in damage such as wet or dry rot, "fungi," deterioration, rust, decay or other corrosion.

JJ. In the Causes Of Loss – Basic Form **CP 10 10**, the following exclusion under **B.2.** Exclusions is added:

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

KK. In the Common Policy Conditions, the Inspections And Surveys Condition **D.** is deleted and replaced by the following:

D. Inspections And Surveys.

1. We have the right to:

a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged.

We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

And we do not warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards.

3. This condition applies not only to us, but also to any rating, advisory, inspection service or similar organization which makes insurance inspections, surveys, reports or recommendations.

LL.In the Common Policy Conditions, the following is added:

Renewal Notification

If we elect to renew this policy, we will let the first Named Insured 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 the first Named Insured, mailed to the first Named Insured at the mailing address shown in the Declarations, or “electronically transmitted” to the first Named Insured, at least 45 days before the expiration date of this policy.

Proof of mailing or “electronic transmittal” is sufficient proof of notice.

MM.In the Common Policy Conditions, the following is added:

Document Transmittal

Upon affirmative election by you for Citizens to deliver policy documents by electronic means in lieu of delivery by mail, we may “electronically transmit” any document or notice to you.

Proof of “electronic transmittal” is sufficient proof of notice.

NN.In the Commercial Property Conditions, the Concealment, Misrepresentation Or Fraud Condition **A.** is deleted and replaced by the following:

A. Incorrect Statements Or Representations, Concealment Or Fraudulent Conduct.

1. We do not provide coverage under this Policy to you or any insureds who, before, during or after a loss, separately or in any manner in conjunction with each other or in conjunction with any third parties, have, relating to this insurance:
 - a. Made one or more material incorrect statements or representations;
 - b. Concealed any material fact or circumstance; or
 - c. Engaged in fraudulent conduct.
2. We do not provide coverage under this Policy to you or any insureds, when you or any insured had knowledge of, but failed to disclose that any claimant, or agent or representative of you, any insured, or any claimant, engaged in any of the behavior described in **3.a.** through **3.c.** below.

3. We do not provide coverage under this Policy to any other claimant or other claimants seeking benefits under the policy on any basis who, before, during or after a loss, separately or in any manner in conjunction with each other, you, any insureds or any third parties, have, relating to this insurance:

- a. Made one or more material incorrect statements or representations;
- b. Concealed any material fact or circumstance; or
- c. Engaged in fraudulent conduct.

If this policy covers a residential structure or its contents, then in the Commercial Property Conditions, the following is added to **A.** Incorrect Statements Or Representations, Concealment Or Fraudulent Conduct:

However, if this policy has been in effect for more than 60 days, we may not deny a claim filed by you or an insured on the basis of credit information available in public records.

OO.The following is added to this policy:

AGREEMENT

This policy is issued on behalf of the Citizens Property Insurance Corporation and by acceptance of this policy you agree:

This policy does not include, does not insure, and we will not pay for, any “diminution in value”.

PP.The following is added to this policy:

IN WITNESS WHEREOF, Citizens Property Insurance Corporation has executed and attested these presents.



Citizens Property Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supercedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL PROPERTY NOT COVERED

This endorsement modifies insurance provided under the following:

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

Coverage, Property Not Covered section **A.2.a.**, is deleted and replaced by the following:

- a.** Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt; letters of credit, tickets and stamps, manuscripts, medals, money, notes other than bank notes, passports, personal records, or securities;

Coverage, Property Not Covered section **A.2.n.**, is deleted and replaced by the following:

- 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 electronic data which are used with electronically controlled equipment.

The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

This paragraph, **n.**, does not apply to your "stock" of prepackaged software; or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;

Coverage, Property Not Covered section **A.2.p.**, is deleted and replaced by the following:

- p.** Vehicles or self-propelled machines (including watercraft and hovercraft, and their parts and accessories) that:
 - (1)** Are required to be licensed for use on public roads or waterways; or

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

This paragraph does not apply to:

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

The following is added to Property Not Covered, section **A.2.**:

Covered Property does not include:

- r.** Awnings or canopies of fabric or slat construction, including their supports;
- s.** Brick, metal, stone, or concrete chimneys or stacks not forming part of a building, or metal smokestacks;
- t.** Crop silos and their contents;
- u.** Diving towers, or platforms, including their appurtenances; unless specifically scheduled in the Declarations;
- v.** Swimming pools, hot tubs or jacuzzis, including their decking, pumps and pump housing; unless specifically scheduled in the Declarations;
- w.** Waterwheels, windmills, wind pumps or their towers;
- x.** Tennis Courts;
- y.** Glass which is not part of a building or structure;
- z.** Metal in ingots, pigs, billets or scraps;
- aa.** Ores, gravels, clay or sand;
- bb.** Property stored in open yards;

- cc.** Vending machines or their contents;
- dd.** Radio or television antennas or aerials, satellite dish (including lead-in wiring, masts or towers and their supports);
- ee.** Any structure including the business personal property contained within or on the structure, located in whole or in part over water;
- ff.** Credit cards, debit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds, script, prepaid instruments including stored value cards, gift cards, smart card;
- gg.** Virtual currency and digital assets of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency, non-fungible tokens or any other type of electronic currency or token; or
- hh.** Aircraft, and their parts and accessories. Aircraft means any contrivance used or designed for flight or designed to carry people or cargo.

This includes model aircraft, hobby aircraft and drones, whether or not designed to carry people or cargo;

(1) Paragraph **hh.** above does not apply to aircraft, model aircraft, hobby aircraft and drones, that you own, while inside of an enclosed building described in the Declarations, and you:

- (a)** Manufacture, process or warehouse; or
- (b)** Hold for sale, only as "stock".

(2) The exception under **hh.(1)** above does not apply if the aircraft, model aircraft, hobby aircraft or drone, is under power or in flight.

(The Property Not Covered paragraphs above are numbered **m.** through **cc.** in Form **CP 00 18**)

The following property is not covered if loss or damage is caused by Windstorm Or Hail or "hurricane":

- a.** Any structure or attachment, whether attached or separate from the covered building, where:
 - (1)** The structure's roof coverings are of:
 - i.** Screen;
 - ii.** Fabric;
 - iii.** Thatch;
 - iv.** Lattice;

- v.** Slats; or
- vi.** Similar material; or
- (2)** The structure's exterior wall coverings are of:
 - i.** Fabric;
 - ii.** Thatch;
 - iii.** Lattice;
 - iv.** Slats; or
 - v.** Similar material;
- b.** Greenhouses;
- c.** Glasshouses;
- d.** Hothouses;
- e.** Slathouses;
- f.** Trellises;
- g.** Chickees;
- h.** Gazebos;
- i.** Pergolas;
- j.** Tiki huts; or
- k.** Similar structures; or
- l.** Business Personal Property contained within or on these structures.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including micro-processors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA HURRICANE PERCENTAGE DEDUCTIBLE - EACH HURRICANE (RESIDENTIAL RISKS)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM

A. "Hurricane deductible" means the deductible applicable to loss or damage caused by a "hurricane". The "hurricane deductible", as shown in the Declarations, applies to covered loss or damage to Covered Property caused directly or indirectly by a "hurricane", regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

This "hurricane deductible" applies to each occurrence of "hurricane".

B. If a windstorm is not declared to be a "hurricane" and there is loss or damage by windstorm to Covered Property; and the:

1. Causes Of Loss - Basic Form (CP 10 10) is made part of this policy, the applicable deductible is the same deductible that applies to Fire;

2. Causes Of Loss - Windstorm Or Hail Form (CIT W10 10) is made part of this policy, the applicable deductible is the Other Windstorm Or Hail Deductible shown in the Declarations.

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

2. 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 "hurricane deductible", up to the applicable Limit of Insurance, after any reduction required by the Coinsurance Condition.

3. If an item of insurance is insured under more than one policy issued by us or an "assumption insurer" 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.

4. In determining the amount, if any, that we will pay for loss or damage in any one occurrence, we will deduct an amount equal to the "hurricane deductible" percentage (as shown in the Declarations) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

In any one occurrence of "hurricane", the total deductible for all covered "hurricane" losses will not be less than:

a. \$2,500 when the **Causes of Loss Basic Policy Form (CP 10 10)** is made part of this policy;

b. \$1,000 when the **Causes Of Loss - Windstorm Or Hail Form (CIT W10 10)** is made part of this policy.

HURRICANE DEDUCTIBLE CALCULATIONS

A. All Policies

1. A "hurricane deductible" is calculated separately for, and applies separately to:

a. Each building or structure that sustains loss or damage;

b. The personal property at each building or structure at which there is loss or damage to personal property;

c. Personal property in the open.

**B. Applicable to policies with the CAUSES OF LOSS
- BASIC FORM (CP 10 10 or CIT W10 10).**

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

When property is covered under the Coverage Extension for Newly Acquired or Constructed Property:

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

All other provisions of this policy apply.

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.