



NOTICE TO OUR BROKERS AND AGENTS OF OUR CLAIM NOTIFICATION PROCEDURE

As part of our continuing effort to provide you with the best service available, ALL CLAIMS, OCCURRENCES, INCIDENTS and LAWSUITS under this policy are to be reported immediately to:

RLI Insurance Company

Email (preferred): New.Claim@rlicorp.com

Fax: (866) 692-6796

Phone: (800) 444-0406

Street Address: 9025 N. Lindbergh Drive, Peoria, IL 61615

Mailing Address: P.O. Box 3961, Peoria, IL 61612-3961

When reporting the incident, be prepared to supply a report of claim or the following information:

- 1. Policy Number**
- 2. Contact Person information (name, address, phone, etc.)**
- 3. Nature of incident**
- 4. Date of incident**

When reporting multiple incidents, please send each loss notice separately.



RLI Underwriting Services, Inc.
Peoria, Illinois 61615

NOTICE TO POLICYHOLDERS

REGARDING THE UNITED STATES TREASURY DEPARTMENT – OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

This Policyholder Notice does not provide coverage nor can it be construed to replace any provisions of your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered by your policy. This Notice should only be used to provide information concerning the possible impact of your insurance coverage as it relates to directives issued by OFAC.

PLEASE READ THIS NOTICE CAREFULLY.

OFAC administers and enforces economic and trade sanctions and places restrictions on certain transactions. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation. OFAC has identified and named numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers, among others, as “Specially Designated Nationals and Blocked Persons.” The complete list can be found on the United States Treasury website – <http://www.treas.gov/ofac>.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. 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 contract is considered a blocked or frozen contract and will be considered null and void. When an insurance policy is considered to be a blocked or frozen contract, all provisions of this insurance will be immediately subject to OFAC, and neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.



RLI Underwriting Services, Inc.
Peoria, Illinois 61615

ATTENTION POLICYHOLDER:

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false, incomplete, or misleading information, or conceals information concerning any material fact thereto, commits a fraudulent insurance act, which is a crime punishable by incarceration, and shall also be subject to civil penalties.

IMPORTANT NOTICE TO POLICYHOLDER

POLICYHOLDER'S RESPONSIBILITY TO PROPERLY ASSESS AND REPORT PROPERTY VALUATION

This Policyholder Notice does not provide coverage nor can it be construed to replace any provisions of your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered by your policy. This Notice only provides information concerning your responsibility to properly assess and report property valuation amount(s).

PLEASE READ THIS NOTICE CAREFULLY.

The coverage provided under this policy is based on the valuation amount(s) you report to us for the scheduled property(ies) under the policy. While valuation of the property(ies) may be discussed with us, the ultimate responsibility to provide proper valuation(s) lies with the insured. Valuation could have a material impact on the outcome of a claim(s) involving a loss(es) to the scheduled property(ies) under your policy.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Insured's Name: Sandpiper Towers Condominium Association Inc Policy #: MWC0601645

Policy Dates: From: 12/01/2023 To: 12/01/2024

Surplus Lines Agent's Name: Susan Brown Flemming

Surplus Lines Agent's Physical Address: 1227 S. Patrick Dr. Ste 101 Satellite Beach, FL 32937

Surplus Lines Agent's License #: A085932

Producing Agent's Name: Kirk Ball

Producing Agent's Physical Address: 1430 Palm Bay Road, NE Palm Bay FL 32905

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

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

Policy Premium: \$200,000.00

SL Agent Policy Fee: \$350.00

Inspection Fee: _____

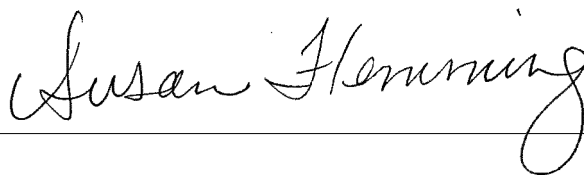
Other Policy Fees: \$500.00

Tax: \$9,921.99

FLSO Service Fee: \$120.51

EMPA Surcharge: _____

Surplus Lines Agent's Countersignature: _____



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

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

WIND AND HAIL DECLARATION PAGE

Mt. Hawley Insurance Company 85%
Peoria, Illinois 61615, USA

Renaissance Re Syndicate 1458 Lloyd's 15%
London, EC3M 7HA, United Kingdom

Policy Number: MWC0601645

Unique Market Reference (UMR): B087523R06F5001

Named Insured and Mailing Address:

Sandpiper Towers Condominium Association Inc
205 Highway A1A
Satellite Beach, FL 32937

Agent/Broker and Mailing Address:

Amwins Insurance Brokerage LLC
10201 Centurion Pkwy N
Suite 400
Jacksonville, FL 32256

Policy Period: From 12/01/2023 to 12/01/2024 at 12:01 A.M. Standard Time at your mailing address shown above.

DESCRIPTION OF PREMISES

Covered Locations Listed Below:
205 Highway A1A, Satellite Beach, FL 32937

CAUSES OF LOSS: Windstorm or Hail

Total coverage (limit) applicable Limit \$ 10,000,000

The above limit applies to the following and is subject to any sublimits stated elsewhere in the policy:

- Building *
- Newly Acquired Property *
- Ordinance or Law Coverage *
- Wind Driven Rain *
- Shuffleboard Court *
- Dune Crossover *
- Perimeter Wall *
- Lighting *

* Replacement Cost Applies

Per Occurrence Loss Limit

At no time will we pay more than \$ 10,000,000 for a loss due to a single occurrence or event.

DEDUCTIBLE(S): Refer to CPR 2218, Declarations - Deductible Addendum

FORMS MADE A PART OF THIS POLICY AT TIME OF ISSUE: See CPR 2150, Applicable Forms & Endorsements

PCA Fees	\$ 500
Total Premium	\$ 200,000
Amount Payable At Inception	\$ 200,500

Authorized Signature

Pro Rata Shares Applicable to this Combination Policy: Mt. Hawley Insurance Company will be responsible for 85% of all losses under this policy and Renaissance Re Syndicate 1458 Lloyd's will be responsible for 15% of all losses under this policy. Each of the Companies will be severally (but not jointly) liable solely for its own pro rata share.

DECLARATIONS - SUB-LIMIT ADDENDUM

The total Limit of Liability as shown in the Declarations is subject to the following sub-limit(s). The sub-limit(s) shown is a limit or amount per occurrence, except for Earthquake and Flood where an annual aggregate applies. The sub-limit(s) shown are included in and do not increase the Limit of Liability shown in the Declarations. We will not, in any case, exceed this sub-limit(s) in one disaster, casualty or event, no matter how many locations are involved.

Coverage Part or Item:	Sub-Limit
Wind Driven Rain	\$100,000

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DECLARATIONS - DEDUCTIBLE ADDENDUM

The following deductible wording is in addition to all other deductible wording found elsewhere in this policy. All other deductible wording found in and made a part of this policy also applies. Each claim for loss or damage will be adjusted separately.

PERIL DEDUCTIBLE(S)

\$100,000 Per Occurrence for All Covered Perils, except:

5.00% of the Total Insurable Values Per Building (including time element if applicable) at the time of loss or damage subject to a minimum of \$100,000 Per Occurrence for Named Storm

Total Insurable Values is defined as the full value of covered property, including time element if applicable, subject to the valuation terms and conditions of the policy. Total Insurable Values are calculated at the time of loss or damage.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED LOCATIONS ENDORSEMENT

Location Number	Coverage Type	Declared* Values	Valuation**	Description and Location of Property Covered
00001 - 001	Building	\$11,872,178	RCV	Built: 1964, Fire Resistive 205 Highway A1A Satellite Beach, FL 32937 Condominium
00001 - 001	Shuffleboard Court	\$4,290	RCV	Built: 1964, Fire Resistive 205 Highway A1A Satellite Beach, FL 32937 Condominium
00001 - 001	Dune Crossover	\$8,440	RCV	Built: 1964, Fire Resistive 205 Highway A1A Satellite Beach, FL 32937 Condominium
00001 - 001	Perimeter Wall	\$65,430	RCV	Built: 1964, Fire Resistive 205 Highway A1A Satellite Beach, FL 32937 Condominium
00001 - 001	Lighting	\$3,440	RCV	Built: 1964, Fire Resistive 205 Highway A1A Satellite Beach, FL 32937 Condominium
00001 - 002	Building	\$92,390	RCV	Built: 1964, Cast in Place 205 Highway A1A Satellite Beach, FL 32937 Pool / Spa

* For Limit of Insurance please see Declarations page of this policy.

** Indicate: ACV (Actual Cash Value), ALS (Actual Loss Sustained), FRC (Functional Replacement Cost), RCV (Replacement Cost Value), SP (Selling Price) or SV (Stated Value).

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

APPLICABLE FORMS & ENDORSEMENTS

FORMS AND ENDORSEMENTS LISTED BELOW APPLY TO AND ARE MADE PART OF THIS POLICY AT TIME OF ISSUE.

CPR-2147(02/04)	Declarations - SubLimit Addendum
CPR-2218(11/04)	Declarations - Deductible Addendum
CPR-2194(10/01)	Scheduled Locations Endorsement
WHPR-101(04/22)	Windstorm Or Hail Coverage Form
CPR-2161(09/22)	Ordinance or Law Coverage
CPR-2274(03/21)	Minimum Earned Premium Endorsement
CPR-2276(04/12)	Non-Payment Of Premium
CPR-2281(12/14)	Nuclear, Biological, Chemical, or Radioactive Exclusion
CPR-2282(02/15)	Exclusion Of Cosmetic Damage To Roof Surfacing
CPR-2315(07/20)	Newly Acquired Property Endorsement
CPR-2331(03/23)	Limited Valuation Of Roof Surface
CPR-2117(08/15)	Definition of Occurrence
CPR-2126(01/23)	Limitation of Liability Endorsement
CPR-2269(06/09)	Asbestos Exclusion
CPR-2271(02/11)	Florida Changes - Residential Condominium Associations
CPR-2291(08/15)	Named Storm Definition
CPR-2295(04/20)	Windstorm Or Hail Loss Reporting Limitation Addendum
CPR-2297(04/17)	Wind Driven Rain Coverage Endorsement
CPR-2307(09/18)	Assignment Of Claim Benefits
CPR-2308(12/18)	Pre-Existing Damage Exclusion
CPR-2310(01/23)	Appraisal
CPR-2311(10/22)	Legal Action Conditions Endorsement
CPR-2314(07/20)	Communicable Disease Exclusion
CPR-2316(08/20)	Total Pollution Exclusion
CPR-2318(08/21)	Actual Cash Value (ACV) Definition
CPR-2326(07/22)	Fully Earned Premium For Actual Total Loss Or Constructive Total Loss
CPR-2332(06/23)	Cyber And Data Endorsement
IL-0935(07/02)	Exclusion of Certain Computer-Related Losses
LMA-3100(09/10)	Sanction Limitation And Exclusion Clause
LMA-5096(03/08)	Several Liability Clause
NMA-1998(04/86)B	Service Of Suit Clause (U.S.A.)
RIL-2156(06/22)	Policyholder's Responsibility To Properly Assess And Report Property Valuation

**APPLICABLE FORMS & ENDORSEMENTS
(cont'd)**

RIL-099(04/20)

Service Of Suit

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

WINDSTORM OR HAIL COVERAGE FORM

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 in this Policy have special meaning. Please refer to Section **12. DEFINITIONS** and see other words defined within this Coverage Form and Policy.

1. AGREEMENT

In return for your payment of the required premium, and subject to all terms of this Policy, we provide the coverage described in this Policy. This includes any endorsements or schedules attached to or made a part of this Policy.

2. COVERAGE

We will pay for direct physical loss of or damage to Covered Property during the Policy Period at the Covered Location(s) shown in the Description of Premises in the Policy Declarations caused by or resulting from a Covered Cause of Loss.

3. COVERED PROPERTY

Covered Property, as used in this Coverage Form, means the type of property described in this Section **3. COVERED PROPERTY** and limited in Section **4. 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;
3. Machinery and equipment if the machinery and equipment is permanently attached to the "Building".

B. "Your Business Personal Property" means your 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 Covered Location consisting of the following:

1. Furniture and fixtures;
2. Machinery and equipment;
3. "Stock";
4. All other personal property owned by you and used in your business;
5. Improvements and betterments, meaning fixtures, alterations, installations, or additions comprising part of a "Building" occupied but not owned by you and made at your expense;
6. Personal property of others that is in your care, custody, or control and located in or on the "Building" described in the Declarations. 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.

4. PROPERTY NOT COVERED

Unless specifically endorsed or scheduled onto the Policy, Covered Property does not include:

- A.** Accounts, bills, deeds, currency, money, notes, securities, food stamps, or other evidences of debt, lottery tickets, original drawings and specifications, letters of credit, passports, or tickets, including any of the foregoing which exist in electronic form;
- B.** Animals, including birds and fish;
- C.** Growing plants or shrubs (except when held for sale, or when used for decorative purposes inside "Building(s)"), grain, hay, straw, or other crops when outdoors;
- D.** Motor vehicles licensed or designed principally for highway use, including motorcycles, motor scooters and other similar vehicles;
- E.** Any watercraft or aircraft;
- F.** Contraband, or property in the course of illegal transportation or trade;
- G.** Bridges, roadways, walks, patios, or other paved surfaces;
- H.** Land, including land on which the property is located, land value, growing crops or lawns, or the cost of excavations, grading, or filling;
- I.** Underground or surface water;
- J.** Foundations of "Building(s)", underground pipes, flues, or drains;
- K.** Retaining walls, pilings, piers, wharves, or docks;
- L.** Fences, signs (except signs attached to "Buildings"), or radio or television antennas, including their lead-in wiring, masts, or towers;
- M.** Power transmission or feeder lines not on the Covered Location;
- N.** Awnings, cloth, screening, or shade cover, cabanas, pools, bulkheads, smokestacks, or satellite dishes;
- O.** Electronic data processing equipment including computers, electronic accounting machines, all supporting machinery, magnetic tapes, discs, cards, any storage device, and all software including procedures, programs, or source material of any kind;
- P.** 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;
- Q.** 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;
- R.** Contractor's equipment;
- S.** Jewelry, watches, pearls, precious and semi-precious stones, gold, silver, platinum, other precious metals or alloys, bullion, furs, and articles trimmed with fur;
- T.** Fine arts, meaning paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelains, and similar property of rarity, historical value, or artistic merit;
- U.** Property in transit; or
- V.** Property in the course of construction, including construction materials or supplies.

5. LIMITS OF INSURANCE

- A. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations. If this Policy includes coverage for both property damage and business interruption, the amounts stated in the Declarations under Limits of Insurance are the maximum amounts collectible under this Policy for loss or damage resulting from a Covered Cause of Loss, regardless of whether the loss involves property damage alone or both property damage and business interruption.
- B. The most we will pay for personal property of others at the Covered Location in your care, custody, or control is \$2,500, unless otherwise scheduled.
- C. The most we will pay for loss or damage that takes place during any Policy Period is the Aggregate Limit, if stated in the Declarations. We will not pay in excess of this Aggregate no matter how many locations are involved or the number of occurrences during the Policy Period.

6. COVERED CAUSE OF LOSS

Covered Cause of Loss means Windstorm or Hail. Covered Cause of Loss does not include:

- A. Frost or cold weather;
- B. Ice (other than hail), rain, snow, or sleet, whether driven by wind or not;
- C. Loss or damage to the interior of any "Building" or structure, or to personal property in the "Building" or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless the "Building" first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand, or dust enters. We will not pay for any loss or damage, caused in whole or in part, directly or indirectly by, resulting from, contributed to or made worse by, or in connection with, any of the following, regardless of any Covered Cause of Loss or other cause or event that contributes concurrently or in any sequence to the loss: wet or dry rot; wear and tear; rust; corrosion; decay; deterioration; hidden or latent defect; settling; cracking; shrinking or expansion; or faulty, inadequate, or defective planning, design, specifications, workmanship, repair, construction, materials, or maintenance.

7. EXCLUSIONS

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

- A. Enforcement of any ordinance, law, or code regulating the use, construction, or repair of any property; or requiring the tearing down of any property, including the cost of removing its debris, unless specifically endorsed to this Policy. This exclusion applies whether the loss results from an ordinance, law, or code that is enforced even if the property has not been damaged; or the increased costs incurred to comply with an ordinance, law, or code in the course of construction, repair, renovation, remodeling, or demolition of property, following a direct physical loss of or damage to that property;
- B. Water; including but not limited to:
 - 1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
 - 2. Mudslide or mudflow;
 - 3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump, or related equipment;
 - 4. Water under the ground surface, or pressing on, or flowing or seeping through;

- a. Foundations, walls, floors, or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings;
5. Waterborne material carried or otherwise moved by any of the water referred to in Items 1., 3., or 4., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Items 1. through 5., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is where a dam, levee, seawall, or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

- C. Increase of loss caused by or resulting from delay in repair or rebuilding;
- D. Seizure or destruction of property by order of governmental authority;
- E. Earth movement, whether natural or man-made, including landslide, earth sinking, subsidence, earth rising, or shifting;
- F. Disappearance of property or loss or shortage of property disclosed on taking inventory, pilferage, burglary, larceny, theft, or attempted theft;
- G. Delay, loss of market, loss of use, or consequential loss of any nature;
- H. Business Income or Extra Expense of any kind unless a specific limit of insurance is shown in the Declarations for such coverage;
- I. Loss due to inability to ingress or egress Covered Property;
- J. Presence, growth, proliferation, spread, or any activity of "fungus", wet or dry rot, or bacteria.

8. ADDITIONAL COVERAGES

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

A. Debris Removal

- 1. 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 the Covered Cause of Loss is reported to us in writing within 90 days of the date of direct physical loss or damage.
- 2. This coverage does not apply to costs to:
 - a. Extract "pollutants" from land or water; or
 - b. Remove, restore, or replace polluted land or water.
- 3. The most we will pay under this Additional Coverage is the lesser of \$50,000 or 25% of:
 - a. The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - b. The deductible in this Policy applicable to that loss or damage.

B. Preservation of Property

If it is necessary to move Covered Property to preserve it from loss by a Covered Cause of Loss, we will pay for any direct physical loss 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 Covered Property is first moved.

9. DEDUCTIBLE

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

10. LOSS CONDITIONS

The following conditions apply in addition to all other conditions of this Policy:

A. Abandonment

There can be no abandonment of any property to us.

B. 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.

C. Coinsurance

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

1. We will not pay the full amount of any loss if the value of Covered Property at the time of loss multiplied by 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:
 - a. Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
 - b. Divide the Limit of Insurance of the property by the figure determined in Step a.;
 - c. Multiply the total amount of loss, before the application of any Deductible, by the figure determined in Step b.; and
 - d. Subtract the Deductible from the figure determined in Step c.

We will pay the amount determined in Step d. or the amount listed in the Declarations for the specific property, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

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

Step (1):	$\$250,000 \times 80\% = \$200,000$ (the minimum amount of insurance to meet your Coinsurance requirements)
Step (2):	$\$100,000 \div \$200,000 = .50$
Step (3):	$\$40,000 \times .50 = \$20,000$
Step (4):	$\$20,000 - \$250 = \$19,750$

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

Example 2 (Adequate Insurance)

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

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). 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).

2. If one Limit of Insurance applies to two or more separate items, Coinsurance 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 total amount of loss is:	\$ 50,000
Building at Location 2:	\$ 30,000
Personal Property at Location 2:	\$ 20,000

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.

D. Duties In The Event Of Loss Or Damage

1. You must see that the following are done in the event of loss or damage to Covered Property:
 - a. Notify the police if a law may have been broken.
 - b. Give us prompt notice of the loss or damage. Include a description of the property involved.
 - c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - d. You must take all reasonable steps to protect Covered Property at and after a Covered Cause of Loss to avoid 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 Limits of Insurance. We will only pay for subsequent loss or damage resulting from a Covered Cause of Loss. If feasible, preserve damaged property for examination.
 - e. At our request, give us complete inventories of the damaged and undamaged property, including quantities, costs, values, and amount of loss claimed.
 - f. As often as reasonably required, allow us to inspect the property proving the loss or damage and examine your books and records. Also allow us to take samples of damaged and undamaged property for inspection, testing, and analysis, and copy your books and records.
 - g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 90 days after our request.
 - h. Cooperate with us in the investigation or settlement of the claim.
2. We may examine under oath any insured, and any insured's agents or representatives including public adjusters, while not in the presence of any other insured or insured's agent or representative, 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. If the insured is an association, corporation, limited liability company, or other entity, we may conduct such an examination under oath of any members, officers, directors, partners, or similar representatives while not in the presence of any other members, officers, directors, partners, or similar representatives. In the event of an examination under oath, answers must be signed.

E. Loss Payment

1. In the event of loss or damage covered by this Policy, at our option, we will either:
 - a. Pay the value of lost or damaged property;
 - b. Pay the cost of repairing or replacing the lost or damaged property, subject to **2.** below;
 - c. Take all or any part of the property at an agreed or appraised value; or
 - d. Repair, rebuild, or replace the property with other property of like kind and quality, subject to **2.** 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 this Policy or any applicable provision which amends or supersedes the Valuation section.

2. 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.
3. We will give you notice of our intentions within 30 days after we receive the sworn proof of loss.

4. We will not pay you if you have already collected the same amount from others.
5. We will not pay you more than your financial interest in the Covered Property.
6. 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.
7. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
8. 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 Policy and:
 - a. We have reached agreement with you on the amount of loss; or
 - b. An appraisal award has been made.

F. Pair, Sets, Or Parts

1. In case of loss or damage to any part of a pair or set we may:
 - a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - b. Pay the difference between the value of the pair or set before and after the loss or damage.
2. In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

G. 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 in the Declarations of this Policy.

H. Valuation

As shown as applicable in the Declarations, we will determine the value of Covered Property in the event of loss or damage as follows:

1. At Actual Cash Value as of the time of loss or damage, except as provided in **(2)** or **(3)**, below.

Actual Cash Value (sometimes referred to in this Policy as ACV) means the value of the lost or damaged property or part of the property at the time of loss, calculated as the estimated cost to repair or replace such property, less a deduction to account for pre-loss depreciation. For this calculation, all components of this estimated cost are subject to depreciation, including but not limited to:

- (1)** Materials, including any tax;
- (2)** Labor, including any tax;
- (3)** Overhead and profit, if applicable;
- (4)** Fees and permits; and
- (5)** Debris removal.

The deduction for any depreciation may include, but is not limited to, such considerations as:

- (1) Age;
- (2) Condition;
- (3) Reduction in useful life;
- (4) Obsolescence; and
- (5) Any pre-loss damage including wear, tear, or deterioration.

The amount of any depreciation is not limited to a maximum percentage deduction. The Actual Cash Value of any lost or damaged property may be significantly less than its Replacement Cost.

2. Replacement Cost, if such coverage is identified in the Declarations. 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 difference between Replacement Cost and Actual Cash Value only if you notify us of your intent to do so within 180 days after the loss or damage.
 - a. 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.
 - b. We will not pay more for loss or damage on a Replacement Cost basis than the least of the following amounts:
 - (1) The cost to repair or replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose.

If a "Building" is rebuilt at a new premises, the cost is limited to the cost which would have been incurred if the "Building" had been rebuilt at the original premises.
 - (2) The amount you actually spend that is necessary to repair or replace the lost or damaged property to repair or replace the damaged or destroyed property. In the event of loss, the value of property will be determined at the time of loss.
 - c. Replacement Cost coverage does not apply to the following, even when attached to the "Building":
 - (1) Personal property of others;

Under the terms of this Policy, tenants' improvements and betterments are not considered to be the personal property of others.
 - (2) Awnings or floor coverings;
 - (3) Appliances for refrigerating, ventilating, cooking, dishwashing, or laundering;
 - (4) Outdoor equipment or furniture;

(5) "Stock", unless "Stock" option is shown in the Declarations;

(6) Manuscripts; or

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

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

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

f. With respect to tenant's improvements and betterments, the following also apply:

(1) 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.

(2) Nothing if others pay for repairs or replacement.

3. If Stated Value is designated in conjunction with a specific coverage on the Declarations, we will pay the limit indicated for that designated coverage.

I. Mortgageholders

1. The term mortgageholder includes trustee.

2. We will pay for covered loss of or damage to "Building(s)" or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the "Building" or structure.

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

a. Pays any premium due under this Coverage Form at our request if you have failed to do so;

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

c. 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 Form will then apply directly to the mortgageholder.

5. 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 Form:

- a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- b. 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.

6. If we cancel this Policy, we will give written notice to the mortgageholder at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
7. 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.

11. GENERAL 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. If we cancel this Policy for nonpayment of premium, we will give you notice at least 10 days before the cancellation is effective. If we cancel this Policy for any other reason, we will give you notice at least 30 days in advance of cancellation.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
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.

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 to 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. Concealment, Misrepresentation, Or Fraud

This Policy is void and there is no coverage for any claim in any case of fraud by you as it relates to this Coverage at any time. It is also void if you or any other insured, at any time, conceals or misrepresents a material fact concerning this Policy, the Covered Property, or your interest in the Covered Property.

There is no coverage for any claim under this Policy if, at any time and regardless of intent, you or any other insured or any representative acting on your or any insured's behalf provide incorrect, false, inaccurate, or incomplete information in connection with any claim under this Policy.

There is no coverage for any claim under this Policy if, at any time and regardless of intent, you do not promptly, and prior to a loss, provide us notice in writing of a material change in any risk insured under this Policy which is relevant to the loss.

D. Conformity With Statute

When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

E. 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.

F. Excess Insurance

You may have excess insurance over the Limits of Insurance stated in this Policy. Such excess insurance, if any, will not reduce any liability under this Policy.

G. 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:
 - a. Conditions are safe or healthful;
 - b. The insured property complies with laws, regulations, codes, or standards; or
 - c. The insured property is free from preexisting conditions that may impact coverage in the event of a loss.

Any property inspection or survey undertaken by us or on our behalf related to the underwriting process in connection with issuance of any policy is for our information only and does not in any way negate or impair our ability to apply and enforce any and all applicable exclusions, conditions, or other terms of this Policy. It is agreed that neither such property inspection or survey nor any such property inspection or survey report can be used by any insured for any reason after a loss.

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 make 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.

H. 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.

I. Legal Action Against Us

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

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

J. No Benefit To Bailee

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

K. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions, and provisions as the insurance under this Policy. 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 Policy 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.

L. Policy Period

We cover loss or damage first commencing during the Policy Period shown in the Declarations.

M. 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.

N. Records And Inventory

You must keep accurate books, records, and accounts which include detailed and itemized inventory records of all Covered Property. Physical inventory must be taken periodically at intervals of not more than 12 months apart.

O. Coverage Territory

We cover property while in the United States of America, the District of Columbia, its territories and possessions, Canada, and Puerto Rico.

P. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form 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.

Q. Transfer Of Your Rights And Duties Under This Policy

You may not transfer your rights and duties under this Policy, before or after a loss, 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.

12. DEFINITIONS

- A. "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.
- B. "Pollutants" means any solid, liquid, gaseous, thermal, or biological irritant or contaminant, including but not limited to smoke, vapor, soot, gases, fumes, acids, alkalis, lead, asbestos, microplastics, chemicals, toxins, or waste. Waste includes materials to be recycled, reconditioned, or reclaimed. "Pollutants" also includes any naturally occurring or manmade substances which can cause or threaten damage to human health or human welfare, or causes or threatens damage to, or deterioration, loss of value, marketability or loss of use of, any property. Such substances include, but are not limited to bacteria, virus, nanoparticles, electromagnetic radiation, or other hazardous substances. Hazardous substances include, but are not limited to, those listed in the Federal Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, Toxic Substances Control Act or as designated by the U.S. Environmental Protection Agency.
- C. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

SCHEDULE

Coverage A Limit of Insurance	Coverage B Limit of Insurance	Coverage C Limit of Insurance	Coverage B and C, Combined Limit of Insurance
<input checked="" type="checkbox"/> Included up to the Building Limit of Insurance \$N/A _____	N/A _____	N/A _____	\$500,000 _____

The Limit of Insurance shown in the Schedule above is the maximum amount we will pay for the Coverages identified for any one occurrence regardless of the number of Building(s) involved. In addition, we will not pay more than the Per Occurrence Limit of Insurance shown on the Declarations. The Limit(s) of Insurance shown in the Schedule applies to all locations unless specified below:

A. Coverage

Each Coverage – Coverage **A**, Coverage **B** and Coverage **C** – is provided under this endorsement only if that Coverage(s) is indicated by entry of any amount in the above Schedule and then only with respect to the Building(s) identified for that Coverage(s) in the Schedule.

If the Limit of Insurance is shown as a percentage above for Coverage **B**, Coverage **C**, or Coverage **B** and **C** Combined, the applicable Limit of Insurance will be that percentage of the Building(s) Total Values of that risk at the time of loss or damage.

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the Building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss to the undamaged portion of the Building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same Building.

2. Coverage B – Demolition Cost Coverage

With respect to the Building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same Building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost Of Construction Coverage

With respect to the Building that has sustained covered direct physical damage, we will pay the increased cost to:

- a. Repair or reconstruct damaged portions of that Building caused by a covered peril; and/or

b. Reconstruct or remodel undamaged portions of that Building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- a.** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- b.** We will not pay for the increased cost of construction if the Building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

B. Application of Coverage(s)

The Coverage(s) provided by this endorsement applies with respect to an ordinance or law that regulates the demolition, construction or repair of Building(s), or establishes zoning or land use requirements at the described premises, subject to the following:

1. The requirements of the ordinance or law are in force at the time of loss.
2. Coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.
3. Coverage under this endorsement applies only if:
 - a.** The Building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
 - b.** The Building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a direct result of the building damage in its entirety, you are required to comply with the ordinance or law.

However, there is no coverage under this endorsement if the Building sustains direct physical damage that is not covered under this policy, and such uncovered damage is the subject of the ordinance or law, even if the Building has also sustained covered direct physical damage.

4. If coverage applies under this endorsement based on the terms of Paragraph **B.3.b.**, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, or **C** of this endorsement. We will only pay a proportion of such loss calculated as the proportion that the covered direct physical damage bears to the total direct physical damage.

Example of proportionate loss payment for Ordinance Or Law Coverage Losses is as follows:

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The Building has a value of \$200,000
- Total direct physical damage to Building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the Building's value

- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 / \$100,000 = .30$$

Step 2: Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

5. We will not pay under this endorsement for:

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

6. We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of any building damage, if you failed to comply.

C. Loss Payment

- All following loss payment provisions, **C.2.** through **C.5.**, are subject to the apportionment procedures set forth in Section **B.4.** of this endorsement.
- When there is a loss to an undamaged portion of a Building to which Coverage **A** applies, the loss payment for that Building, including damaged and undamaged portions, will be determined as follows:
 - If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - The amount you actually spend to repair, rebuild or reconstruct the Building, but not for more than the amount it would cost to restore the Building on the same premises and to the same height, floor area, style and comparable quality of the original property insured;
 - The applicable Coverage A Limit of Insurance shown in the Schedule;
 - The Limit of Insurance shown in the Declarations as applicable to the covered Building or Structure; or
 - The values you provided to us for the specific property involved in the loss which were accepted by us prior to the loss.
- Unless Paragraph **C.5.** applies, loss payment under Coverage **B** will be determined as follows:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit of Insurance shown for Coverage **B** in the Schedule.
4. Unless Paragraph **C.5.** applies, loss payment under Coverage **C** will be determined as follows:
- a. We will not pay under Coverage **C**:
 - (1) Until the Building is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is completed within two years after the loss or damage.
 - b. If the Building or Structure is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule.
 - c. If the ordinance or law at the time of loss or damage requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule.
5. If a Combined Limit of Insurance is shown for Coverages **B** and **C** in the Schedule, Paragraphs **D.3.** and **D.4.** of this endorsement do not apply with respect to the Building that is subject to the Combined Limit, and the following loss payment provisions apply:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages **B** and **C** in the Schedule. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

- a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is completed within two years after the loss or damage.
 - (2) If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

It is agreed that this policy does not insure against loss or damage arising from asbestos material, including but not limited to costs or expenses incurred by the Insured as a result of any of the following:

- (1)** asbestos material removal, containment, or other abatement;
- (2)** demolition or increased cost of construction, repair, debris removal, or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material; and/or
- (3)** any governmental direction or request declaring that such asbestos material present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified;

Nor does any coverage provided by this policy apply to payment for the investigation or defense of any loss, damage or any cost, loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFINITION OF OCCURRENCE

Occurrence means the total loss or damage caused by a distinct, single incidence of a peril or combination of perils insured against, except:

- A.** For a single atmospheric disturbance including tornado, cyclone, hurricane, windstorm, hail, tropical storm or cyclone, typhoon, hail and winter storm/freeze, an occurrence is limited to the total of all losses, damage, or expenses sustained or commencing during a continuous 144 hour period;
- B.** For riot, riot attending a strike and civil commotion an occurrence is limited to the total of all losses, damage or expenses sustained or commencing during a continuous 96 hour period.

In reference to items **A.** and **B.** above, you may decide when the applicable continuous number of hour period begins.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF LIABILITY ENDORSEMENT

The following special terms and conditions apply to this policy:

- A.** The Limit of Insurance or amount of insurance shown in the Declarations page(s) of this policy is a limit or amount per occurrence, subject to an annual aggregate limit if applicable. We will not pay more than this limit or amount in one disaster, casualty, or event, no matter how many locations are involved.
- B.** The premium for this policy is based on the schedule or statement of values on file with us or attached to this policy. If there is a loss under this policy, we will not pay more than the least of the following:
 - 1.** The actual adjusted amount of loss, minus the deductible(s) that applies; or
 - 2.** The applicable Limit of Insurance or amount of insurance per occurrence shown in the Declarations page(s) of this policy or endorsed onto this policy; or
 - 3.** The stated value for the specific property involved in the loss as shown on the latest statement of values on file with us, minus the deductible(s) that applies; or
 - 4.** The Aggregate Loss Limit described in the Declarations.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

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

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

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

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
2. Under the Commercial Property Coverage Part:
 - a. In a "Specified Cause of Loss," or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b. In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss," elevator collision, or Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES - RESIDENTIAL CONDOMINIUM ASSOCIATIONS

In Section **2. COVERED PROPERTY**, parts **A. Building And Structures** and **B. Business Personal Property** are replaced by the following:

A. Building And Structures, meaning:

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

- c. Electrical fixtures, water heaters, water filters, window treatments, including curtains, drapes, blinds, hardware and similar window treatment components, and built-in cabinets and countertops which are located within an individual unit or limited common elements;
 - d. Any of the following types of property contained inside individual units:
 - (1) Fixtures, installations, additions, improvements and alterations that are a part of the building or structure; and
 - (2) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping;
 - e. Improvements or additions to the condominium property that benefit fewer than all unit-owners, unless otherwise endorsed to the policy.
3. With respect to the coverage provided under this Coverage Form, such coverage will be provided for all portions of the condominium property as originally installed or replacement of like kind and quality, in accordance with the original plans and specifications.
4. With respect to Replacement Cost coverage as provided under this Coverage Form, the property described in Paragraph A.1.f. of this endorsement is not considered to be the personal property of others.
- B. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within one hundred (100) feet of the described premises, consisting of the following:
- 1. Personal property owned by you or owned indivisibly by all unit-owners;
 - 2. Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
 - 3. Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

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

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement changes Cancellation conditions elsewhere in the policy as follows:

If you cancel this policy, the earned premium will be calculated as follows:

- (1)** If the abbreviated term provides coverage for less than 50 days during the period May 15 through November 30, the premium earned for the policy term will be calculated as per the policy Cancellation terms but subject to a minimum earned premium of 35% of the annual policy premium or \$70,000, whichever is greater.
- (2)** If the abbreviated term provides coverage for 50 or more days during the period May 15 through November 30, the premium earned for the policy term will be calculated as per the policy Cancellation terms but subject to a minimum earned premium of 100% of the annual policy premium or \$200,000, whichever is greater.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-PAYMENT OF PREMIUM

Your failure to make a timely payment of any premium due either at inception of this policy or for any subsequent endorsement will be considered a request by you to us to cancel the policy.

If we cancel for non-payment of premium, the minimum earned premium, as determined by the Minimum Earned Premium Endorsement included in this policy, will be immediately due and payable.

At our discretion, we may consider reinstating coverage if you pay us the full amount of premium due prior to the effective date of cancellation.

However, payment of overdue premium by you will not guarantee the reinstatement of coverage. Should we decide not to reinstate coverage, any unearned premium will be refunded accordingly.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOACTIVE EXCLUSION

We will not pay for loss, damage, cost, or expense directly or indirectly from:

- 1)** The use or threatened use of nuclear, biological, chemical, radioactive substances or the like, however caused.
- 2)** The accidental discharge of nuclear, biological, chemical, radioactive substances or the like, however caused.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF COSMETIC DAMAGE TO ROOF SURFACING

- A.** The following applies with respect to loss or damage by wind and/or hail to any building and/or structure covered under this policy unless otherwise indicated below:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail.

For the purpose of this endorsement:

- 1.** Cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.
- 2.** Roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

Exceptions to the above are as follows:

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED VALUATION OF ROOF SURFACE

The following applies with respect to loss or damage by Named Storm, windstorm, or hail to a building or structure as indicated below:

1. Replacement Cost coverage (if applicable to the building or structure) does not apply to any "Roof Surface" unless you prove that the age of the "Roof Surface" is less than 15 years old at the time of the loss or damage by providing documentation, including but not limited to, contracts, invoices, receipts, or permits, demonstrating the age of the "Roof Surface". Documentation of roof maintenance or repair will not establish the age of the "Roof Surface". The value of all other "Roof Surfaces" we will be determined at Actual Cash Value.

If any building or structure is identified in the Schedule below, then the value of any "Roof Surface" will be determined at Actual Cash Value, regardless of the age of the "Roof Surface".

SCHEDULE

--

2. For the purpose of this endorsement, a "Roof Surface" means a surface covering the roof, including but not limited to, shingles, tiles, cladding, gravel, stone, metal or synthetic sheeting, or roof coating, and all materials used in securing the surface covering.

A "Roof Surface" also refers to all other roofing components, including but not limited to, any materials applied to or under the surface of the roof used for moisture protection or insulation, roof vents, vent caps, flashings, or drip edges.

A "Roof Surface" does not include structural supports or structural decking consisting of metal, concrete, particle board/OSB, or wood.

3. Notwithstanding the above, the tear off, preparation, and installation of a "Roof Surface", including the applicable overhead, profit, labor, taxes and fees, will be valued at Actual Cash Value.
4. If the roof contains more than one layer of roof covering, this endorsement shall apply to each "Roof Surface" independently.
5. With regard to any "Roof Surface" that is valued at Actual Cash Value, any coverage for Increased Cost of Construction or Ordinance or Law will not apply, regardless of anything to the contrary elsewhere in this policy.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED STORM DEFINITION

The following definition is added to this policy:

“Named storm” means a weather-related event involving wind that has been assigned a formal name by the National Hurricane Center, National Weather Service, World Meteorological Organization or Central Pacific Hurricane Center. The term “named storm” includes any organized weather system with a defined surface circulation that has maximum sustained wind speeds of at least 39 miles per hour including tropical storms, hurricanes, tropical cyclones, typhoons and all resultant atmospheric disturbance and weather phenomena. Under the terms of this definition, a “named storm” begins at the time a warning is issued for the area in which the affected property is located and ends 24 hours after the termination of the last watch or warning issued for that area by one of the above referenced entities.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL LOSS REPORTING LIMITATION ADDENDUM

Regardless of anything to the contrary in the policy to which this endorsement is attached, the following limitations apply in reference to reporting of claims under this policy:

With respect to loss or damage caused by windstorm or hail, including any named storm, you must give us prompt notice of the loss or damage and include a description of the property involved, and as soon as possible give us a description of how, when and where the loss or damage occurred. In no event may a claim be filed with us later than one year after the date of the loss or damage that is the subject of the claim.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WIND DRIVEN RAIN COVERAGE ENDORSEMENT

We will pay for direct physical loss or damage to the interior of any building, or to personal property in the building caused by or resulting from Wind Driven Rain. Wind Driven Rain is defined as the direct physical loss or damage to the interior of any building covered caused by the sudden and temporary entry of rain, snow, sleet, or ice into the building when propelled by wind, but which does not cause building damage to first occur prior to rain, snow, sleet, or ice entering the building. All loss or damage caused by or resulting from Wind Driven Rain will be subject to the deductible applicable to the occurrence.

A. Exclusions and Limitations

1. For the purposes of this endorsement, we will not pay for loss or damage caused by or resulting from any of the following:
 - a. Wind driven sand or dust;
 - b. Thawing of snow, sleet, or ice on the building;
 - c. Faulty, inadequate, or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;of part or all of any property on or off the covered location.
2. This endorsement does not insure against loss resulting from:
 - a. Continuous or repeated seepage or leakage of water into a building; or
 - b. The entry of rain, snow, sleet, or ice into the building if such entry was caused by failure to properly secure the building or by failure to protect the building against normal wear and tear, rust, corrosion, or decay.

B. Sublimit (if applicable)

The sublimit for Wind Driven Rain Coverage as provided under this Endorsement is the amount stated in the Declarations – Sublimit Addendum. This sublimit does not increase the Limit of Insurance.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASSIGNMENT OF CLAIM BENEFITS

No assignment of claim benefits, regardless of whether made before a loss or after a loss, shall be valid without the written consent of all insureds, all additional insureds and all mortgagee(s) named in this policy. Such written consent must be signed and dated by those providing the consent prior to any assignment.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRE-EXISTING DAMAGE EXCLUSION

We do not cover any loss or damage directly or indirectly caused by, resulting from or contributed to by any pre-existing building damage at the time of loss insured under this policy.

The above exclusion shall automatically be removed upon:

- a.** The completion of all building repairs; and
- b.** Written evidence, signed by a licensed general contractor, stating that such building repairs have been completed.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

APPRAISAL

This endorsement replaces the Appraisal Condition in the coverage form.

Appraisal

If we and you disagree on the amount of loss, we may make a 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 on an umpire, we may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss, including an itemized determination of (1) the actual cash value for each damaged item included in the claim, and (2) the replacement cost value, if applicable under the policy, for each damaged item included in the claim. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding, and the decision must be itemized as specified in (1) and (2) above. 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.

Under no circumstance is appraisal allowed under this policy to determine causation or the existence or non-existence of coverage.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEGAL ACTION CONDITIONS ENDORSEMENT

This endorsement adds the following to LEGAL ACTION AGAINST US elsewhere in this Policy:

In the event of any litigation involving any matter arising out of or relating to this Policy, it is agreed that any Named Insured, any additional insured, any purported insured, or any beneficiary or purported beneficiary of this Policy shall submit to the jurisdiction of the New York state and New York federal courts, and shall comply with all the requirements necessary to give such courts jurisdiction. Any litigation arising out of or relating to this Policy shall be brought only in the state or federal courts of New York. Nothing in this clause constitutes or should be understood to constitute a waiver of the Company's right to remove an action to a United States District Court.

All matters arising out of or relating to this Policy shall be determined in accordance with the law and practice of the State of New York (notwithstanding New York's conflict of law rules). All matters include, without limitation, the procurement, formation, issuance, validity, interpretation, and enforcement of this Policy, as well as claim handling and any other performance in connection with this Policy.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMUNICABLE DISEASE EXCLUSION

- A.** We will not pay for loss, damage, cost or expense of any nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event that contributes concurrently or in any sequence thereto. This exclusion applies whether or not the loss event results in a pandemic or affects a substantial area.
- B.** As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
- 1.** The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
 - 2.** The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from, to or through any surface or object, solid, liquid or gas or between organisms; and
 - 3.** The disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.
- C.** This exclusion applies to all property coverage under all forms and endorsements that comprise this 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, action of civil authority, contingent business income, business income and/or extra expense from dependent properties, ingress and egress, or utility services.
- D.** With respect to any loss or damage subject to this exclusion, the application of such exclusion supersedes the application of any exclusion relating to "pollutants".

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED. PLEASE READ IT CAREFULLY.

CYBER AND DATA ENDORSEMENT

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, this Policy excludes any:
 - a. "Cyber Loss", unless subject to the provisions of **2.** below;
 - b. Loss, damage, liability, claim, cost, or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any "Data", including any amount pertaining to the value of such "Data", unless subject to the provisions of **3.** below;
 - c. Loss, damage, liability, claim, cost, or expense of any nature directly or indirectly arising out of electrical or electromagnetic disturbances including electromagnetic pulse, solar flare, magnetic damage, disturbance of or erasure of electronic recordings, or any space weather phenomenon as classified by National Oceanic and Atmospheric Administration (NOAA);
 - d. Loss, damage, liability, claim, cost, or expense of any nature directly or indirectly caused by the transfer or delivery of Covered Property on the basis of unauthorized or fraudulent instructions, including but not limited to instructions transmitted by a computer, whether or not owned by you, or via any telecommunications transmission method; or
 - e. Actual or alleged loss of goods, money, or securities resulting from Social Engineering";

Regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. Subject to all the terms, conditions, limitations, and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a "Cyber Incident", unless that "Cyber Incident" is caused by, contributed to by, resulting from, arising out of, or in connection with a "Cyber Act" including, but not limited to, any action taken in controlling, preventing, suppressing, or remediating any "Cyber Act".
3. Subject to all the terms, conditions, limitations, and exclusions of this Policy or any endorsement thereto, should "Data Processing Media" owned or operated by you suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the "Data Processing Media" itself plus the costs of copying the "Data" from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering, or assembling the "Data". If such media is not repaired, replaced, or restored the basis of valuation shall be the cost of the blank "Data Processing Media". However, this Policy excludes any amount pertaining to the value of such "Data", to you or any other party, even if such "Data" cannot be recreated, gathered, or assembled.

4. DEFINITIONS

- a. "Computer System" means any computer, hardware, software, communications system, electronic device (including, but not limited to, any smart phone, laptop, tablet, wearable device), server, cloud, or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment, or back up facility, owned or operated by you or any other party.
- b. "Cyber Act" means an unauthorized, malicious, or criminal act or series of related unauthorized, malicious, or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of, or operation of any "Computer System". "Cyber Act" includes "Social Engineering".

- c. "Cyber Incident" means:
- i. Any error or omission or series of related errors or omissions involving access to, processing of, use of, or operation of any "Computer System"; or
 - ii. Any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use, or operate any "Computer System".
- d. "Cyber Loss" means any loss, damage, liability, claim, cost, or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any "Cyber Act" or "Cyber Incident" including, but not limited to, any action taken in controlling, preventing, suppressing, or remediating any "Cyber Act" or "Cyber Incident".
- e. "Data" means information, facts, concepts, code, or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted, or stored by a "Computer System".
- f. "Data Processing Media" means any property insured by this Policy on which "Data" can be stored but not the "Data" itself.
- g. "Social Engineering" means the use of any deceptive, dishonest, fraudulent, or unauthorized representation or instruction or other malicious technique to induce an individual into performing a specific action, or divulging specific confidential or personal information, for fraudulent purposes.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEWLY ACQUIRED PROPERTY ENDORSEMENT

This endorsement supersedes any other coverage that refers to Building and Personal Property coverage for newly acquired property.

“We” extend Covered Property to include real and personal property of the type insured under the policy that is rented, leased, purchased, or acquired by the Insured after the inception date of this policy and is located within the Coverage Territory.

Coverage under this endorsement ceases at the earliest of the following dates:

1. 60 days from the date of rental, lease, purchase or acquisition of such property; or
2. When such newly acquired property is bound by the Company; or
3. When the Company notifies the Insured that it will not bind the coverage for such property; or
4. When this Policy expires or is cancelled.

The most we will pay for loss or damage under this endorsement from a Covered Cause of Loss is \$500,000. This does not increase the Limit of Insurance as stated in the Declarations and applies to all newly acquired property for any one occurrence.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION

This endorsement supersedes any existing terms, conditions, limitations, exclusions, coverages, additional coverages and definitions regarding "pollutants" within any property coverage forms or related endorsements within this policy.

We will not pay for loss, damage, cost, or expense caused, in whole or in part, directly or indirectly by, resulting from, contributing to, or made worse by, or arising out of or in connection with, the following:

- A.** The actual, alleged, or threatened exposure to, or discharge, dispersal, release, or escape of, "pollutants";
- B.** Testing for, monitoring, cleaning up, treating, removing, extracting, detoxifying, or neutralizing "pollutants" or in any way responding to or assessing the existence, concentration, or effects of "pollutants";
- C.** The enforcement of, or compliance with, any ordinance, law, or governmental direction resulting from or arising out of the actual, alleged or threatened exposure to, or discharge, dispersal, release, or escape of, "pollutants".

Such loss, damage, cost, or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies regardless of the size or scope of the exposure to, or discharge, dispersal, release, or escape of, "pollutants".

"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. "Pollutants" includes any naturally occurring or manmade substances which can cause or threaten damage to human health or human welfare, or causes or threatens damage to, or deterioration, loss of value, marketability or loss of use of, any property. Such substances include, but are not limited to bacteria, virus, nanoparticles, electromagnetic radiation, or other hazardous substances. Hazardous substances include, but are not limited to, those listed in the Federal Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, Toxic Substances Control Act or as designated by the U.S. Environmental Protection Agency.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE (ACV) DEFINITION

It is agreed that the definition of "Actual Cash Value" wherever used in this policy is as follows:

"Actual Cash Value" (sometimes referred to in this policy as ACV) means the value of the lost or damaged property or part of the property at the time of loss, calculated as the estimated cost to repair or replace such property, less a deduction to account for pre-loss depreciation. For this calculation, all components of this estimated cost are subject to depreciation, including but not limited to:

1. Materials, including any tax;
2. Labor, including any tax;
3. Overhead and profit, if applicable;
4. Fees and permits; and
5. Debris removal.

The deduction for depreciation may include, but is not limited to, such considerations as:

1. Age;
2. Condition;
3. Reduction in useful life;
4. Obsolescence; and
5. Any pre-loss damage including wear, tear, or deterioration.

The amount of any depreciation is not limited to a maximum percentage deduction.

The "Actual Cash Value" of any lost or damaged property may be significantly less than its Replacement Cost.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FULLY EARNED PREMIUM FOR ACTUAL TOTAL LOSS OR CONSTRUCTIVE TOTAL LOSS

A. It is hereby understood and agreed that in the event of a covered “Actual Total Loss” or “Constructive Total Loss” of any item of property insured during the policy period, the premium attributed to all values at that building or structure shall be considered fully earned at the time of the loss. No return premium will be owed in the event the policy is cancelled or the values at that building or structure are removed from the policy by endorsement.

B. For the purpose of this endorsement only, the following definitions apply:

“Constructive Total Loss” means Covered Property that is damaged and is treated as a total loss because the cost of repairing the damaged Covered Property equals or exceeds the value of the Covered Property, the Actual Cash Value of the Covered Property, or the applicable Limit of Insurance, whichever is the lesser amount.

“Actual Total Loss” means a loss that occurs when the Covered Property is totally destroyed or damaged in such a way that it can be neither recovered nor repaired for further use.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEVERAL LIABILITY CLAUSE

PLEASE READ CAREFULLY – This affects your Insurers' participation in your policy.

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

Lloyd's America, Inc
Attention: Legal Department 280 Park Avenue
East Tower 25th Floor New York,
NY 10017

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorised to mail such process or a true copy thereof.

Mt. Hawley Insurance Company

Peoria, Illinois 61615

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT ENDORSEMENT

It is agreed that service of process in any suit against the Company may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the statute or his successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of any Named Insured or any additional insured or any beneficiary hereunder arising out of this contract of insurance.

The Company hereby designates Craig W. Kliethermes, President,

Mt. Hawley Insurance Company

9025 N. Lindbergh Drive, Peoria, Illinois 61615 as the person to whom the said Superintendent, Commissioner, or Director of Insurance is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.