

**IN THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA**

CASE NO. _____

ALAN SERURE MD PA, SOUTH MIAMI
CENTER FOR ADVANCED SURGERY,
LLC, SERURE MED SPA, LLC

Plaintiff,

v.

CERTAIN UNDERWRITERS AT
LLOYD'S, LONDON,

Defendant.

_____ /

COMPLAINT

Plaintiffs, Alan Serure MD PA, South Miami Center for Advanced Surgery, LLC, and Serure Med Spa, LLC, hereby sue Defendant, Certain Underwriters at Lloyd's, London, and in support alleges the following:

I. PARTIES, JURISDICTION AND VENUE

1. Plaintiff Alan Serure, MD PA ("Plaintiff" or "Serure PA") is a Florida professional association organized to do business and doing business at 7330 SW 62nd Place, Units 200, 201 and 220, South Miami, Florida 33143. Serure PA operates a medical spa located at the subject address.

2. Plaintiff South Miami Center for Advanced Surgery, LLC ("Plaintiff" or "South Miami Center") is a Florida limited liability company organized to do business and doing business at 7330 SW 62nd Place, Units 200, 201 and 220, South Miami, Florida 33143. South Miami Center operates a medical spa located at the subject address.

3. Plaintiff Serure Med Spa, LLC ("Plaintiff" or "Serure Med Spa") is a Florida

limited liability company organized to do business and doing business at 7330 SW 62nd Place, Units 200, 201 and 220, South Miami, Florida 33143. Serure Med Spa operates a medical spa located at the subject address.

4. Defendant Certain Underwriters at Lloyd's, London ("Defendant" or "Lloyd's") is a surplus lines insurance carrier authorized to do business and doing business in the State of Florida, including by insuring properties located in Miami-Dade County, Florida, such as the subject property at issue in this lawsuit.

5. This Court has subject matter jurisdiction over this action as it seeks damages in excess of \$30,000.00 exclusive of interest, costs, and fees.

6. Venue is proper because, among other things, the cause of action accrued in Miami-Dade County and the property in litigation is located in Miami-Dade County. Fla. Stat. § 47.011.

II. FACTUAL BACKGROUND

A. The Subject Insurance Policy.

7. Plaintiffs and Defendant entered into an insurance contract bearing policy No. 09-7590120459-S-02 (the "Policy"), with effective dates from January 18, 2020 through January 18, 2021, which provided coverage to Plaintiffs' medical office located at 7330 Southwest 62nd Place, Units 200, 201 and 220, South Miami, Florida 33143 (the "Property"). A true and correct copy of the Policy is attached hereto as Exhibit A.

8. As set forth herein, the Policy was and is effective between the dates of January 18, 2020 through January 18, 2021.

9. The Policy is an "all risk" insurance policy that covers any and all losses to the Property that are not specifically excluded.

10. The Policy includes coverage for loss of business income and extra expenses, which

is commonly referred to as business interruption insurance. This coverage is specifically provided for in a section of the Policy titled “Business Income (and Extra Expense) Coverage Form.”

11. Pursuant to this Form, Defendant promised to pay for “loss of Business Income” caused by a Covered Cause of Loss. Specifically, Defendant promised to pay for the loss of Business Income sustained due to the necessary “suspension” of the insured’s “operations” during the “period of restoration.” This language is as follows:

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

(Ex. A at p. 31.)

12. There is no definition of “direct physical loss” or “damage to property” under the Policy.

13. Business Income is defined as follows:

Business Income means the: (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and (b) Continuing normal operating expenses incurred, including payroll.

(Ex. A at p. 31.)

14. Suspension means, among other things, a “slowdown or cessation of your [the insured’s] business activities.” (Ex. A at p. 39).

15. Period of Restoration means the period of time beginning “72 hours after the time of direct physical loss or damage for Business Income Coverage; or (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage; caused by or resulting from any

Covered Cause of Loss at the described premises,” and ends on the date when the property is repaired or the date when business is resumed at a new location, whichever is earlier. (Ex. A at p. 39.)

16. Additionally, under the Policy, Defendant also promised to cover “Extended Business Income.” This coverage requires Defendant to pay for loss of business income beyond the Period of Restoration under certain conditions.

17. Specifically, Defendant promised to pay for the actual loss of Business Income during the period that begins on the date that the insured property is repaired, and ends either 30 days thereafter or on the date when operations are restored to the level which would generate business income at normal levels, whichever is earlier. (Ex. A at p. 33.)

18. In addition to promising to pay for loss of Business Income, under the Policy, Defendant also promised to pay for certain necessary “Extra Expense[s].” Extra Expenses mean expenses that the policyholder incurs to, for example, minimize the suspension of business. (Ex. A at p. 31.)

19. The Policy also provides “Civil Authority” coverage. Under this type of coverage, Defendant promised to pay for the loss of Business Income and Extra Expense that the Plaintiff sustained as a result of “action of civil authority” that prohibits access to the described premises:

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

(1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

(2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

(Ex. A at p. 32.)

20. This Civil Authority provision is an independent basis for business interruption coverage. That is, it can be triggered even when the standard business interruption coverage is not.

21. Parts of the Policy, including the “Business Income (and Extra Expense) Coverage Form,” are standardized forms drafted by the Insurance Services Office (“ISO”). The ISO is a company that drafts standard policy language for use in insurance contracts.

22. In 2006, the ISO drafted a new endorsement, CP 01 40 07 06, acknowledging that claims for business interruption losses would be filed and covered under existing policy language, including language requiring that an insured demonstrate physical loss or damage, for losses resulting from the presence of disease-causing agents. Endorsement CP 01 40 07 06, which other insurers have since incorporated in policies, provides that the insurer “will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.” Significantly, Defendant chose to not include this endorsement in Plaintiffs’ Policy.

23. In fact, Plaintiffs’ Policy does not contain any exclusion which would apply to allow Defendant to deny coverage for losses caused by COVID-19 and related actions of civil authorities taken in response to COVID-19.

24. Accordingly, because the Policy is an all-risk policy and does not specifically exclude the losses that Plaintiffs have suffered, those losses are covered.

B. Plaintiff's' Covered Losses.

25. “Coronaviruses are a family of viruses that can cause illnesses such as the common cold, severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS). In 2019, a new coronavirus was identified as the cause of a disease outbreak that originated in China” designated as SARS-CoV-2 also known as the 2019 Novel Corona Virus or COVID-19 (hereinafter “COVID-19”).¹

26. The presence of COVID-19 and the public health emergency it has created have prompted actions by civil authorities throughout the United States, including but not limited to civil authorities with jurisdiction over Plaintiffs: the City of Miami, Miami-Dade County, and the State of Florida.

27. Each of these actions by civil authorities have restricted and prohibited access to the insured's property. In addition, in Florida, violations of an executive order issued by the Governor pursuant to the State Emergency Management Act are second-degree misdemeanors punishable by imprisonment.

28. On March 1, 2020, Florida Governor Ron DeSantis declared a Public Health Emergency as a result of COVID-19.²

29. On March 9, 2020, Florida Governor DeSantis, on the recommendations of the Centers for Disease Control and Prevention (“CDC”), the State Surgeon General, and the State Health Officer, declared that a State of Emergency exists in Florida as a result of the COVID-19

¹Mayo Clinic, Coronavirus Disease 2019 (COVID-19), <https://www.mayoclinic.org/diseases-conditions/coronavirus/symptoms-causes/syc-20479963>.

²Office of the Governor of Florida, Executive Order No. 20-51 (March 1, 2020), https://www.flgov.com/wp-content/uploads/orders/2020/EO_20-51.pdf

outbreak in Executive Order 20-52.³

30. On March 10, 2020, Broward County issued a Declaration of Emergency due to the presence of COVID-19 posing “a clear and present threat to the health and welfare of the people of Broward County.”⁴

31. On March 11, 2020, Miami-Dade County declared a local State of Emergency due to the presence of COVID-19, while noting that the “threat posed by COVID-19/novel Coronavirus may require extraordinary and immediate actions by Miami-Dade County in order to protect the public health, safety and welfare.”⁵

32. On March 11, 2020, the World Health Organization announced that, due to “the alarming levels of spread and severity,” the COVID-19 outbreak rose to the level of a pandemic.⁶

33. On March 13, 2020, United States President Donald J. Trump declared that the “COVID-19 outbreak constitutes a national emergency” and applied same retroactively to March 1, 2020.⁷

34. On March 19, 2020, Miami-Dade County issued Emergency Order 07-20, requiring the closure of all non-essential businesses.⁸

³ Office of the Governor of Florida, Executive Order Number 20-52 (March 9, 2020), https://www.flgov.com/wp-content/uploads/orders/2020/eo_20-52.pdf.

⁴Bertha Henry, Broward County Administrator, Declaration of Emergency (March 10, 2020), <https://www.broward.org/coronavirus/documents/declaration-of-emergency-1.pdf>.

⁵Mayor Carlos Gimenez, Miami-Dade County Mayor, Declaration of Emergency (March 11, 2020), <https://www.miamidade.gov/information/library/coronavirus-state-of-emergency.pdf>.

⁶World Health Organization, WHO Director-General’s Opening Remarks at the Media Briefing on COVID-19 (March 11, 2020), <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19-11-march-2020>.

⁷President Donald J. Trump, Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak (March 13, 2020) <https://www.whitehouse.gov/presidential-actions/proclamation-declaring-national-emergency-concerning-novel-coronavirus-disease-covid-19-outbreak/>.

⁸Carlos Gimenez, Miami-Dade County Mayor, Declaration of Emergency (March 19, 2020),

35. On March 20, 2020, Florida Governor Ron DeSantis issued Executive Order 20-72, which prohibited “[a]ll hospitals, ambulatory surgical centers, office surgery centers, dental, orthodontic and endodontic offices, and other health care practitioners’ offices in the State of Florida . . . from providing any medically unnecessary, non-urgent or non-emergency procedure or surgery which, if delayed, does not place a patient’s immediate health, safety, or well-being at risk, or will, if delayed, not contribute to the worsening of a serious or life-threatening medical condition.”⁹ Accordingly, “all health care practitioners licensed in the State of Florida, including dentists,” were required to “immediately cease performing these elective services.”

36. Accordingly, Governor Ron DeSantis’ Executive Order 20-72 required that Plaintiffs immediately close their medical facilities and stop performing any elective medical procedures. In addition, Executive Order 20-72 did not expire until the expiration of Executive Order 20-52, including any extensions.

37. On March 22, 2020, Broward County issued Emergency Order 20-01 ordering the closure of all nonessential retail and commercial businesses due to “the propensity of [COVID-19] to spread person to person and also because the virus is physically causing property damage due to its proclivity to attach to surfaces for prolonged periods of time.”¹⁰

38. On March 24, 2020, the City of Miami ordered all residents to “shelter in place” and “remain at home until further notice” in order to “help halt the spread of the COVID-19 coronavirus.” Under this order, all non-essential travel within the City of Miami, including by

<https://www.miamidade.gov/information/library/coronavirus-emergency-order-07-20-businesses.pdf>

⁹Office of the Governor of Florida, Executive Order Number 20-72 (March 20, 2020), https://www.flgov.com/wp-content/uploads/orders/2020/EO_20-72.pdf

¹⁰Bertha Henry, Broward County Administrator, Emergency Order 20-01 (March 22, 2020), <https://www.broward.org/coronavirus/documents/berthahenryexecutiveorder20-01.pdf>.

automobile, public transit, motorcycle, etc. was prohibited until further notice.¹¹

39. On March 30, 2020, the Governor of Florida signed Executive Order 20-89, ordering Miami-Dade County, among other counties, “to restrict public access” to non-essential businesses.¹²

40. On April 29, 2020, the Governor of Florida signed Executive Order 20-112, which sets forth a phased re-opening of certain businesses in the state.¹³ However, this Executive Order did not apply to Miami-Dade, Broward or Palm Beach Counties.

41. On April 29, 2020, Miami-Dade County further extended its State of Emergency through and including May 7, 2020.¹⁴ Accordingly, the executive orders issued by Miami-Dade County remain in full force and effect.

42. On May 15, 2020, Miami-Dade County issued Emergency Order 23-20, which permitted certain retail and commercial establishments to re-open, subject to requirements set forth in the “moving to a New Normal Handbook”, attached as Exhibit A to the Order, as well as at least eleven (11) other specific requirements set forth therein.¹⁵

43. On May 18, 2020, Florida Governor Ron DeSantis issued Executive Order 20-122, which lifted the restrictions in Governor DeSantis’ Executive Order 20-112 applicable to Miami-

¹¹Arthur Noriega V, City Manager, City of Miami, Florida, Executive Order 20-04 (March 24, 2020), <https://www.miamigov.com/files/sharedassets/public/news/2020/0324-shelter-in-place.pdf>.

¹²Office of the Governor of Florida, Executive Order Number 20-89 (March 30, 2020), https://www.flgov.com/wp-content/uploads/orders/2020/EO_20-89.pdf.

¹³Office of the Governor of Florida, Executive Order Number 20-112 (April 29, 2020), https://www.flgov.com/wp-content/uploads/orders/2020/EO_20-112.pdf.

¹⁴Carlos Gimenez, Miami-Dade County Mayor, Declaration of State of Emergency (April 29, 2020), <https://www.miamidade.gov/information/library/04.29.20-state-of-emergency-declaration-extension-7.pdf>.

¹⁵Carlos Gimenez, Miami-Dade County Mayor, Emergency Order 23-20 (May 15, 2020), <https://www.miamidade.gov/information/library/coronavirus-emergency-order-23-20.pdf>

Dade, Broward and Palm Beach Counties.¹⁶ Accordingly, hospital ambulatory surgical centers, office surgery centers, dental offices, orthodontic offices, endodontic offices or other health care practitioners' offices in these counties are now permitted to perform procedures prohibited by Executive Order 20-72 if, and only if: "(A) The facility has the capacity to immediately convert additional facility-identified surgical and intensive care beds for treatment of COVID-19 patients in a surge capacity situation; (B) The facility has adequate personal protective equipment (PPE) to complete all medical procedures and respond to COVID-19 treatment needs, without the facility seeking any additional federal or state assistance regarding PPE supplies; (C) The facility has not sought any additional federal, state, or local government assistance regarding PPE supplies since resuming elective procedures; and (D) The facility has not refused to provide support to and proactively engage with skilled nursing facilities, assisted living facilities and other long-term care residential providers."¹⁷

44. Each of these actions of civil authority were carried out because COVID-19 attaches to physical surfaces, thereby creating a dangerous physical condition that motivated local, state and national authorities to prohibit access to public areas, including Plaintiff's facility.

C. The Claim.

45. While this is a rapidly evolving situation, each of the civil authority actions set forth herein, as well as other civil authority actions taken by the United States Government, State of Florida, Miami-Dade County and Broward County which are not set forth herein, continue to prohibit or limit access to Plaintiffs' office and have further caused a suspension of business

¹⁶Office of the Governor of Florida, Executive Order Number 20-122 (May 18, 2020), https://www.flgov.com/wp-content/uploads/orders/2020/EO_20-122.pdf.

¹⁷See Office of the Governor of Florida, Executive Order Number 20-72 (March 20, 2020), https://www.flgov.com/wp-content/uploads/orders/2020/EO_20-72.pdf.

services as defined under the Policy, as set forth herein.

46. The actions of local, state and federal civil authorities prohibiting public access to the covered premises and the surrounding area were issued in response to dangerous physical conditions and caused a suspension of business operations on the covered premises.

47. In addition, the presence of COVID-19 caused direct physical loss of and/or damage to the covered premises under the Policy by, among other things, damaging the property, denying access to the property, preventing customers from physically occupying the property, causing the property to be physically uninhabitable by customers, causing its function to be nearly eliminated or destroyed, and/or causing a suspension of business operations on the premises.

48. As a result of the presence of COVID-19, Plaintiffs have suffered a suspension of business operations, sustained losses of business income, and incurred extra expenses.

49. As a result of the actions of civil authorities, Plaintiffs have suffered a suspension of business operations, sustained losses of business income, and incurred extra expenses.

50. These losses and expenses have continued through the date of filing of this action.

51. These losses and expenses are not excluded from coverage under the Policy. And because the Policy is an all-risk policy, and Plaintiffs have complied with its contractual obligations, Plaintiffs are entitled to payment for these losses and expenses.

52. Based on these facts, on March 18, 2020, Plaintiffs provided notice of its losses and expenses to Defendant under the terms and conditions of the Policy. This notice was timely.

53. Defendant responded to the loss by opening claim number ICAT-2020-V-0000022603 (the “Claim”).

54. Through its adjustment of the Claim, Defendant has been afforded the opportunity to fully inspect the Loss, investigate the cause of the Loss, and quantify the amount of the Loss.

55. On April 22, 2020, Defendant denied coverage for the Claim without inspection or investigation. A copy of the denial correspondence is attached hereto as Exhibit B.

56. Plaintiffs have complied with all prerequisites, whether denominated conditions precedent, duties after loss, or otherwise, to receive benefits or proceeds under the Policy, or maintain the instant suit for the breach or declaration of the Policy; alternatively, Defendant has waived or never had standing to assert any prerequisites, whether denominated as conditions precedent, duties after loss, or otherwise.

CAUSES OF ACTION
COUNT I: DECLARATORY JUDGMENT

57. Plaintiffs re-adopt and re-allege each of the Paragraphs preceding the first Count of this Complaint.

58. In the Policy, Defendant promised to pay for losses of and/or damages related to loss of business income sustained as a result of perils not excluded under the Policy. Specifically, Defendant promised to pay for losses of and/or damages related to loss of business income and extra expenses sustained as a result of a suspension of business operations during the Period of Restoration.

59. In addition, and separate and independent to any obligations set forth under Paragraph 58, Defendant promised to pay for losses of business income sustained and extra expenses incurred when, among other things, a Covered Cause of Loss causes damage to property near the insured premises, the action of civil authority prohibits access to property near the insured premises, and the action of civil authority is taken in response to dangerous physical conditions.

60. COVID-19 caused direct physical loss of and damage to Plaintiffs, resulting in suspensions of business operations at these premises. These suspensions have caused Plaintiffs to suffer losses of business income and extra expenses.

61. These suspensions and losses triggered business income and extra expenses coverage under the Policy.

62. In addition, Plaintiffs have suffered losses and incurred expenses as a result of actions of civil authorities that prohibited access to insured premises under the Policy. These losses satisfied all requirements to trigger Civil Authority coverage under the Policy.

63. Plaintiffs have complied with all applicable provisions of their respective policies, including payment of premiums.

64. Defendant, without justification, dispute that the Policy provides coverage for these losses.

65. Accordingly, Plaintiffs seek a Declaratory Judgment that, among other things:

- (a) The Policy is an all risk policy with no exclusions applicable to Plaintiffs' loss;
- (b) The Policy does not contain any exclusion to coverage for losses caused by viruses or diseases, including COVID-19;
- (c) The losses suffered by Plaintiffs in this action constitute direct physical loss of or damage to property at the premises;
- (d) The terms "physical loss of" and "physical damage to" property are terms with distinct meanings under the Policy and Florida law;
- (e) Construing "physical loss of" and "physical damage to" property as the same would render terms surplusage;
- (f) The loss or damage suffered by Plaintiffs is or was caused by or result from a Covered Cause of Loss under the all-risk Policy;
- (g) The Policy includes coverage for loss of Business Income with Extra Expense;
- (h) There has been a "suspension" of the Plaintiffs' "operations" during the "period of restoration" under the Policy;
- (i) The Policy includes coverage for actions of civil authorities;
- (j) The acts alleged herein by the governments of Miami-Dade County, Broward County, the City of Miami, the State of Florida and the United States' Government constitute actions of civil authority under the Policy;

- (k) Access to the area immediately surrounding the damaged property was prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property;
- (l) The acts alleged herein by the governments of Miami-Dade County, Broward County, the City of Miami, the State of Florida and the United States' Government were taken in response to dangerous physical conditions;
- (m) Plaintiffs sustained loss of Business Income and Extra Expense as a result of said actions of civil authority;
- (n) The Policy provides coverage for the losses of business income and extra expenses; and/or
- (o) The Policy provides coverage for losses that Plaintiffs have sustained and incurred caused by actions of civil authorities, including but not limited to those alleged herein.

66. An actual case or controversy exists regarding Plaintiffs' and Defendant's obligations to reimburse Plaintiffs for the full amount of its losses. Accordingly, the Declaratory Judgment sought is justiciable.

WHEREFORE, Plaintiffs request that this Court enter a Declaratory Judgment declaring that the Policy provides coverage for Plaintiffs' losses of business income and extra expenses, that the Policy provides Civil Authority coverage for the losses and extra expenses, awarding attorneys' fees as provided under Fla. Stat. § 626.9373 and/or 627.428 as well as any other applicable statutes or case law, and granting any further relief as this Court deems just and proper.

COUNT II: BREACH OF CONTRACT

67. Plaintiffs re-adopt and re-allege each of the Paragraphs preceding the first Count of this Complaint.

68. In the Policy, Defendant promised to pay for losses of and/or damages related to loss of business income sustained as a result of perils not excluded under the Policy. Specifically, Defendant promised to pay for losses of and/or damages related to loss of business income and

extra expenses sustained as a result of a suspension of business operations during the Period of Restoration.

69. In addition, and separate and independent to any obligations set forth under Paragraph 68, Defendant promised to pay for losses of business income sustained and extra expenses incurred when, among other things, a Covered Cause of Loss causes damage to property near the insured premises, and the action of civil authority prohibits access to property near the insured premises, and the civil authority action is taken in response to dangerous physical conditions.

70. As set forth herein, COVID-19 caused direct physical loss of and damage to Plaintiffs, resulting in suspensions of business operations at these premises. These suspensions have caused Plaintiffs to suffer losses of business income and extra expenses.

71. Plaintiffs also suffered loss of use of its property and the area surrounding its property as a result of COVID-19, as well as actions of civil authority arising from the COVID-19 crisis.

72. Accordingly, on or about March 18, 2020, Plaintiffs timely notified Defendant of the subject loss.

73. These suspensions and losses triggered business income and extra expenses coverage under the Policy.

74. In addition, Plaintiffs have suffered losses and incurred expenses as a result of actions of civil authorities that prohibited access to insured premises under the Policy. These losses satisfied all requirements to trigger Civil Authority coverage under the Policy.

75. There is an affirmative grant of coverage for Plaintiffs' losses under the Policy because, among other things:

- (a) The Policy is an all risk policy with no exclusions applicable to Plaintiffs' loss;
- (b) In particular, the Policy does not contain any exclusion to coverage for losses caused by viruses or diseases, including COVID-19;
- (c) Plaintiffs suffered losses that constitute direct physical loss of property;
- (d) Plaintiffs suffered losses that constitute direct physical damage to property;
- (e) Plaintiffs suspended its operations during the "period of restoration" under the Policy;
- (f) Plaintiffs have been prohibited from accessing the Property and areas surrounding the Property at various points in time due to actions of civil authority; and
- (g) Plaintiffs sustained loss of Business Income and Extra Expense as a result of the actions of civil authority described herein;

76. In addition, Plaintiffs have complied with all applicable provisions of their respective policies, including payment of premiums.

77. On or about April 22, 2020, Defendant, without justification, denied Plaintiffs' claim that the Policy provides coverage for these losses. Defendant's denial constitutes a breach of the Policy.

78. Defendant's breaches of the Policy have directly and proximately caused Plaintiffs to suffer significant damages in the past and said damages are of a continuing nature and as such Plaintiffs will incur damages including loss of business income and extra expenses into the future.

WHEREFORE, Plaintiffs requests that this Court award Plaintiffs all damages permitted under Florida law, including but not limited to Plaintiffs' losses of business income and extra expenses, consequential damages, attorneys' fees as provided under Fla. Stat. § 626.9373 and/or 627.428, prejudgment interest and costs and granting any further relief as this Court deems just and proper.

COUNT III: FRAUD IN THE INDUCEMENT

79. Plaintiffs re-adopt and re-allege each of the Paragraphs preceding the first Count of this Complaint.

80. Defendant issued an all-risk insurance policy to Plaintiffs, specifically designed to insure Plaintiffs for all losses not expressly excluded, and for which Plaintiffs paid a premium.

81. The main purpose of the all-risk Policy was to cover any fortuitous loss and/or damages to Plaintiffs' office unless the cause of the loss was expressly excluded.

82. There is no specific exclusion in the subject policy for viruses, bacterium, diseases or any organism or microorganism that induces or is capable of inducing physical distress, illness or disease. This is the case even though, in 2006, the ISO drafted a new endorsement, CP 01 40 07 06, acknowledging that claims for business interruption losses would be filed and covered under existing policy language, including language requiring that an insured demonstrate physical loss or damage, for losses resulting from the presence of disease-causing agents. Endorsement CP 01 40 07 06, which other insurers have since incorporated in policies and provides that the insurer "will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease." Significantly, Defendant chose to not include this endorsement in Plaintiffs' Policy.

83. The loss and/or damages covered by the Policy specifically and expressly included, as an affirmative grant of coverage, loss of use, loss of Business Income with Extra Expense, and damages arising from actions of civil authority. These are precisely the losses that occurred with Plaintiffs' claim arising out of the COVID-19 crisis.

84. The Defendant specifically promised through its express Policy language that it would cover loss of use, loss of Business Income with Extra Expense and damages arising from

actions of civil authority, in any and all cases besides those specifically, clearly and unambiguously excluded under the Policy.

85. Plaintiffs expected to be indemnified for its loss of use, loss of Business Income with Extra Expense, and any and all damages resulting from being prohibited from accessing the property or area surrounding the property, in accordance with the promises and representations made by the Defendant in the Policy, which is based on the all-risk purpose of the insurance policy, the specific indemnification purpose of the insurance policy, and the specific and express terms of the aforementioned all-risk purpose/provision, as well as the failure of the Policy to include any exception to losses caused by viruses, bacterium and/or microorganisms. These were all affirmative representations by the Defendant to Plaintiffs regarding coverage, or of the Policy itself, and formed the basis of premiums charged for the Policy.

86. These expectations and understanding of being fully covered by the Policy in this matter were reasonable based on the Defendant's representations and the purpose of the Policy.

87. The Defendant, however, never intended to pay for any loss or damages from a resulting loss suffered by the Plaintiffs following loss of use, loss of Business Income with Extra Expense and damages caused by actions of civil authorities, which related to the spread of viruses, bacterium, microorganisms and/or diseases, such COVID-19, despite the policy language specifically promising that such losses and damages were covered and the acceptance of full premiums for the risk assumed. The Defendant always intended to take the position it has now taken, directly contrary to the representations in the Policy set forth above, which makes representations regarding coverage under the all-risk Policy, that are in direct contradiction to the misrepresentations made by Defendant to induce Plaintiffs to enter into the Policy and pay premiums.

88. These were false statements of material fact by the Defendant to Plaintiffs.¹⁸ These are intentional, institutional positions of the Defendant that are contrary to the coverage representations in the Policy and not an accidental or after the loss decision not to pay. This is part of Defendant's scheme to fraudulently induce the Plaintiffs into the Policy, paying premiums and not seeking insurance with a different insurer, which is what happened in this case.

89. In fact, Defendant's misrepresentations are laid bare in the denial letter sent by Defendant on April 22, 2020, in which Defendant contends there to be no coverage under the Policy because there was no "damage to property", while wholly ignoring language in the Policy providing for coverage due to "physical loss of property", which is distinct from damage to property, and failing to advise Plaintiffs that "Property damage" is covered under the Policy and that "Property damage" specifically and unequivocally covers "loss of use".

90. The Defendant knew these representations were false when made, as the Defendant intended, if a resulting loss/claim was ever made, to deny Plaintiffs' covered damages as a whole, blaming the entirety of the loss arising from the COVID-19 crisis and intentionally ignoring the failure to include any virus, bacterium and/or microorganism exception. This is precisely the action the Defendant took when Plaintiffs filed its claim.

91. The Defendant intended and made these promises to induce Plaintiffs' reliance on them so that the Defendant could collect premiums without any liability for actually paying the full amount Plaintiffs were entitled to under the express Policy language for any claims that Plaintiffs might make.

92. Plaintiffs justifiably relied on the false promises made by the Defendant to its

¹⁸ Plaintiffs are not seeking a violation of the bad-faith statute, as the causes of action alleged herein are separate from any statutory violation.

detriment, by entering into the policy of insurance and paying the premiums believing it would be fully compensated for its loss and damages as expressly stated in the Policy, promised by Defendant and by not seeking coverage from a different insurance company.

93. As a result of Plaintiffs' justifiable reliance on Defendant's fraudulent inducement to enter an insurance contract and pay premiums based on false promises by the Defendant to pay for Plaintiffs' loss and damage due to loss of use, loss of Business Income with Extra Expense, or actions of civil authorities, in return for Plaintiffs' payment of a premium that reflected an assumption of the risk of payment of this amount, the Plaintiffs have been damaged in that it has not been paid for its clearly covered loss and damages and remain with none of its damages having been paid by Defendant.

94. Due to Defendant's conduct, the Plaintiffs have been obligated to retain undersigned counsel to bring this action and, pursuant to Florida Statute Section 626.9373 and/or 627.428 undersigned counsel is entitled to an attorney's fee in this matter to be paid by the Chubb.

95. Although punitive damages are not being claimed at this time, Plaintiffs will be amending by interlineation to include a claim for punitive damages after the filing of the necessary motion, pursuant to Fla. Stat. Section 768.72 or a determination by the Court that no such requirement exists in an intentional fraud case.

WHEREFORE, Plaintiffs request that this Court award Plaintiffs all damages permitted under Florida law, including but not limited to Plaintiffs' losses of business income and extra expenses, consequential damages and award attorneys' fees as provided under Fla. Stat. § 626.9373 and/or 627.428 as well as any other applicable statutes or case law, and granting any further relief as this Court deems just and proper.

DEMAND FOR JURY TRIAL

The undersigned hereby demands a trial by jury as to all issues so triable.

DATED: May 21, 2020.

Respectfully submitted,

By: /s/ Joshua Truppman
Benjamin H. Brodsky, Esq.
Florida Bar No. 73748
Joshua Truppman, Esq.
Florida Bar No. 111795
BRODSKY FOTIU-WOJTOWICZ, PLLC
Counsel for Plaintiffs
200 SE 1st Street, Suite 400
Miami, Florida 33131
Tel: (305) 503-5054
bbrodsky@bfwlegal.com
joshua@bfwlegal.com
docketing@bfwlegal.com

-AND-

Keith A. Truppman, Esq.
Florida Bar No. 473715
MINTZ TRUPPMAN, P.A.
Counsel for Plaintiffs
1700 San Souci Blvd.
North Miami, FL 33181
Tel: (305) 893-5506
ktruppman@mintztruppman.com

EXHIBIT A

Florida Face Page

Insured's Name: Alan Serure MD PA; South Miami Center for Advanced Surgery, LLC; Serure Med Spa, LLC

Policy Number: 09-7590120459-S-02

Policy Dates: 1/18/2020 to 1/18/2021

Surplus Lines Agent's Name: Alan S. Goldfarb

Surplus Lines Agent's Address: 101 E. Kennedy Boulevard Suite 2175, Tampa FL 33602

Surplus Lines Agent's License Number: A099212

Producing Agent's Name:

Producing Agent's Physical Address: 9850 NW 41st Street Suite 100 Miami, FL 33178

"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."

Premium: \$14,847.00

TRIA/Terrorism: REJECTED

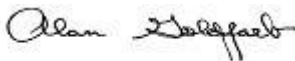
Fees:

Brokerage Fee \$200.00
Policy Fee - Carrier \$265.00

Taxes:

Surplus Lines Tax \$765.60
State Service Office Fee \$15.31
DEM EMPA Surcharge \$4.00

Total Cost: \$16,096.91



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."

FLORIDA NOTICES

Separate Hurricane Deductible

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

Surplus Lines Insurance Policy Rates and Forms: Guaranty Fund

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

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.

The information and notices contained on this page constitute part of any policy to which this page is attached, but do not effect any terms or conditions of the policy.



COMMERCIAL PROPERTY INSURANCE POLICY JACKET

PRODUCER AND MAILING ADDRESS

RT SPECIALTY TAMPA
101 E. KENNEDY BLVD
SUITE 2175
TAMPA, FL 33602

NAMED INSURED AND MAILING ADDRESS

ALAN SERURE MD PA; SOUTH MIAMI CENTER FOR
ADVANCED SURGERY;
7330 SW 62ND PL
#200
SOUTH MIAMI, FL 33143

Policy Number: 09-7590120459-S-02

Policy Period: from 01/18/2020* to 01/18/2021*

*12:01 A.M. Local Time at the Named Insured's Mailing Address

Total Premium:	\$ 14,847.00
TRIA Premium:	Not Purchased
Insurer(s) Inspection Fee:	Waived
Insurer(s) Policy Fee:	\$ 265.00
Total:	\$ 15,112.00

**IN RETURN FOR THE PAYMENT OF PREMIUM AND FEES, AND SUBJECT TO ALL OF THE
TERMS AND CONDITIONS OF THIS POLICY, THE UNDERWRITING INSURERS LISTED WITHIN
THIS POLICY AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

This insurance policy is issued by International Catastrophe Insurance Managers, LLC ("ICAT"), on behalf of the insurers identified within the policy and in accordance with the limited authorization granted to ICAT as Correspondent / Program Administrator for such insurers. The identified insurers bind themselves severally and not jointly, each for its own part and not one for another, their Executors and Administrators. ICAT is not an insurer under this policy and is not liable to indemnify the insured under the terms of this policy.

Any inquiries regarding this policy should be addressed to ICAT at the following address:

International Catastrophe Insurance Managers, LLC
385 Interlocken Crescent
Suite 1100
Broomfield, CO 80021

TO FILE A CLAIM, CONTACT BOULDER CLAIMS, LLC
FAX: 1-866-325-2142 | CALL: 1-866-789-4228
24 HOURS PER DAY | 7 DAYS PER WEEK

GENERAL PROVISIONS

- 1. Correspondent / Program Administrator Not Insurer.** ICAT is the Correspondent / Program Administrator issuing this insurance policy. ICAT is not an insurer of the insurance described herein and neither is nor shall be liable for any loss or claim whatsoever. The insurers of this policy are identified on the Insurer Participation Schedule (ICAT 50 SCH) attached to and part of this policy. Where such insurers are identified or referred to as "Underwriters at Lloyd's, London," the term includes incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
- 2. Insurer(s) Policy and Inspection Fees.** All Policy and Inspection Fees charged under this policy and identified on this Commercial Property Insurance Policy Jacket or in the Declarations Page are fully earned as of the policy inception date and are not refundable.
- 3. Cancellation.** If this insurance policy or any part of the insurance provided under this policy is cancelled after the inception date of the policy, earned premium must be paid for the time the insurance has been in force. Cancellation and premium earnings shall be as provided in the policy and as may be modified by endorsement issued by ICAT, including endorsements which specify minimum earned premium. You should read this policy carefully to determine how premium is earned before you decide to cancel this policy.
- 4. Assignment.** The insurance described herein shall not be assigned either in whole or in part without the written consent of ICAT.
- 5. Attached Conditions Incorporated.** The insurance described in this Commercial Property Insurance Policy Jacket as well as in the policy to which it is attached is subject to all provisions, conditions, and warranties set forth herein, attached, or endorsed, all of which are to be considered incorporated herein as further descriptive of the insurance.

TO FILE A CLAIM, CONTACT BOULDER CLAIMS, LLC

FAX: 1-866-325-2142 | CALL: 1-866-789-4228
24 HOURS PER DAY | 7 DAYS PER WEEK



Policy Number	SPECIAL CAUSE OF LOSS POLICY	ICAT SCOL 50(f) (11 14)
09-7590120459-S-02	DECLARATIONS PAGE	01/16/2020
Policy Period	Term	Policy Inception Date

From: 01/18/2020 To: 01/18/2021 12 months 01/18/2020
 12:01 am Local Time* 12:01 am Local Time*

* At the Named Insured Mailing Address shown below.

PRODUCER

RT SPECIALTY TAMPA
 101 E. KENNEDY BLVD
 SUITE 2175
 TAMPA, FL 33602
 (813) 315-3020

NAMED INSURED

ALAN SERURE MD PA; SOUTH MIAMI CENTER
 FOR ADVANCED SURGERY;
 7330 SW 62ND PL
 #200
 SOUTH MIAMI, FL 33143

COMMON POLICY CONDITIONS

In return for the payment of the premium and fees, and subject to all the terms of this Policy,
 We agree with You to provide the insurance as stated in this Policy.

This Policy is comprised of the following Forms and Endorsements:

FLNotice (10 09)	CP 12 18 06 95 (ISO 1994)	ICAT SCOL 145 (12 11)	ICAT SCOL 238 (10 15)
ICAT JACKET (11 14)	ICAT SCOL 125 (11 11)	ICAT SCOL 146 (12 11)	ICAT SCOL 300 (05 18)
ICAT SCOL 50(f) (11 14)	ICAT SCOL 130 (12 11)	ICAT SCOL 147 (10 15)	ICAT SCOL 425 (09 15)
ICAT SCOL 50(AI) (11 14)	ICAT SCOL 134 (03 17)	ICAT SCOL 148 (10 15)	ICAT SCOL 600FL (12 13)
ICAT 50 SCH (02 14)	ICAT SCOL 135 (05 11)	ICAT SCOL 150 (06 16)	ICAT SCOL 602(a) (04 08)
LMA5096 (03 08)	ICAT SCOL 136 (05 11)	ICAT SCOL 200 (09 15)	ICAT SCOL 603 (04 08)
ICAT 51 SUBNOT (12 14)	ICAT SCOL 137 (12 11)	ICAT SCOL 210(c) (12 13)	ICAT TRIA 1 (12 14)
CP 00 10 06 07 (ISO 2007)	ICAT SCOL 138 (12 11)	ICAT SCOL 220 (07 09)	ICAT TRIA 3 (01 15)
CP 00 30 06 07 (ISO 2007)	ICAT SCOL 140 (12 11)	ICAT SCOL 221 (07 18)	IL 00 03 08 02 (ISO 2002)
CP 00 90 07 88 (ISO 1987)	ICAT SCOL 141 (12 11)	ICAT SCOL 230 (07 09)	IL 09 35 07 02 (ISO 2001)
CP 04 31 04 02	ICAT SCOL 142 (12 11)	ICAT SCOL 232 (07 09)	IL 09 53 01 15
CP 10 30 06 07 (ISO 2007)	ICAT SCOL 143 (05 11)	ICAT SCOL 233 (07 09)	NMA0464 (01 38)
CP 10 32 08 08 (ISO 2008)	ICAT SCOL 144 (12 11)	ICAT SCOL 234 (07 09)	ICAT SS (10 15)

See Schedule A attached to this Declarations Page for Coverages, Deductibles and Limits of Insurance.

TO FILE A CLAIM 24 HOURS/DAY, PLEASE FAX TO 1-866-325-2142 OR CALL 1-866-789-4228.

Your Premium and Fees are:

Policy Premium	\$ 14,847.00
Premium for Terrorism Coverage as it relates to an otherwise covered cause of loss	Not Selected
Inspection Fees	\$0.00
Policy Fee	\$265.00
Total	\$15,112.00

THIS DECLARATIONS PAGE TOGETHER WITH SCHEDULE A BELOW, THE CAUSES OF LOSS -- SPECIAL FORM CP 10 30, ANY COVERAGE FORM(S) ATTACHED HERETO, AND ENDORSEMENTS ATTACHED HERETO (ALL OF WHICH ARE IDENTIFIED ABOVE BY NUMBER) COMPLETE THIS CONTRACT OF INSURANCE.

Issued on 01/16/2020 by International Catastrophe Insurance Managers, LLC



Policy Number	SPECIAL CAUSE OF LOSS POLICY	ICAT SCOL 50(f) (11 14)
09-7590120459-S-02	DECLARATIONS PAGE	01/16/2020
Policy Period	Term	Policy Inception Date

From: 01/18/2020 To: 01/18/2021 12 months 01/18/2020
12:01 am Local Time* 12:01 am Local Time*

* At the Named Insured Mailing Address shown below.

PRODUCER

RT SPECIALTY TAMPA
101 E. KENNEDY BLVD
SUITE 2175
TAMPA, FL 33602
(813) 315-3020

NAMED INSURED

ALAN SERURE MD PA; SOUTH MIAMI CENTER
FOR ADVANCED SURGERY;
7330 SW 62ND PL
#200
SOUTH MIAMI, FL 33143

COMMON POLICY CONDITIONS

In return for the payment of the premium and fees, and subject to all the terms of this Policy,
We agree with You to provide the insurance as stated in this Policy.

This Policy is comprised of the following Forms and Endorsements:

PG-IC-SER (05 14)
CS 07 001 10 17
SOP CF 07 16
IL P 001 01 04

See Schedule A attached to this Declarations Page for Coverages, Deductibles and Limits of Insurance.

TO FILE A CLAIM 24 HOURS/DAY, PLEASE FAX TO 1-866-325-2142 OR CALL 1-866-789-4228.

Your Premium and Fees are:

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Issued on 01/16/2020 by International Catastrophe Insurance Managers, LLC



Policy Number	SPECIAL CAUSE OF LOSS POLICY	ICAT SCOL 50(f) (11 14)
09-7590120459-S-02	DECLARATIONS PAGE	01/16/2020
Schedule A Property or Interest Covered		

Replacement Cost* (Building, Personal Property):	Yes, Including "Stock" (If Personal Property is covered)
*Except certain roof(s) as indicated below.	
Coinsurance:	Waived
Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria:	\$15,000 Annual Aggregate Limited to "specified causes of loss"
Property In Transit:	Lesser of Business Personal Property ("BPP") Limit or \$25,000
<i>The following applies only if a Limit of Insurance is shown for Business Income or Rental Value:</i>	
Extended Period Of Indemnity:	180 Days

Coverages Under Building and Personal Property or Condominium Coverage Forms	
Additional Coverages	Additional Limits and Sublimits
Debris Removal:	25% of Loss Within Limit, Up To Additional \$10,000 per Location in Addition to Limit
Preservation of Property:	30 Days
Fire Department Service Charge:	\$25,000
Pollutant Clean Up and Removal	\$10,000
Increased Cost of Construction	Lesser of 5% of Building Limit of Insurance or \$10,000
Electronic Data:	\$50,000
Customers' Property in Your Covered Building:	Lesser of BPP Limit of Insurance or \$10,000, subject to \$250 deductible
Lock Replacement:	\$5,000, subject to \$250 deductible
Fire Extinguisher Recharge:	\$25,000
Coverage Extensions	
Newly Acquired or Constructed Property - Building:	Lesser of Building Limit of Insurance or \$500,000
Newly Acquired Business Personal Property :	Lesser of BPP Limit of Insurance or \$250,000
Personal Effects and Property of Others:	\$10,000 (in Addition to Limit)
Property Off Premises:	\$25,000 (in Addition to Limit)
Outdoor Property:	\$25,000 Limited to \$1,500 per tree, plant or shrub
Non-Owned Detached Trailers:	Lesser of BPP Limit of Insurance or \$5,000
Unscheduled Additional Property:	\$10,000, subject to \$2,500 Deductible



Policy Number	SPECIAL CAUSE OF LOSS POLICY	ICAT SCOL 50(f) (11 14)
09-7590120459-S-02	DECLARATIONS PAGE	01/16/2020
Schedule A Property or Interest Covered		

Coverage Under ICAT Endorsement

Coverage	Sublimit
Sewer, Drain, and Sump Back-Up, or Overflow:	\$50,000
Perimeter Extension:	Increased to 1,000 feet
Utility Services - Direct Damage:	\$25,000
	Limited to "specified causes of loss"
<i>The following coverages apply only if a Limit of Insurance for BPP is shown.</i>	
<i>These coverages are limited by policy to the lesser of the sublimit listed below or the total Limit of Insurance shown for BPP</i>	
Theft, Disappearance, or Destruction of Money and Securities:	\$10,000
Robbery of a Custodian or Safe Burglary (Money and Securities Only):	\$10,000
Accounts Receivable:	\$100,000
Valuable Papers and Records:	\$100,000
Commercial Fine Arts:	\$25,000
Tenant Glass:	\$25,000
Spoilage:	\$100,000
<i>The following coverage applies only if a Limit of Insurance for Business Income or Extra Expense ("BI/EE") is shown.</i>	
<i>This coverage is limited by policy to the lesser of the sublimit listed below or the total Limit of Insurance shown for BI/EE:</i>	
Utility Services - Time Element:	\$25,000
	Limited to "specified causes of loss"



Policy Number	SPECIAL CAUSE OF LOSS POLICY	ICAT SCOL 50(f) (11 14)
09-7590120459-S-02	DECLARATIONS PAGE	01/16/2020
Schedule A Property or Interest Covered		

Equipment Breakdown Deductible, Coverages and Sublimits

Equipment Breakdown Deductible:	\$2,500
<i>The following coverages are limited by policy to the lesser of the sublimit listed below or the Policy Limit of Insurance:</i>	
Pollutant Clean Up and Removal:	\$250,000
Expediting Expenses:	Included
Refrigerant Contamination:	\$250,000
Spoilage:	\$250,000
CFC Refrigerants:	Included
Computer Equipment:	Included
Valuable Papers and Records:	Part of Valuable Papers and Records Limit of Insurance Stated Above
Environmental, Safety, & Efficiency Improvements:	Up to 150% of non-"Improved" Replacement Property
Green Environmental & Efficiency Improvements:	Lesser of 150% of non-"Green" Cost or \$100,000
Service Interruption:	Included (only if coverage for BI/EE is shown)



Policy Number	SPECIAL CAUSE OF LOSS POLICY	ICAT SCOL 50(f) (11 14)
09-7590120459-S-02	DECLARATIONS PAGE	01/16/2020
Schedule A Property or Interest Covered		

Location #1 - Covered Property

Additional Property Coverage	Deductible				
	<u>Total Insured Value</u>	<u>Limit of Insurance</u>	Named Windstorm	All Other Windstorm/Hail	All Other Causes of Loss
No additional property coverages at this location.			N/A	N/A	N/A

Location # 1 Business Income with Extra Expense including Rental Value	Deductible				
	<u>Total Insured Value</u>	<u>Limit of Insurance</u>	Named Windstorm	All Other Windstorm/Hail	All Other Causes of Loss
<u>Monthly Limit of Indemnity: 50.00%</u>	\$500,000	\$500,000	3.00% or \$1,000 whichever is greater, by location, by line of coverage.	3.00% or \$1,000 whichever is greater, by location, by line of coverage.	\$2,500 by policy.



Policy Number	SPECIAL CAUSE OF LOSS POLICY	ICAT SCOL 50(f) (11 14)
09-7590120459-S-02	DECLARATIONS PAGE	01/16/2020
Schedule A Property or Interest Covered		

Location #1 - Building #1 Covered Property

Building #1: 7330 SW 62nd PI 7300-7330 #200, 201, 220, SOUTH MIAMI, FL 33143

		Deductible				
		Total Insured Value	Limit of Insurance	Named Windstorm	All Other Windstorm/Hail	All Other Causes of Loss
Building		N/A	N/A	3.00% or \$1,000 whichever is greater, by building.	3.00% or \$1,000 whichever is greater, by building.	\$2,500 by policy.
Business Personal Property	Combined Limit of Insurance	\$1,350,000	\$1,350,000			
Tenant Improvements and Betterments						
Ordinance or Law:				N/A		
	Part A:		N/A			
	Parts B and C (Combined Limit):		N/A			



Policy Number	SPECIAL CAUSE OF LOSS POLICY DECLARATIONS PAGE	ICAT SCOL 50(AI) (11 14)
09-7590120459-S-02		01/16/2020
Additional Interests		

Loc No.	Bldg No.	Name	Address	Interest
1	1	Bank of America, NA ISAOA	70 Batterson Park Rd ATTN: INS Group, Mail Code: CT2-5 Farmington, CT 06032	Loss Payee Loan #: Not Provided

INSURER PARTICIPATION SCHEDULE
PRO RATA SHARES APPLICABLE TO THIS POLICY

Coverage under this Policy is provided by the subscribing insurers listed below:

PERIL	INSURER(S)	CONTRACT NUMBER	PERCENT PARTICIPATION
AP	Lloyd's 4242	B607400002V20NW	20 %
EB	Lloyd's 4242	B607400002V20NW	100 %
AP	National Fire & Marine Insurance Company	42-IPA-153912-03	25 %
AP	Lloyd's 1458	B1776XB201112L	20 %
AP	Crum and Forster Specialty Insurance Company	ICT 622179	15 %
AP	Lloyd's 2288	B6135ICAT20	20 %

Definitions

Perils

AP: All perils covered under the policy not otherwise specifically defined in this Insurer Participation Schedule.

EB: Equipment Breakdown as per ICAT SCOL 150.

SEVERAL LIABILITY CLAUSE

PLEASE NOTE – This notice contains important information. PLEASE READ CAREFULLY

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.

LMA5096 (Combined Certificate)

7 March 2008

Subscription Policy Notice

The Insurer Participation Schedule (ICAT 50 SCH) attached to and part of this policy identifies the Insurer(s) providing coverage under this policy. No Insurer(s) other than those listed on the Insurer Participation Schedule are providing coverage under this policy.

Where the Insurer Participation Schedule attached to and part of this policy indicates an Insurer under this policy as "Lloyd's" followed by a number, this designation means that the Insurer is a certain Syndicate at Lloyd's, London.

Each Syndicate should be identified as "Underwriters at Lloyd's, London, [Syndicate Name/Number]. The Syndicate Names and their respective Syndicate numbers (together with their NAIC Number) are as follows*:

		NAIC Number
Lloyd's 4242	means Beat Syndicate 4242	AA-1120067
Lloyd's 510	means Kiln Syndicate 510	AA-1126510
Lloyd's 33	means Hiscox Syndicate 33	AA-1126033
Lloyd's 2987	means Brit Syndicate 2987	AA-1128987
Lloyd's 2988	means Brit Syndicate 2988	AA-1120179
Lloyd's 2623	means Beazley Syndicate 2623	AA-1128623
Lloyd's 1861	means ATL Syndicate 1861	AA-1127861
Lloyd's 623	means Beazley Syndicate 623	AA-1126623
Lloyd's 5820	means ATL Syndicate 5820	AA-1120048
Lloyd's 2015	means Channel Syndicate 2015	AA-1120114
Lloyd's 1200	means Argo Syndicate 1200	AA-1127200
Lloyd's 4472	means Liberty Syndicate 4472	AA-1126006
Lloyd's 2121	means Argenta Syndicate 2121	AA-1128121
Lloyd's 1969	means Apollo Syndicate 1969	AA-1120106
Lloyd's 2468	means Neon Syndicate 2468	AA-1120097
Lloyd's 1458	means RenaissanceRe Syndicate 1458	AA-1120102
Lloyd's 1947	means GIC Syndicate 1947	AA-1126005
Lloyd's 1856	means Arcus Syndicate 1856	AA-1120171

For example, Lloyd's 4242 means "Underwriters at Lloyd's, London, Beat Syndicate 4242."

The address for any Syndicate at Lloyd's, London, is stated in the Several Liability Clause immediately preceding this Subscription Policy Notice.

Where an Insurer participating on this policy is not a Syndicate at Lloyd's, London, each such Insurer shall be identified by its full name on the Insurer Participation Schedule. Additional information regarding these other Insurers, if any, may be provided on separate endorsements to this policy.

*This list of Syndicates at Lloyd's, London, is provided for informational purposes only. The listing of a particular Syndicate on this Notice does not mean such Syndicate is providing coverage under this policy.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

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

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

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

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

c. Personal Property Of Others that is:

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

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

2. Property Not Covered

Covered Property does not include:

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

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

This paragraph does not apply to:

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

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

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

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

direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

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

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

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

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

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

EXAMPLE #2

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

- (a) The total of the actual debris removal expense plus the amount we pay for

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

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

b. Preservation Of Property

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

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

c. Fire Department Service Charge

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

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

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

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

e. Increased Cost Of Construction

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

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

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

(b) You failed to comply with.

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

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

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

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

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

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

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

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

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

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

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

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

f. Electronic Data

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

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

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

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

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

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

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

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

5. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

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

(ii) Use as a warehouse.

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

(2) Your Business Personal Property

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

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

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

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

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

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

(3) Period Of Coverage

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

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

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

b. Personal Effects And Property Of Others

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

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

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

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

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

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

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

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

d. Property Off-premises

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

(2) This Extension does not apply to property:

(a) In or on a vehicle; or

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

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

e. Outdoor Property

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

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

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

f. Non-owned Detached Trailers

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

(a) The trailer is used in your business;

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

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

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

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

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

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

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

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

B. Exclusions And Limitations

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

C. Limits Of Insurance

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

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

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

1. Fire Department Service Charge;

2. Pollutant Clean-up And Removal;

3. Increased Cost Of Construction; and

4. Electronic Data.

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

D. Deductible

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

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

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

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

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

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

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

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

Total amount of loss payable:

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

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

The Deductible and Limits of Insurance are the same as those in Example No. 1.

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

- Pay its chosen appraiser; and
- 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.

EXAMPLE #2

3. Duties In The Event Of Loss Or Damage

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

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

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

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

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

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

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

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

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

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

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

b. Vacancy Provisions

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

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

7. Valuation

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

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

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

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

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

F. Additional Conditions

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

1. Coinsurance

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

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

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

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

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

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	\$250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000
Step (1):	\$250,000 x 80% = \$200,000 (the minimum amount of insurance to meet your Coinsurance requirements)	
Step (2):	\$100,000 ÷ \$200,000 = .50	
Step (3):	\$40,000 x .50 = \$20,000	
Step (4):	\$20,000 – \$250 = \$19,750	

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

EXAMPLE #2 (ADEQUATE INSURANCE)

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

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

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

EXAMPLE #3

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

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

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

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

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

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

2. Mortgageholders

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

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

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

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

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

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

G. Optional Coverages

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

1. Agreed Value

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

2. Inflation Guard

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

EXAMPLE

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

3. Replacement Cost

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

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

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

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

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

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

H. Definitions

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

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

2. Extra Expense

- a. Extra Expense coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

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

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CDROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage — Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and

(3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

- (a)** Used in the construction, alterations or additions; or
- (b)** Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a)** Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 30 consecutive days after the date determined in **(1)(a)** above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a)** Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 30 consecutive days after the date determined in **(2)(a)** above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1)** Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.
- (2)** Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

(2) "Rental Value"

(3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

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

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

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

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

(4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(5) This Additional Coverage – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in **(4)** above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

- a.** You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b.** The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.

- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

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

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

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

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

1. **Appraisal** If we and you disagree on the amount of Net Income and operating expense 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 amount of Net Income and operating expense or 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.

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:

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

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

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

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2)

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

EXAMPLE #1 (UNDERINSURANCE)

When:	The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been			\$	400,000
	The Coinsurance percentage is				50%
	The Limit of Insurance is			\$	150,000
	The amount of loss is			\$	80,000
Step (1):	\$400,000 x 50% = \$200,000 (the minimum amount of insurance to meet your Coinsurance requirements)				
Step (2):	\$150,000 ÷ \$200,000 = .75				
Step (3):	\$80,000 x .75 = \$60,000				

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

EXAMPLE # 2 (ADEQUATE INSURANCE)

When:	The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been			\$	400,000
	The Coinsurance percentage is				50%
	The Limit of Insurance is			\$	200,000
	The amount of loss is			\$	80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$400,000 x 50%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

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

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

EXAMPLE

When:	The Limit of Insurance is: \$	120,000
	The fraction shown in the Declarations for this Optional Coverage is:	1/4
	The most we will pay for loss in each period of 30 consecutive days is: \$	30,000
	(\$120,000 x 1/4 = \$30,000)	
	If, in this example, the actual amount of loss is:	
	Days 1 - 30:	\$ 40,000
	Days 31 - 60:	20,000
	Days 61 - 90:	<u>30,000</u>
		\$ 90,000
	We will pay:	
	Days 1 - 30:	\$ 30,000
	Days 31 - 60:	20,000
	Days 61 - 90:	<u>30,000</u>
		\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

EXAMPLE

When:	The Limit of Insurance is:	\$	100,000
	The Agreed Value is:	\$	200,000
	The amount of loss is:	\$	80,000
Step (1):	$\$100,000 \div \$200,000 = .50$		
Step (2):	$.50 \times \$80,000 = \$40,000$		

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph **A.5.c.**, Extended Business Income, the number 30 in Subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.
2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) 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".

The expiration date of this policy will not cut short the "period of restoration".

4. "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.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

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

- a. Someone insured by this insurance;
- b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES – FUNGUS, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM

SCHEDULE*

Revised Limit	<u>\$15,000</u>
Separate Premises Or Locations Option	YES NO x
If YES, describe the separate premises or locations:	
Business Income/Extra Expense – Revised number of days	<u>N/A</u>
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.	

- A.** In the Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria, the amount of \$15,000 is deleted and replaced by the amount indicated in the Schedule.
- B.** If the Schedule indicates that the Separate Premises Or Locations Option applies, then the amount of coverage (\$15,000, unless a higher amount is shown in the Schedule) is made applicable to separate premises or locations as described in the Schedule. For each premises or location so described, the amount of coverage is an annual aggregate limit, subject to the terms set forth in Paragraph 3. of the Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria.
- C.** The coverage provided under this endorsement does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
- D.** Under the Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria, in the section applicable to Business Income and/or Extra Expense coverage, the number of days (30 days) in both paragraphs is deleted and replaced by the number of days indicated in the Schedule.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.**, Definitions.

A. Covered Causes Of Loss

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

1. Excluded in Section **B.**, Exclusions; or
2. Limited in Section **C.**, Limitations; that follow.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of any ordinance or law:

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

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

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

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

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

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

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

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

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

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

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

f. War And Military Action

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

g. Water

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

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

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

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

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

This exclusion does not apply:

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

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

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

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

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

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.

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

- (1)** An abrupt falling down or caving in;
- (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

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

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

- (a)** To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b)** To collapse caused by one or more of the following:
 - (i)** The "specified causes of loss";
 - (ii)** Breakage of building glass;
 - (iii)** Weight of rain that collects on a roof; or
 - (iv)** Weight of people or personal property.

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

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

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

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

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

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

c. Faulty, inadequate or defective:

- (1)** Planning, zoning, development, surveying, siting;
- (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3)** Materials used in repair, construction, renovation or remodeling; or
- (4)** Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

- (1)** Any loss caused by or resulting from:
 - (a)** Damage or destruction of "finished stock"; or
 - (b)** The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

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

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

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

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

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

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

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

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

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

c. Legal Liability Coverage Form

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

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

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

(a) Contractual Liability

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

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

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

(b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property.

LOSS OR DAMAGE TO PRODUCTS

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

C. Limitations

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

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
 - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

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

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

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

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

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

D. Additional Coverage – Collapse

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

- 1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- 2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
 - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in **2.a.** or **2.b.**;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.

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

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

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

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

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

- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

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

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in **D.1.** through **D.7.**

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

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

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

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

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

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

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

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

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

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

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

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

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.

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

- (1)** Personal property in the open; or
- (2)** The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

B. Water

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	Provisions Applicable		
				Loss Payable	Lender's Loss Payable	Contract Of Sale
1	1	7330 SW 62nd Pl 7300-7330 #200, 201, 220 SOUTH MIAMI, FL 33143	Bank of America, NA ISAOA 70 BATTERSON PARK RD ATTN: INS GROUP, MAIL CODE: CT2-5 FARMINGTON, CT 06032 Loan # Not Provided	X		

A. When this endorsement is attached to the STANDARD PROPERTY POLICY **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

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

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

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee 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.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

COVERAGE EXTENSIONS PREREQUISITE WAIVED

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17

A. Coverage Extensions Prerequisite Waived.

We hereby waive the requirement that a Coinsurance percentage of 80% or more be shown in the Declarations in order for you to extend the insurance provided by this Coverage Part to include the **Coverage Extensions** identified in the above-listed Coverage Forms.

Subject to all other terms and conditions of this policy and Coverage Part, these **Coverage Extensions** shall be available under this Coverage Part even if a Coinsurance percentage less than 80% is shown in the Declarations or in the event we waive the Additional Condition, Coinsurance.

SEWER, DRAIN AND SUMP BACK-UP, OR OVERFLOW CAUSE OF LOSS EXTENSION

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies the Commercial Property Coverage Part.

- I. If either the Flood Coverage Endorsement (ICAT SCOL 128) or the Excess NFIP Flood Coverage Endorsement (ICAT SCOL 129) is attached to this policy, then such Endorsement is modified as follows:
 - a. Paragraph **B (Additional Covered Cause of Loss)** has the following subparagraph **4.** added to provide coverage for sewer, drain, and sump back-up or overflow:
 - 4.** Flood shall include loss or damage from water that backs up or overflows from a sewer, drain, or sump.
 - b. Paragraph **C. (Exclusions, Limitations And Related Provisions)**, subparagraph **5.**, subparagraph **f.** is deleted.
- II. If neither the Flood Coverage Endorsement (ICAT SOL 128) nor the Excess NFIP Flood Coverage Endorsement is attached to this policy, then the Water Exclusion Endorsement (CP 10 32) is modified to provide coverage for sewer, drain, and sump back-up or overflow:
 - a. Paragraph **B. (Water)** subparagraph **3.** is deleted.
- III. Limits of Insurance. The most we will pay for loss or damage under this Cause of Loss Extension in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or elsewhere in the policy.
- IV. Deductible. We will not pay for loss or damage under this Cause of Loss Extension in any one occurrence until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTDOOR TREES, SHRUBS AND PLANTS

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Premises Number:		All	Building Number:		All
Limit of Insurance					
Each Tree \$1,500	Each Shrub \$1,500		Each Plant \$1,500	All Items \$25,000	
Causes Of Loss Form Applicable : SPECIAL			Vehicle X Exclusion:		
Additional Premium: INCLUDED					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

A. The following is added to **Covered Property:**

Outdoor trees, shrubs and plants at locations described in the Schedule.

B. The most we will pay for loss or damage (including debris removal expense) to covered trees, shrubs and plants in any one occurrence is the Limit of Insurance for All Items, subject to the separate limit applicable to Each Tree, Shrub or Plant, shown in the Schedule.

C. Outdoor trees, shrubs and plants are subject to all applicable provisions of the Causes Of Loss form indicated in the Schedule, as well as to the following exclusions:

We will not pay for loss or damage to outdoor trees, shrubs or plants, caused by or resulting from any of the following:

1. Dampness or dryness of atmosphere;

2. Changes in or extremes of temperature; or

3. Rain, snow, ice or sleet.

D. If the Vehicle Exclusion option is designated in the Schedule by an "X", we will not pay for loss or damage caused by vehicles to outdoor trees, shrubs or plants.

E. The Coverage Extension – Outdoor Property and the Additional Coverage – Debris Removal do not apply to the property covered under this endorsement.

F. Property covered under this endorsement shall not apply to reduce, limit, or erode the Deductible (stated in the Declarations or otherwise identified in the policy) where the loss or damage to outdoor trees, shrubs, and plants exceeds the Limit of Insurance shown in the Schedule above or in the Declarations.

CUSTOMERS' PROPERTY IN YOUR BUILDING COVERAGE FORM

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY

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

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

A. Coverage

1. Covered Property, as used in this Coverage Form, means personal property of your customers and guests while in a Covered Building.

2. Property Not Covered

The following listing of Property Not Covered is in addition to any other listing of Property Not Covered as stated in any other Coverage Form attached to this policy: Property Not Covered includes money, currency, jewelry, furs, vehicles and their equipment or personal property in vehicles.

3. Covered Causes Of Loss

Covered Causes of Loss with regard to the coverage provided under this Customers' Property in Your Building Coverage Form means Direct Physical Loss Or Damage caused by or resulting from one of the Covered Causes of Loss as specified in the Causes of Loss Form shown in the Declarations and attached to this policy as limited by the exclusions contained in this policy.

4. Valuation

The value of Covered Property under this Customers' Property in Your Building Coverage Form shall be the least of the following amounts:

- a. The amount for which you are liable;
- b. The actual cash value of the lost or damaged property;
- c. The cost of reasonably restoring the property to its condition immediately before the loss; or
- d. The cost of replacing the lost or damaged property with substantially identical property.

The value shall include the value of labor, materials or services furnished or arranged by you.

In the event of loss or damage, the value of Covered Property shall be determined as of the time of loss or damage.

B. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy. The Limit of Insurance for this Customers' Property in Your Building Coverage is a sublimit of the Limit of Insurance applicable to your Business Personal Property and the addition of this Customers' Property in Your Building Coverage does not increase or decrease our total Limit of Insurance. As we may indicate in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or elsewhere in this policy, the Limit of Insurance applicable to this Customers' Property in Your Building Coverage may be limited per occurrence and/or per customer or guest.

C. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the amount of the Deductible applicable to this Customers' Property in Your Building Coverage shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

D. Other Insurance

Other insurance covering loss or damage to property covered under this Customers' Property in Your Building Coverage Form will be considered excess to this Coverage.

LOCK REPLACEMENT ADDITIONAL COVERAGE

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17

A. Coverage

1. Section **A.4. Additional Coverages** has the following Additional Coverage added:

- a. We will pay the cost to repair or replace locks at a Covered Building due to "theft" or loss to keys.

b. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy. The Limit of Insurance for this Lock Replacement Additional Coverage is a sublimit of the Limit of Insurance applicable to your Business Personal Property and the addition of this Lock Replacement Additional Coverage does not increase or decrease our total Limit of Insurance.

c. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the amount of the Deductible applicable to this Lock Replacement Additional Coverage shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

d. Definitions

The following is added to Section **H.**,

Definitions:

"Theft" means the unlawful taking of property to the deprivation of the insured.

THEFT, DISAPPEARANCE, OR DESTRUCTION OF MONEY AND SECURITIES COVERAGE FORM

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

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

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

A. Coverage

1. We will pay for loss or damage that is directly caused by a Covered Cause of Loss to "money" or "securities" you use in your business as shown by your records resulting directly from a Covered Cause of Loss as defined and explained in this Coverage Form.

2. Property Not Covered

The following listing of Property Not Covered is in addition to any other listing of Property Not Covered as stated in any other Coverage Form attached to this policy: Lottery tickets held for sale are not Covered Property.

3. Covered Causes Of Loss

Covered Causes of Loss with regard to the coverage provided under this Theft, Disappearance, or Destruction of Money and Securities Coverage means direct physical loss or damage caused by or resulting from "theft," disappearance or destruction. However, Covered Causes of Loss are limited by other exclusions contained in this policy and the exclusions identified in **B. Exclusions** below.

B. Exclusions

- 1 The following exclusions apply in addition to all other exclusions in this policy, including all exclusions in the **Causes of Loss Special Form** (CP 10 30). We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 - a. accounting or arithmetical errors or omissions;
 - b. dishonest or criminal act(s) committed by any of your "employees", directors,

trustees, "members", or authorized representatives:

- (1) acting alone or in collusion with other persons; or
 - (2) while performing services for you or otherwise.
- c. the giving or surrendering of property in any exchange or purchase;
 - d. fire, however caused;
 - e. loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy. The Limit of Insurance for this Theft, Disappearance, or Destruction of Money and Securities Coverage is a sublimit of the Limit of Insurance applicable to your Business Personal Property and the addition of this Theft, Disappearance, or Destruction of Money and Securities Coverage does not increase or decrease our total Limit of Insurance.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Definitions

1. "Employee" means:

- a. Any natural person:

- (1) While in your service and for the first 30 days immediately after termination of service, unless such termination is

due to "theft" or any other dishonest act committed by the "employee";

(2) Who you compensate directly by salary, wages or commissions; and

(3) Who you have the right to direct and control while performing services for you;

b. Any natural person who is furnished temporarily to you:

(1) To substitute for a permanent "employee" as defined in Paragraph **1.a.**, who is on leave; or

(2) To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside a Covered Building;

c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **1.b.**;

d. Any natural person who is:

(1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and

(2) A director or trustee of yours while that person is engaged in handling funds or other property of any employee benefit plan;

e. Any natural person who is a former "employee", partner, "member", manager, director or trustee retained as a consultant while performing services for you;

f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside a Covered Building;

g. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or

h. Any of your managers, directors or trustees while:

(1) Performing acts within the scope of the usual duties of an "employee"; or

(2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **1.a.**

2. "Member" means an owner of a limited liability company represented by its membership interest who also may serve as a manager.

3. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers Checks, register checks and money orders held for sale to the public.

4. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.

"Securities" does not include "money."

ROBBERY OF A CUSTODIAN OR SAFE BURGLARY (MONEY AND SECURITIES) COVERAGE FORM

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

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

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

A. Coverage

We will pay for loss or damage that is directly caused by a Covered Cause of Loss, as defined in this Coverage Form, to Covered Property, as defined in this Coverage Form, you use in your business as shown by your records.

1. Inside a Covered Building

a. Coverage for Robbery Of A Custodian

(1) Covered Property: "Money" and "securities" in the care and custody of a "custodian" inside a Covered Building that is listed in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy.

(2) Covered Causes of Loss: Actual or attempted "robbery".

(3) Coverage Extension

Damage to a Covered Building: We will pay for loss or damage to a Covered Building listed in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy directly caused by the Covered Cause of Loss if you are the owner of the Covered Building or are liable for damage to it.

b. Coverage for Safe Burglary

(1) Covered Property: "Money" and "securities" in a safe or vault within a Covered Building listed in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy or in a "banking premises".

(2) Covered Causes of Loss: Actual or attempted "safe burglary".

(3) Coverage Extension

Covered Building, Safe and Vault Damage:

We will pay for loss or damage to:

(a) A Covered Building listed in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy; or

(b) A locked safe or vault located inside such a Covered Building;

that is directly caused by the Covered Cause of Loss only if you are the owner of the property or are liable for damage to it.

2. Outside a Covered Building

(a) Covered Property: "Money" and "securities" in the care and custody of a "messenger" while outside a Covered Building that is listed in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy.

(b) Covered Causes of Loss: Actual or attempted "robbery".

(c) Coverage Extension

Conveyance of Property By Armored Motor Vehicle Company: We will pay for loss of or damage to Covered Property resulting directly from a Covered Cause of Loss while outside a Covered Building in the care and custody of an armored motor vehicle company.

But we will pay only the amount of loss that you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

B. Exclusions

1. The following exclusions apply in addition to all other exclusions in this policy, including all exclusions in the **Causes of Loss Special Form** (CP 10 30). We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. Acts of "employees", Directors, Trustees, "Members", or Authorized Representatives: Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees, "members", or authorized representatives:

(1) Acting alone or in collusion with other persons; or

(2) While performing services for you or otherwise.

- b. Fire: Loss resulting from fire, however caused, except loss:

(1) Of "money" or "securities"; or

(2) From damage to a safe or vault from fire that is incidental to a Covered Cause of Loss.

- c. Transfer or Surrender of Property

(1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside a Covered Building or "banking premises":

(a) On the basis of unauthorized instructions; or

(b) As a result of a threat to do:

i. Bodily harm to any person; or

ii. Damage to any property.

(2) But this exclusion does not apply under Section **A.2., Outside a Covered Building** to loss of Covered Property while outside a Covered Building or "banking premises" in the care and custody of a "messenger" if you:

i. had no knowledge of any threat at the time the conveyance began; or

ii. Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

- d. Vandalism: Loss from damage to any property by vandalism or malicious mischief.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy. The Limit of Insurance for this Robbery of a Custodian or Safe Burglary (Money and Securities Only) Coverage is a sublimit of the Limit of Insurance applicable to your Business Personal Property and the addition

of this Robbery of a Custodian or Safe Burglary (Money and Securities Only) Coverage does not increase or decrease our total Limit of Insurance.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

Duties in the Event of Loss or Damage: If you have reason to believe that any loss or damage to Covered Property involves a violation of law, you must notify the police.

F. Definitions

1. "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

2. "Custodian" means you, any of your partners or any "employee" while having care and custody of the property inside the "premises" excluding any person while acting as a "watchperson" or janitor.

3. "Employee" means:

a. Any natural person:

(1) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to any dishonest act committed by the "employee";

(2) Who you compensate directly by salary, wages or commissions; and

(3) Who you have the right to direct and control while performing services for you;

b. Any natural person who is furnished temporarily to you:

(1) To substitute for a permanent "employee" as defined in Paragraph **3.a.**, who is on leave; or

(2) To meet seasonal or short-term work load conditions;

While that person is subject to your direction and control and performing services for you, excluding, however, any such person while

having care and custody of property outside a Covered Building;

- c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph 3.b.
- d. Any natural person who is:
 - (1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and
 - (2) A director or trustee of yours while that person is engaged in handling funds or other property of any employee benefit plan;
- e. Any natural person who is a former "employee", partner, "member", manager, director or trustee retained as a consultant while performing services for you;
- f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside a Covered Building;
- g. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
- h. Any of your managers, directors or trustees while:
 - (1) Performing acts within the scope of the usual duties of an "employee"; or
 - (2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 3.a.

- 4. "Member" means an owner of a limited liability company represented by its membership interest who also may serve as a manager.
- 5. "Messenger" means you, any of your partners or any "employee" while having care and custody of the property outside a Covered Building.
- 6. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers Checks, register checks and money orders held for sale to the public.

7. "Occurrence" means an:

- a. Act or series of related acts involving one or more persons; or
- b. Act or event, or a series of related acts or events not involving any person.

8. "Robbery" means the taking of property from the care and custody of a person by one who has:

- a. Caused or threatened to cause that person bodily harm; or
- b. Committed an obviously unlawful act witnessed by that person.

9. "Safe burglary" means the taking of:

- a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
- b. A safe or vault from inside a Covered Building.

10. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.

"Securities" does not include "money".

11. "Watchperson" means any person you retain specifically to have care and custody of property inside a Covered Building or along the interior or exterior of the perimeter of a Covered Building and who has no other duties.

ACCOUNTS RECEIVABLE COVERAGE FORM

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

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

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

A Coverage

1. We will pay:

- a. All amounts due from your customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- d. Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from Covered Causes of Loss to your records of accounts receivable.

2. Property Not Covered

The following listing of Property Not Covered is in addition to any other listing of Property Not Covered as stated in any other Coverage Form attached to this policy. Coverage does not apply to:

- a. Records of accounts receivable in storage away from the "premises" shown in the Declarations; or
- b. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

Covered Causes of Loss with regard to the coverage provided under this Accounts Receivable Coverage Form means Direct Physical Loss Or Damage caused by or resulting from one of the Covered Causes of Loss as specified in the Causes of Loss Form shown in the Declarations and attached to this policy as limited by the exclusions contained in this policy.

4. Coverage Extension Removal

If you give us written notice within 10 days of removal of your records of accounts

receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- a. At a safe place away from your "premises"; or
- b. Being taken to and returned from that place.

This Coverage Extension is included within the Limit of Insurance applicable to the "premises" from which the records of accounts receivable are removed.

B. Exclusions

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

- a. Dishonest or criminal act committed by:

(1) A manager or a member if you are a limited liability company;

(2) Anyone else with an interest in the property, or their employees or authorized representatives; or

(3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- b. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- c. Bookkeeping, accounting or billing errors or omissions.

- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

- (1) Programming errors or faulty machine instructions;
- (2) Faulty installation or maintenance of data processing equipment or component parts;
- (3) An occurrence that took place more than 100 feet from your "premises"; or
- (4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than 100 feet from your "premises".

But we will pay for direct loss or damage caused by lightning.

- 2. We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy.

D. Deductible

We will not pay for loss or damage under this Coverage Form in any one occurrence until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

The following conditions apply to the coverage provided under this Accounts Receivable Coverage Form in addition to the Common Policy Conditions:

1. Determination Of Receivables

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
 - (1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

- (2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (1) The amount of the accounts for which there is no loss or damage;
- (2) The amount of the accounts that you are able to reestablish or collect;
- (3) An amount to allow for probable bad debts that you are normally unable to collect; and
- (4) All unearned interest and service charges.

2. Recoveries

You will pay us the amount of all recoveries you receive for loss or damage paid by us. But any recoveries in excess of the amount we have paid belong to you.

3. Coinsurance

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

We will not pay the full amount of any loss if the value of all accounts receivable, except those in transit, at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for Coverage Applicable At All Locations.

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

- a. Multiply the value of all accounts receivable, except those in transit, at the time of loss by the Coinsurance percentage;
- b. Divide the Limit of Insurance for Coverage Applicable At All Locations by the figure determined in Step a.; and
- c. Multiply the total amount of loss by the figure determined in Step b.

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

This condition will not apply to records of accounts receivable in transit, interest charges, excess collection expenses or expenses to reestablish your records of accounts receivable.

4. Protection Of Records

Whenever you are not open for business, and except while you are actually using the records, you must keep all records of accounts receivable in reasonably safe receptacles.

F. Definitions

"Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

VALUABLE PAPERS AND RECORDS COVERAGE FORM

If either the Building and Personal Property Coverage Form (CP 00 10) or the Condominium Association Coverage Form (CP 00 17) is attached to and part of this policy, the following section is deleted: Section **A.** (Coverage), Item **5.** (Coverage Extensions), Sub-item **c.** (Valuable Papers and Records (Other Than Electronic Data)).

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

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

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

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any Covered Cause of Loss.

1. Covered Property, as used in this coverage form, means "valuable papers and records" that are your property or property of others in your care, custody or control.

2. Property Not Covered

The following listing of Property Not Covered is in addition to any other listing of Property Not Covered as stated in any other Coverage Form attached to this policy. Covered Property does not include:

- a. "Valuable papers and records" which exist as electronic data. Electronic data has the meaning described under Property Not Covered Electronic Data in the Building and Personal Property Coverage Form (CP 00 10) or the Condominium Association Coverage Form (CP 00 17)
- b. Property that cannot be replaced with other property of like kind and quality;
- c. Property held as samples or for delivery after sale;
- d. Property in storage away from the "premises" shown in the Declarations; or
- e. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

Covered Causes of Loss with regard to the coverage provided under this Valuable Papers and Records Coverage Form means

Direct Physical Loss Or Damage to Covered Property caused by or resulting from one of the Covered Causes of Loss as specified in the Causes of Loss Form shown in the Declarations and attached to this policy as limited by the exclusions contained in this policy.

4. Coverage Extensions

a. Removal

If you give us written notice within 10 days of removal of your "valuable papers and records" because of imminent danger of loss or damage, we will pay for loss or damage while it is:

- (1) At a safe place away from your "premises"; or
- (2) Being taken to and returned from that place.

This Coverage Extension is included within the Limits of Insurance applicable to the "premises" from which the Covered Property is removed.

B. Exclusions

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

a. Dishonest or criminal act committed by:

- (1) A manager or a member if you are a limited liability company;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- b. Errors or omissions in processing or copying.

But if errors or omissions in processing or copying result in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

- c. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct loss or damage caused by lightning.

- d. Any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy.

D. Deductible

We will not pay for loss or damage under this Coverage Form in any one occurrence until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

The following conditions apply in addition to the coverage provided under this Valuable Papers and Records Coverage Form in addition to the Common Policy Conditions:

1. Valuation

a. Specifically Declared Items

The value of each item of property that is specifically declared and described in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy is the applicable Limit of Insurance shown in the Declarations for that item.

- b. If the values are not specifically declared, then the value of each item of property will be determined as of the time of loss or damage and will be the lesser of the following amounts:

- (1) The actual cash value of the property;
- (2) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
- (3) The cost of replacing that property with substantially identical property.

2. Recoveries

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. If so, your loss or damage will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

3. Protection Of Records

Whenever you are not open for business, and except while you are actually using the property, you must keep all "valuable papers and records" in reasonably safe receptacles.

F. Definitions

- 1. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.
- 2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.
- 3. "Money" means:
 - a. Currency, coins and bank notes whether or not in current use; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps whether or not in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not of your own issue;but does not include "money".

COMMERCIAL FINE ARTS COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this coverage form, means:
 - a. Your "fine arts"; and
 - b. "Fine arts" of others that are in your care, custody or control.
2. "Fine arts" means antiques, paintings, etchings, drawings, tapestries, sculptures and fragile property such as porcelains, china and marble.

3. Property Not Covered

The following listing of Property Not Covered is in addition to any other listing of Property Not Covered as stated in any other Coverage Form attached to this policy. Covered Property does not include:

- a. Property while on exhibition at fair grounds or on the premises of any national or international exposition; or
- b. Contraband, or property in the course of illegal transportation or trade.

4. Covered Causes Of Loss

Covered Causes of Loss with regard to the coverage provided under this Commercial Fine Arts Coverage Form means Direct Physical Loss Or Damage to Covered Property caused by or resulting from one of the Covered Causes of Loss as specified in the Causes of Loss Form shown in the Declarations and attached to this policy as limited by the exclusions contained in this policy.

5. Coverage Extension

Newly Acquired Property

We will cover other objects of art that you acquire during the policy period, for up to 30 days, but not beyond the end of the policy period.

The most we will pay for loss or damage under this Coverage Extension is the lesser of:

- a. 25% of the total of the Limits of Insurance shown in the Declarations for all individually listed and described items; or
- b. the lesser of \$10,000 or the Limit of Insurance as shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy.

You will report such property within 30 days from the date acquired and pay any additional premium that is due. If you do not report that property to us, coverage will end automatically 30 days after the date you acquire the property or at the end of the policy period, whichever occurs first.

The Coinsurance Additional Condition does not apply to this Coverage Extension. This Coverage Extension is included within the Limit of Insurance applicable to the "premises" from which the records of accounts receivable are removed.

B. Exclusions

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

a. Dishonest or criminal act committed by:

- (1) A manager or a member if you are a limited liability company;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such:

- (1) Persons are acting alone or in collusion with other persons; or
- (2) Acts occur during the hours of employment.

This exclusion does not apply to:

- (1) Covered Property that is entrusted to others who are carriers for hire; or
- (2) Acts of destruction by your employees. But theft by employees is not covered.

- b. Breakage of art glass windows, statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property.

But we will pay for such loss or damage caused directly by one of the "specified causes of loss" as defined in the Causes of Loss — Special Form (CP 10 30).

- c. Any repairing, restoration or retouching of the Covered Property.
- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy.

D. Deductible

We will not pay for loss or damage under this Coverage Form in any one occurrence until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

The following conditions apply to the coverage provided under this Commercial Fine Arts Coverage Form in addition to the Common Policy Conditions:

1. Valuation

a. Specifically Declared Items

The value of each item of property that is individually listed and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.

- b. If the values are not specifically declared, then the value of each item of Covered Property, including newly acquired property, will be determined as of the time of loss or damage and will be the least of the following amounts:

- (1) The actual cash value of that property;
- (2) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
- (3) The cost of replacing that property with substantially identical property.

2. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies to all items that are covered but not individually listed and described.

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

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

- a. Multiply the value of Covered Property, except property in transit, 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 Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

3. Packing And Unpacking

You agree that Covered Property will be packed and unpacked by competent packers.

4. Pair Or Sets

- a. In case of total loss or damage of any items that are part of a pair or set that is individually listed and described in the Declarations, we will pay the full Limit of Insurance shown in the Declarations for that pair or set. You will surrender to us the remaining items of the pair or set.
- b. In case of loss or damage to any part of a pair or set that is not individually listed and described in the Declarations, we may:
 - (1) Repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - (2) Pay the difference between the value of the pair or set before and after the loss or damage.

FIRE EXTINGUISHER SYSTEMS RECHARGE EXPENSE ADDITIONAL COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17

A. Section **A.4. Additional Coverages** has the following Additional Coverage added:

1. Fire Extinguisher Systems Recharge Expense.

a. We will pay:

(1) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of a Covered Building; and

(2) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

b. **Limitation.** No coverage will apply if the fire extinguishing system is discharged during installation or testing.

c. **Limit of Insurance.** Our Limit of Insurance for this Fire Extinguisher Systems Recharge Expense Additional Coverage is a sublimit of our Limit of Insurance and is included in and part of our Limit of Insurance as shown in the Declarations Page. The most we will pay under this endorsement for loss or damage in any one occurrence is the amount shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV) for the Fire Extinguisher Systems Recharge Expense Additional Coverage Limit. This Coverage Extension does not increase our Limit of Insurance as stated in the Declarations Page.

d. **Deductible.** A deductible does not apply to this Fire Extinguisher Systems Recharge Expense Additional Coverage. We will pay the amount of the adjusted loss or damage up to the applicable Limit of Insurance.

TENANT GLASS ADDITIONAL COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17

A. Section A.4. Additional Coverages has the following Additional Coverage added:

1. Tenant Glass.

- a.** We will pay for direct physical loss of or damage to building glass at the building where you conduct your business operations shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy caused by or resulting from a Covered Cause of Loss, provided that:
 - (1)** You are a tenant of such building; and
 - (2)** You have a contractual responsibility to insure the building glass, or a contractual responsibility to pay for loss or damage to that property.
- b.** The value of property covered under this Additional Coverage will be determined in accordance with the Valuation Condition applicable under this policy or at the amount for which you are liable under contract, whichever is less. If required by law, glass is covered at the cost of replacement with safety glazing material.
- c. Limit of Insurance.** The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy for this Tenant Glass Additional Coverage. The Limit of Insurance for this Tenant Glass Additional Coverage is a sublimit of the Limit of Insurance applicable to your Business Personal Property and the addition of this Tenant Glass Additional Coverage does not increase or decrease our total Limit of Insurance.

- d. Deductible.** We will not pay for loss or damage to building glass as provided under this Tenant Glass Additional Coverage from any one occurrence until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

PERIMETER EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17

- A.** The perimeter stated in Section **A.1.a.(5)(b)** applicable to certain Building Coverage is hereby increased from "within 100 feet of the described premises" to "within 1,000 feet of the described premises".
- B.** The perimeter stated in Section **A.1.b.** applicable to certain Business Personal Property Coverage is hereby increased from "within 100 feet of the described premises" to "within 1,000 feet of the described premises".

SPOILAGE COVERAGE EXTENSION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17

The Coverage Form to which this endorsement applies is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to coverage provided by this endorsement. The changes made by this endorsement to the Coverage Form apply only with respect to coverage provided by this endorsement; this endorsement does not change or modify any other coverage provided under this policy.

A. Paragraph A.1., Covered Property, is replaced by the following:

1. Covered Property

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

B. With respect to the coverage provided by this endorsement, property located on buildings or in the open or in vehicles is considered to be Property Not Covered.

C. Paragraph A.3., Covered Causes Of Loss, is replaced by the following:

3. Covered Causes Of Loss

Covered Causes of Loss means the following:

a. Breakdown or Contamination, meaning:

(1) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

(2) Contamination by the refrigerant.

b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

D. Selling Price Condition

If "Selling Price Condition" is shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy, the following is added to the **Valuation** Loss Condition:

We will determine the value of finished "perishable stock" in the event of loss or damage at:

1. The selling price, as if no loss or damage had occurred;

2. Less discounts and expenses you otherwise would have had.

E. Paragraph A.5., Coverage Extensions, does not apply.

F. Paragraph B., Exclusions, is replaced by the following:

B. Exclusions

1. Only the following Exclusions contained in Paragraph **B.1.** of the Causes of Loss Form applicable to this Coverage Part apply to Spoilage Coverage:

a. Earth Movement;

b. Governmental Action;

c. Nuclear Hazard;

d. War And Military Action; and

e. Water.

2. The following Exclusions are added:

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

a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.

b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current. However, this exclusion does not apply if the **Utility Services Direct Damage Coverage** Form (ICAT SCOL 147) is part of this policy and provides coverage at the same Covered Location and Covered Building as the **Spoilage Coverage Extension** (ICAT SCOL 146).

c. The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

(1) Lack of fuel; or

(2) Governmental order.

However, this exclusion does not apply if the Utility Services Direct Damage Coverage Form (ICAT SCOL 147) is part of this policy and provides coverage at the same Covered Location and Covered Building as the Spoilage Coverage Extension (ICAT SCOL 146).

- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

G. Paragraph D., Deductible, is replaced by the following:

We will not pay for loss or damage in any one occurrence under this Spoilage Coverage Extension until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy.

We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

H. Paragraph F., Additional Conditions, is replaced by the following:

ADDITIONAL CONDITION

The following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

REFRIGERATION MAINTENANCE AGREEMENTS

If Breakdown or Contamination is shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy as a Covered Cause of Loss and a "refrigeration maintenance agreement condition" also is shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy, the following condition applies:

You must maintain a refrigeration maintenance or service agreement. If you fail to maintain a refrigeration maintenance or service agreement, the insurance provided by this endorsement will be automatically suspended at the involved location until such time as a refrigeration

maintenance or service agreement is in full force and effect.

I. Paragraph G., Optional Coverages, does not apply.

J. The following is added to the Definitions:

"Perishable stock" means personal property:

- a. Maintained under controlled conditions for its preservation; and
- b. Susceptible to loss or damage if the controlled conditions change.

K. Limits of Insurance. Our Limit of Insurance for this Coverage Extension is a sub-limit of our Limit of Insurance and is included in and part of our Limit of Insurance as shown in the Declarations Page. The most we will pay under this Coverage Extension for perishable stock is the amount shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV) for this Coverage Extension. This Coverage Extension does not increase Our Limit of Insurance as stated in the Declarations Page.

UTILITY SERVICES - DIRECT DAMAGE COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17

A. Coverage

We will pay for loss of or damage to Covered Property described in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss as defined in Paragraph F. to the property described in Paragraph C.

B. Exceptions

1. Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.
2. Power transmission and/or feeder lines remain Property Not Covered as provided in the Additional Property Not Covered Form (ICAT SCOL 221).

C. Utility Services

1. **Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. Water mains.
2. **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - a. Coaxial cables; and
 - b. Microwave radio relays except satellites.
3. **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - a. Utility generating plants;
 - b. Switching stations;
 - c. Substations; and
 - d. Transformers.

D. Limits of Insurance

Our Limit of Insurance for this Coverage Extension is a sub-limit of our Limit of Insurance and is included in and part of our Limit of Insurance as shown in the Declarations Page. The most we will pay under this Coverage Extension is the amount shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV) for this Coverage Extension. This Coverage Extension does not increase Our Limit of Insurance as stated in the Declarations Page.

E. Deductible

We will not pay for loss or damage in any one occurrence under this Utility Services – Direct Damage Coverage until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as “All Other Peril” or “All Other Causes of Loss”) stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

F. Covered Causes of Loss

Notwithstanding anything stated elsewhere in this policy to the contrary, if the Causes Of Loss – Special Form (CP 10 30) applies to this policy, coverage provided under this Utility Services – Direct Damage Coverage endorsement is limited to the “specified causes of loss” as defined in the Causes of Loss – Special Form (CP 10 30) and as such definition may be further modified by any separate endorsement attached to and made part of this policy.

UTILITY SERVICES - TIME ELEMENT COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM

A. Coverage

Your coverage for Business Income and/or Extra Expense, as provided and limited in the applicable Coverage Form, is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss as defined in Paragraph G. to the property described in Paragraph C.

B. Exception

1. Coverage under this endorsement does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.
2. Power transmission and/or feeder lines remain Property Not Covered as provided in the Additional Property Not Covered Form (ICAT SCOL 221).

C. Utility Services

1. **Water Supply Services**, meaning the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. Water mains.
2. **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - a. Coaxial cables; and
 - b. Microwave radio relays except satellites.

It does not include power transmission and/or feeder lines.

3. **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations; and
- d. Transformers.

D. The Coinsurance Additional Condition does not apply to this endorsement.

E. Limits of Insurance

Our Limit of Insurance for this Coverage Extension is a sub-limit of our Limit of Insurance and is included in and part of our Limit of Insurance as shown in the Declarations Page. The most we will pay under this Coverage Extension is the amount shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV) for this Coverage Extension. This Coverage Extension does not increase Our Limit of Insurance as stated in the Declarations Page.

F. Deductible

We will not pay for loss or damage in any one occurrence under this Utility Services – Time Element Coverage until the amount of the adjusted loss or damage exceeds the amount of the Deductible applicable to the coverage for fire (shown as "All Other Peril" or "All Other Causes of Loss") stated in the Declarations or otherwise identified in the policy. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

G. Covered Causes of Loss

Notwithstanding anything stated elsewhere in this policy to the contrary, if the Causes Of Loss – Special Form (CP 10 30) applies to this policy, coverage provided under this Utility Services – Direct Damage Coverage endorsement is limited to the "specified causes of loss" as defined in the Causes of Loss – Special Form (CP 10 30) and as such definition may be further modified by any separate endorsement attached to and made part of this policy.

EQUIPMENT BREAKDOWN **ENHANCEMENT ENDORSEMENT**

As respects this **Equipment Breakdown Enhancement Endorsement**, this endorsement changes coverage provided by the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM CP 00 30
CAUSES OF LOSS - SPECIAL FORM CP 10 30

Read this entire endorsement carefully to determine rights, duties and what is and is not covered

The changes made by this endorsement to the Coverage and Causes of Loss Forms listed above apply only to the "Equipment Breakdown" Cause of Loss as defined herein and do not apply to any other Covered Cause of Loss. This endorsement does not change or modify any other coverage provided under this policy

- I. The following is added to the **Building and Personal Property Coverage Form** (CP 00 10) or the **Condominium Association Coverage Form** (CP 00 17):

A. Coverage

4. Additional Coverages

The following **Additional Coverages** are added as a part of and not in addition to the limit per loss:

g. Pollutant Clean Up and Removal

We will pay for the Pollutant Clean Up and Removal for loss resulting from an "Equipment Breakdown". Our Limit of Insurance for this Additional Coverage is a sub-limit of our Limit of Insurance and is included in and part of our Limit of Insurance as shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV) for this Additional Coverage. The most we will pay for the Pollutant Clean Up and Removal is \$250,000 unless another limit is in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV); in that case, the limit shown will apply.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing

which is performed in the course of extracting the "pollutants" from the land or water.

h. Expediting Expenses

We will pay for the expediting expense loss resulting from an "Equipment Breakdown" with respect to your damaged Covered Property. We will pay the reasonable extra cost to:

- (1) Make temporary repairs;
- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement.

Reasonable extra cost shall mean "the extra cost of temporary repair and of expediting the repair of such damaged equipment of yours, including overtime and the extra cost of express or other rapid means of transportation."

i. Refrigerant Contamination

We will pay the loss from contamination by refrigerant used in refrigerating, cooling or humidity control equipment at the described premises as a result of an "Equipment Breakdown".

Our Limit of Insurance for this Additional Coverage is a sub-limit of our Limit of Insurance as shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV) for this Additional Coverage. The most we will pay for Refrigerant Contamination is \$250,000 unless another limit is shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV); in that case, the limit will apply.

j. Spoilage

We will pay for loss of “perishable goods” due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an “Equipment Breakdown” to Covered Property, that are:

- (1) Located on or within 1,000 feet of your described premises; and
- (2) Owned by you, the building owner at your described premises, or owned by a public utility.

However, we will not pay for any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:

Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.

"Perishable Goods" means stock preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

Our Limit of Insurance for this Additional Coverage is a sub-Limit of our Limit of Insurance as shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV) for this Additional Coverage. The most we will pay for Spoilage is \$250,000 unless another limit is shown in the Declarations Page, Schedule A, or the Statement of Values (ICAT 50 SOV); in that case, the limit will apply.

k. CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances.

Additional costs mean those in excess of what would have been required to repair or replace covered property, had no CFC refrigerant been involved. We also pay for additional loss as described under the Spoilage or Loss of Income Coverages provided by this endorsement, caused by the presence of a refrigerant containing CFC substances.

We pay no more than the least of the following:

- (1) The cost to repair the damaged property and replace any lost CFC refrigerant;
- (2) The cost to repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or
- (3) The cost to replace the system with one using a non-CFC refrigerant.

l. Computer Equipment

We will pay for loss or damage to your “computer equipment” caused by an “Equipment Breakdown”.

“Computer equipment” means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment, and electronic media and records.

m. Valuable Papers and Records - Cost of Research Valuable Papers and Records (Other Than Electronic Data)

We will pay for your reasonable and necessary cost to research, replace and restore the lost information on electronic media and records as a result of an “Equipment Breakdown”.

This will be part of and not an addition to the limits provided by the “valuable papers and records” coverage under the property form to which this endorsement is attached.

F. Additional Conditions

The following **Additional Conditions** are added:

3. Suspension

Whenever Covered Property is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that Covered Property for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- (a) Your last known address; or
- (b) The address where the property is located.

If we suspend your insurance, you will get a pro rata refund of the portion of premium paid allocable to coverage provided under this **Equipment Breakdown Enhancement Endorsement**. But the suspension will be effective even if we have not yet made or offered a refund.

4. Jurisdictional Inspections

If any Covered Property under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

5. Environmental, Safety and Efficiency Improvements

If Covered Property requires replacement due to an "Equipment Breakdown", we will pay your additional cost to replace with equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced.

However, we will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality. This Condition does not apply to any Covered Property to which the Actual Cash Value Valuation Loss Condition applies.

6. Green Environmental and Efficiency Improvements

If Covered Property requires repair or replacement due to an "Equipment Breakdown", we will pay:

- a. The lesser of the reasonable and necessary additional cost incurred by you to repair or replace physically

damaged Covered Property with equipment of like kind and quality which qualifies as "Green". "Like kind and quality" includes similar size and capacity.

- b. The additional reasonable and necessary fees incurred by you for an accredited professional certified by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".
- c. The additional reasonable and necessary cost incurred by you for certification or recertification of the repaired or replaced Covered Property as "Green".
- d. The additional reasonable and necessary cost incurred by you for "Green" in the removal, disposal or recycling of damaged Covered Property.
- e. The business interruption (if covered within the Policy to which this **Equipment Breakdown Enhancement Endorsement** is attached) loss during the additional time required for repair or replacement of Covered Property, consistent with "Green", in the coverages above.

We will not pay more than 150%, to a maximum limit of \$100,000, of what the cost would have been to repair or replace with equipment of like kind and quality inclusive of fees, costs, and any business interruption loss incurred as stated above.

Green Environmental and Efficiency Improvements does not cover any of the following:

- a. Covered Property does not include stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which you are legally liable, or personal property of others.
- b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation Loss Condition of this policy.
- c. Any loss covered under any other section of this policy.
- d. Any cost incurred due to any law or ordinance with which you were legally

obligated to comply prior to the time of the "Equipment Breakdown".

H. DEFINITIONS

The following **Definitions** are added:
"Equipment Breakdown".

4. "Equipment Breakdown" as used herein means:
- a. Physical loss or damage both originating within:
 - (1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - a. waste disposal piping;
 - b. any piping forming part of a fire protective system;
 - c. furnaces; and
 - d. any water piping other than:
 - (1) boiler feed water piping between the feed pump and the boiler;
 - (2) boiler condensate return piping; or
 - (3) water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
 - (2) All mechanical, electrical, electronic or fiber optic equipment; and
 - b. Caused by, resulting from, or consisting of:
 - (1) Mechanical breakdown;
 - (2) Electrical or electronic breakdown; or
 - (3) Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" will not mean:

- a. Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:
 - (1) Wear and Tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold

or any other quality in property that causes it to damage or destroy itself;

- (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by birds, rodents or other animals;
 - (6) Any accident, loss, damage, cost, claim, or expense, whether preventative, remedial, or otherwise, directly or indirectly arising out of or relating to the recognition, interpretation, calculation, comparison, differentiation, sequencing, or processing of data by any computer system including any hardware, programs or software;
 - (7) Scratching and marring.
- b. Loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following causes of loss:
- Fire, lightning, combustion explosion, windstorm or hail, weight of snow, ice or sleet, freezing, falling objects, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sinkhole collapse, volcanic action, leakage from fire extinguishing equipment, water, water damage, earth movement or flood.
- 5. "Green" means products, materials, methods and processes certified by a "Green Authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
 - 6. "Green Authority" means an authority on "Green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), "Green" Building Initiative Green Globes®, Energy Star Rating System or any other recognized "Green" rating system.
 - 7. "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

- II. The following is added to **Paragraph A, Section 3** of the **Business Income (and Extra Expense) Coverage Form** (CP 00 30) if attached to and part of this policy:

Coverage for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by an "Equipment Breakdown" to equipment that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "Equipment Breakdown" except that it is not Covered Property.

- III. The following modifies the **Causes of Loss - Special Form** (CP 10 30)

A. Covered Causes of Loss

Covered Causes of Loss also means "Equipment Breakdown".

B. Exclusions and Limitations

The following **Exclusions** and **Limitations** do not apply:

- a. B.2.d. (6) and B.2.e;
- b. Limitations C.1.a. and C.1.b.

The following **Exclusions** are deleted and replaced with the following:

B.2.a. Magnetic or electromagnetic energy that disturbs, disrupts or otherwise interferes with any:

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

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

- (a) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (b) Pulse of electromagnetic energy; or
- (c) Electromagnetic waves or microwaves.

However, if damage results causing an "Equipment Breakdown", we will pay for the loss or damage caused by that "Equipment Breakdown".

G. Definitions

The following is added to the "Specified Causes of Loss" definition:

"Specified Causes of Loss" also means "Equipment Breakdown".

IV. Deductible

The Deductible applicable to the "Equipment Breakdown" Cause of Loss as defined herein and shown in the Declarations, Schedule A, or otherwise shown in the Declarations applies to each occurrence of loss or damage caused by "Equipment Breakdown". 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, and will pay the resulting amount or the applicable Limit of Insurance, whichever is less. The Deductible applicable to the "Equipment Breakdown" Cause of Loss shall be applied separately from any Deductible(s) applicable to any other Cause(s) of Loss covered under this policy.

V. Limit of Insurance

The most we will pay for loss or damage in any one occurrence is the Equipment Breakdown Limit of Insurance shown in the Declarations, Schedule A, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy. Notwithstanding anything stated to the contrary in this policy, the maximum amount we will pay for loss or damage caused by "Equipment Breakdown" under this Endorsement is \$15,000,000.00 at each Location or Premises shown in the Statement of Values (ICAT 50 SOV).

OCCURRENCE LIMIT OF LIABILITY ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

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

1. The Limit of Liability or Limit of Insurance shown in the Declarations, or endorsed onto this policy, is the total limit of our liability applicable to each occurrence, as hereafter defined. The Limit of Liability or Limit of Insurance may be reduced for a particular coverage or Cause of Loss in the event that the coverage or Cause of Loss has a policy period aggregate or annual aggregate indicated in the coverage endorsement, the Cause of Loss endorsement, or in the Declarations. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall our liability exceed this limit or amount irrespective of the number of locations involved.

The term "occurrence" shall mean any one loss, disaster, casualty or series of losses, disasters or casualties arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, flood, riot, riot attending a strike, civil commotion, vandalism or malicious mischief, one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, the Insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to the Covered Property occurs.

When the term applies to loss or losses from the perils of earthquake or volcanic eruption, one event shall be construed to be all losses arising during a continuous period of 168 hours. When filing proof of loss, the Insured may elect the moment at which the 168 hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to the Covered Property occurs.
2. The premium for this policy is based upon the Total Insured Value and Limit of Insurance shown in the Declarations or the Stated Values shown in the Statement of Values (ICAT 50 SOV) attached to this policy or on file with us. In the event of loss hereunder, our liability, subject to the terms of paragraph 1. above, shall be limited to the least of the following:
 - a. The actual amount of loss adjusted in accordance with the applicable Coverage Form, Valuation Loss Condition, or Replacement Cost Optional Coverage, less any applicable deductible(s).
 - b. The total stated value for each scheduled item of property involved, as shown in Schedule A of the Declarations or in the latest Statement of Values (ICAT 50 SOV) on file with the Company, less any applicable deductible(s).
 - c. The Limit of Liability or Limit of Insurance shown in the Declarations or endorsed onto this policy.

SINKHOLE LOSS COVERAGE ENDORSEMENT

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

This endorsement modifies insurance provided under the following forms.
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

A. Sinkhole Collapse Means Sinkhole Loss. In the Causes of Loss – Special Form (CP 10 30), references to sinkhole collapse means **Sinkhole Loss**. Sinkhole collapse is removed from the list of “specified causes of loss”. **Sinkhole Loss** is hereby added to this policy as a Covered Cause of Loss and to the list of the “specified causes of loss”. However, as a “specified cause of loss”, the following does not apply to the Additional Coverage – Collapse.

The definition of sinkhole collapse is replaced by the following:

Sinkhole Loss, meaning loss or damage to Covered Property when “structural damage” to the covered building, including the foundation, is caused by settlement or systematic weakening of the earth supporting the covered building, only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

Coverage for **Sinkhole Loss** includes stabilization of the building (including land stabilization) and repair to the foundation provided such work is in accordance with generally accepted engineering and construction practices and with the recommendation(s) of a “professional engineer” selected or approved by us. However, until you enter into a contract for performance of building stabilization or foundation repair:

1. We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the building; and
2. Our payment for **Sinkhole Loss** to Covered Property shall be limited to the actual cash value of the loss to such property.

You must enter into a contract for the performance of building stabilization and/or foundation repair in accordance with the aforementioned recommendation(s). Your failure to enter into such contract shall be a material breach of this policy. Only after you have entered into such a contract, we will pay the amounts necessary to begin and

perform such repairs as the work is performed and the expenses are incurred. However, if the aforementioned “professional engineer” determines at any point prior to the start of repair work that the repairs will exceed the applicable Limit of Insurance, we will either pay to complete the recommended repairs or pay that Limit of Insurance, whichever is less. If the “professional engineer” makes the aforementioned determination during the course of repair work and we have already begun making payments for the work performed, we will either pay to complete the recommended repairs or pay only the remaining portion of the applicable Limit of Insurance, whichever is less. Notwithstanding anything stated to the contrary in this policy, the most we will pay for the total of all **Sinkhole Loss**, including building and land stabilization and foundation repair, is the applicable Limit of Insurance.

Stabilization and all other repairs to Covered Property must be completed within 12 months of entering into the contract for the performance of the repairs, except that the 12-month completion period shall be extended provided that either of the following applies:

1. There is a mutual agreement between you and us to extend the 12-month completion period; or
2. Your sinkhole claim is involved in litigation, appraisal, or some other formal dispute resolution process agreed to by us.

If the stabilization and all other repairs to Covered Property are not completed within 12 months, we will pay only for the amount of work completed during such 12-month period and we are not obligated to pay for any additional stabilization or other repairs required after the termination of the 12-month period.

B. Limitations and Conditions Applicable to Sinkhole Loss Coverage.

1. **Sinkhole Loss** does not include:

- (a) Sinking or collapse of land into man-made underground cavities; or
 - (b) Earthquake.
2. To the extent that a part of either the **Earth Movement** Exclusion or the **Collapse** Exclusion conflict with the coverage provided for **Sinkhole Loss** under this endorsement, that part of the **Earth Movement** Exclusion or the **Collapse** Exclusion does not apply.
 3. Coverage for **Sinkhole Loss** under this endorsement does not increase the applicable Limit of Insurance. Even if loss or damage is caused by multiple Covered Causes of Loss insured under this policy, only one Limit of Insurance will apply to such loss or damage.
 4. You may not accept a rebate from any person performing repairs for **Sinkhole Loss** covered under this endorsement. If you receive a rebate, coverage under this endorsement is void and you must refund the amount of the rebate to us.
 5. The following provision is added to the Duties In the Event of Loss or Damage Loss Condition:
A claim for **Sinkhole Loss**, including, but not limited to, initial, supplemental and reopened claims, is barred unless notice of the claim is provided to us in accordance with the terms of this policy within two years after you knew or reasonably should have known about the **Sinkhole Loss**.
 6. At our sole discretion, we may make payment directly to the persons who perform any repairs related to **Sinkhole Loss**. Our decision to make payment to such persons does not make us part of the repair contract that you entered into with such persons and does not make us liable for the work performed.
- C. Definitions.** The following definitions are added with respect to the coverage provided under this endorsement:
1. "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.
 2. "Primary structural system" means an assemblage of "primary structural members".
3. "Professional engineer" means a person who:
 - a. Is licensed to engage in the practice of engineering under Title 32, Chapter 471 of the Florida Statutes;
 - b. Has a bachelor's degree or higher in engineering; and
 - c. Has experience and expertise in the identification of sinkhole activity as well as other potential causes of structural damage.
 4. "Structural damage" means a covered building, regardless of the date of its construction, has experienced the following:
 - a. Internal floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement-related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined in the Florida Building Code;
 - b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement-related damage to the "primary structural members" or "primary structural systems" and that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
 - c. Damage that results in listing, leaning, or buckling of the exterior load-bearing walls or other vertical "primary structural members" to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined in the Florida Building Code;

- d. Damage that results in the covered building, or any portion of the covered building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such covered building as defined in the Florida Building Code; or
- e. Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

ADDITIONS UNDER CONSTRUCTION CHANGES AND LIMITATIONS

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement limits and modifies insurance provided under the following forms:
BUILDING AND PERSONAL PROPERTY COVERAGE FORM (CP 00 10)
CONDOMINIUM ASSOCIATION COVERAGE FORM (CP 00 17)

The following is added to this policy:

Additions Under Construction Changes and Limitations

- I. Coverage provided for any additions under construction pursuant to **A.1.a.(5)(a)** is limited to the earlier of the first 30 consecutive days after construction of the addition commences or the expiration of this policy. At our discretion, we may, but are not obligated to, continue such coverage beyond the first 30 consecutive days after construction of the addition commences if you report the construction to us within the first 60 consecutive days after construction of the addition commences.

With respect to insurance on any additions under construction, coverage will end when any of the following first occurs:

- (a) this policy expires;
- (b) 30 days expire after you begin construction on the addition that would qualify as covered property; or
- (c) you report values to us.

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

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

- II. If a Coinsurance percentage is shown in the Declarations pursuant to **F.1**,

any additions under construction covered pursuant to **A.1.a.(5)(a)** will not be included as part of the value of Covered Property used in the calculation of the minimum amount of insurance required to meet the Coinsurance requirement if the loss occurs during the first 30 consecutive days after construction of the addition commences.

All other terms and conditions of this policy remain.

ADDITIONAL PROPERTY NOT COVERED

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM CP 00 10
CONDOMINIUM ASSOCIATION COVERAGE FORM CP 00 17

A. Machinery and Equipment in the Open Exclusion

1. Paragraph **A.1.b.(2)** is superseded and replaced by the following thereby removing coverage for machinery and equipment in the open (or in a vehicle) within 100 feet of the described premises:
 - (2) Machinery and equipment, but only machinery or equipment located in or on the building described in the Declarations and except for any machinery or equipment specifically listed in the Declarations or Statement of Values (ICAT 50 SOV).

B. Land, Water, and Air Exclusion

1. Paragraph **A.2.h.** is superseded and replaced by the following thereby excluding coverage for land, water, and/or air:
 - h. Land (including but not limited to land on which Covered Property is located), water, air, growing crops or lawns, howsoever and wherever located, or any interest or right therein.

C. Additional Property added to Property Not Covered

1. **Additional Property**, as defined in Paragraph **E.** of this Endorsement below, is added to **Property Not Covered**. Notwithstanding any provision to the contrary in this policy, **Additional Property** is covered under this policy only:
 - a. as provided under the **Additional Coverage – Unscheduled Additional Property** as explained in Paragraph **D.** of this Endorsement below; or
 - b. if specifically scheduled as Covered Property on the policy.

D. Additional Coverage – Unscheduled Additional Property

1. Paragraph **A.4., Additional Coverages**, has the following Additional Coverage added:
 - a. **Additional Coverage – Unscheduled Additional Property**. We will pay for sudden, fortuitous, direct physical loss or damage to **Additional Property** caused by a Covered Cause of Loss under this policy and subject to all other terms, conditions,

and limitations contained in this policy, including those in the Causes of Loss Form attached to and part of this policy. Under this Additional Coverage, **Additional Property** has the meaning described in Paragraph **E.** of this Endorsement below. This **Additional Coverage – Unscheduled Additional Property** applies in addition to and separately from the coverage provided for any property specifically scheduled under Additional Property Coverage in the Declarations or Statement of Values (ICAT 50 SOV).

- b. **Limit of Insurance**. The most we will pay for loss or damage in any one occurrence for this **Additional Coverage – Unscheduled Additional Property** is \$10,000, unless a higher limit is shown in the Declarations. The Limit of Insurance for this **Additional Coverage – Unscheduled Additional Property** is a sublimit of the Limit of Insurance that applies to this policy. The addition of this **Additional Coverage – Unscheduled Additional Property** to the policy does not increase or decrease our total Limit of Insurance.
- c. **Deductible**. The Deductible applicable to this **Additional Coverage – Unscheduled Additional Property** is \$2,500, unless a different amount is shown in the Declarations. If the adjusted amount of loss or damage (hereinafter referred to as loss) is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will subtract the Deductible from the adjusted amount of loss and we will pay the resulting amount or the Limit of Insurance, whichever is less. Notwithstanding any provision in this policy to the contrary, the above-stated Deductible amount will apply to each occurrence of loss covered under this **Additional Coverage – Unscheduled Additional Property**.

EXAMPLE #1: Loss only to Unscheduled Additional Property (loss above applicable deductible)

The policy covers an apartment building with a \$5,000,000 Limit of Insurance applicable to the Building Coverage and no property scheduled under Additional Property Coverage. The policy deductible applicable to loss caused by fire is \$5,000. The deductible applicable to the **Additional Coverage – Unscheduled Additional Property** is \$2,500. A fire damages a gazebo, shed, hot tub, and a fence that was set apart from the covered building by clear space, causing \$14,000 in loss.

Result: We will pay \$10,000 under this **Additional Coverage – Unscheduled Additional Property** because the Limit of Insurance for this Additional Coverage (\$10,000) is less than the amount of loss minus the Deductible (\$14,000 - \$2,500 = \$11,500). Note that the applicable Deductible is \$2,500 and that the policy's \$5,000 deductible for loss caused by fire does not apply.

EXAMPLE #2: Loss only to Unscheduled Additional Property (loss below applicable deductible)

The policy covers an apartment building with a \$5,000,000 Limit of Insurance applicable to the Building Coverage and no property scheduled under Additional Property Coverage. The policy deductible applicable to loss caused by fire is \$5,000. The deductible applicable to the **Additional Coverage – Unscheduled Additional Property** is \$2,500. A fire partially damages a fence that was set apart from the covered building by clear space. Repairs to the fence cost \$2,000.

Result: No payment is due under the policy as follows:

Loss to Unscheduled Additional Property	
\$2,000 - \$2,500 deductible =	No Payment

EXAMPLE #3: Loss to Scheduled Additional Property Coverage and to Unscheduled Additional Property

The policy covers an apartment building with a \$5,000,000 Limit of Insurance applicable to the Building Coverage and a fence is scheduled in the Declarations under Additional Property Coverage with a Limit of Insurance of \$7,500. The policy deductible applicable to loss caused by fire is \$5,000. The deductible applicable to the **Additional Coverage – Unscheduled Additional Property** is \$2,500. A fire completely destroys a gazebo, shed, hot tub, and the scheduled fence. The loss to the gazebo, shed, and hot tub is \$12,000. There is no damage to the apartment building.

Result: We will pay \$12,000 as follows:

Loss to Scheduled Fence	
\$7,500 - \$5,000 deductible =	\$2,500
Loss to Unscheduled Additional Property	
\$12,000 - \$2,500 deductible =	\$9,500
Total amount of Loss Payable:	\$12,000

EXAMPLE #4: Loss to Building and to Unscheduled Additional Property

The policy covers an apartment building with a \$5,000,000 Limit of Insurance applicable to the Building Coverage and no property scheduled under Additional Property Coverage. The deductible applicable to loss caused by hurricane is 3%. The deductible applicable to the **Additional Coverage – Unscheduled Additional Property** is \$2,500. The wind from a hurricane causes \$30,000 in loss to the roof of the apartment building and completely destroys a shed valued at \$7,500.

Result: We will pay \$5,000 as follows:

Loss to Building	
\$30,000 - \$150,000 deductible =	No Payment
Loss to Unscheduled Additional Property	
\$7,500 - \$2,500 deductible =	\$5,000
Total amount of Loss Payable:	\$5,000

E. Definition

1. **Additional Property** means:

- a. Machinery and equipment in the open, including gas pumps.
- b. Contractor's equipment, including trailers used to transport such equipment.
- c. Buildings or structures in the course of construction, including materials and supplies, except additions to or alterations and repairs on or within the existing walls of existing buildings or structures as provided pursuant to **A.1.a.(5)**.
- d. Power transmission and/or feeder lines.
- e. Fences, property-line walls, gates, latticework, and trellises, whether attached to a covered building or not.
- f. Walkways, boardwalks, catwalks, trestles, dams, and tunnels (all whether for pedestrians or vehicles).
- g. Seawalls.
- h. Pools (whether in the ground or above the ground and including spas, hot tubs and jacuzzis) located outdoors, ponds, lakes, waterfalls or fountains.
- i. Signs not attached to a covered building unless held for sale as Business Personal Property.
- j. Awnings, canopies, and carports not attached to a covered building or structure, including any structure or covering over gas pumps or pools.
- k. Light poles (including fixtures attached to such light poles) and street signs not attached to a covered building or structure.
- l. Lanai or any other similar structure not attached to a covered building and abutting, enclosing, or partially enclosing a pool.
- m. Greenhouses, shade houses, hot houses, and glass houses.
- n. Other buildings and structures at a Covered Location set apart from the covered building by clear space and not specifically described and included as Covered Property in the Declarations or Statement of Values (ICAT 50 SOV). This includes structures connected to a covered building by only a fence, utility line or similar connection.

All other terms and conditions of this policy remain unchanged.

ALUMINUM WIRING EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following forms:
CAUSES OF LOSS - SPECIAL FORM (CP 10 30)

The following **Aluminum Wiring Exclusion** is added to this policy:

Aluminum Wiring Exclusion

We will not pay for any loss or damage caused by or resulting directly or indirectly from a malfunction of aluminum distribution wiring.

All other terms and conditions of this policy remain.

ASBESTOS AND SICK BUILDING EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following form:
CAUSE OF LOSS - SPECIAL FORM (CP 10 30)

The following **Asbestos and Sick Building Exclusion** is added to this policy:

which is, or is suspected to be, unhealthy in any way to any person or other living thing.

Asbestos and Sick Building Exclusion

All other terms and conditions of this policy remain.

We will not pay for loss or damage caused by or resulting directly or indirectly from any of the following:

A. Any loss, damage or expense, or increase in loss, damage or expense caused by or resulting from:

- (1)** The removal, encapsulation, covering, or any manner of control or abatement from any goods, products, or structure of asbestos, dioxin, or polychlorinated biphenyls;
- (2)** The demolition, increased cost of construction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos, dioxins, or polychlorinated biphenyls;
- (3)** Any governmental direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of the Named Insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified;
- (4)** The presence of asbestos in any building or structure whether covered or not covered by this Policy.

B. Any loss, damage or expense, or increase in loss, damage or expense caused by or resulting from ventilation, heating, air conditioning, or sick building condition(s). Sick building condition(s) as used herein means a building(s) or structure(s) with actual or alleged conditions which create or may create an environment

PRIOR LOSS EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following form:
CAUSES OF LOSS - SPECIAL FORM (CP 10 30)

The following **Prior Loss Exclusion** is added to this policy:

Prior Loss Exclusion

We will not pay for any loss or damage that occurred prior to the effective date of this policy, including any continuation, change or resumption of such loss or damage during the policy period. In the event the effective date of this Policy is prior to the date coverage was requested to be bound, this Policy will not pay for any loss or damage occurring between the effective date of this Policy and the date coverage was requested to be bound.

All other terms and conditions of this policy remain.

SEEPAGE AND POLLUTION EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following form:
CAUSES OF LOSS - SPECIAL FORM (CP 10 30)

I. The following replaces **B.2.I.**:

I. Seepage and Pollution Exclusion

(1) Notwithstanding any provision to the contrary within the policy of which this endorsement forms part (or within any other endorsement which forms part of this policy), this policy does not insure:

(a) any loss, damage, cost or expense, or

(b) any increase in insured loss, damage, cost or expense, or

(c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

(2) The term "any kind of seepage or any kind of pollution and/or contamination" as used herein includes (but is not limited to):

(a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and

(b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

All other terms and conditions of this policy remain.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL HAZARDS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
ASSET COVERAGE PART
PREFERRED ASSET COVERAGE PART
BUILDERS RISK COVERAGE
COMMERCIAL OUTPUT PROGRAM
DIFFERENCE IN CONDITIONS PROGRAM
SPECIAL CAUSE OF LOSS POLICY

- I. Regardless of any other cause or event that contributes concurrently or in any sequence to loss, damage, cost, or expense, we will not pay for any loss, damage, cost or expense, whether real or alleged, that is caused by, results from, is exacerbated by or otherwise impacted by, either directly or indirectly and whether threatened or actual, any of the following:
- 1) **Nuclear Hazard** – including, but not limited to, nuclear reaction, nuclear detonation (including electromagnetic pulse caused by nuclear detonation), nuclear radiation, radioactive contamination and all agents, materials, products or substances, whether engineered or naturally occurring, involved therein or released thereby;
 - 2) **Biological Hazard** – including, but not limited to, any biological and/or poisonous or pathogenic agent, material, product or substance, whether engineered or naturally occurring, that induces or is capable of inducing physical distress, illness, or disease;
 - 3) **Chemical Hazard** – including, but not limited to, any chemical agent, material, product or substance;
 - 4) **Radioactive Hazard** – including, but not limited to, any magnetic, electromagnetic, optical, solar, or ionizing radiation or energy, including all generators and emitters thereof, whether engineered or naturally occurring. For purposes of this exclusion, magnetic or electromagnetic radiation or energy includes, but is not limited to, the following:
 - (a) Electrical charge produced or conducted by a magnetic or electromagnetic field;
 - (b) Pulse of electromagnetic energy; or
 - (c) Electromagnetic waves or microwaves.
- II. Only if and to the extent required by state law, the following exception to the exclusion in paragraph I. 1) applies:
- If a hazard excluded under paragraph I. 1) results in fire, we will pay for the loss, damage, cost or expense caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. This coverage does not apply to insurance provided under Business Income, Rental Value or Extra Expense coverage forms or endorsements that apply to those coverage forms.

All other terms and conditions of this policy remain.

DEDUCTIBLE APPLICABLE TO BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following forms.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM (CP 00 30)

A. The following is added as **Section G. Deductibles.**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less. The Deductible shall be calculated against all losses covered under the Business Income (And Extra Expense) Coverage Form, including the Civil Authority Additional Coverage, and shall be calculated against Business Income Coverage and Extra Expense Coverage beginning at the time that the "Period of Restoration" commences.

DEDUCTIBLE ENDORSEMENT FORM 425

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement defines how your Deductible(s) are calculated under the following Coverage Forms as may be applicable:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM

I. Deductible. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible defined in this Endorsement. We will then pay the amount of loss or damage in excess of the stated Deductible up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage, Additional Condition - Need for Adequate Insurance, or Additional Condition - Need for Full Reports.

II. Covered Cause of Loss. Your deductible will be applied against all loss or damage covered under this policy (unless such loss or damage is specifically excluded from application of a deductible) caused by a Covered Cause of Loss (as hereinafter defined or as defined in a separate Endorsement attached to this policy). A Covered Cause of Loss under this policy shall mean that the particular Cause of Loss is insured under this policy, which shall be documented in the Causes of Loss — Special Form (CP 10 30) or by the attachment of one or more Endorsement Form(s) adding such coverage to this policy. The Declarations Page, Schedule A identifies one or more Covered Causes of Loss under this policy, the dollar amount or percentage deductible for each Covered Cause of Loss, and the manner in which the deductible shall be applied against loss or damage.

Causes of Loss which may be covered under this policy and which may have a separate deductible include, but are not limited to, the following:

- windstorm or hail (including Named Windstorm and Named Hurricane)
- Named Windstorm (which includes Named Hurricane)
- Named Hurricane
- Water Damage
- All Other Peril or All Other Causes of Loss

The identification of the foregoing Causes of Loss does not mean that the Cause of Loss is a Covered Cause of Loss under this policy. A Cause of Loss is a Covered Cause of Loss under this policy only if it is insured under this policy, which would be documented in the Causes of Loss - Special Form or by the attachment of one or more Endorsement Form(s) adding such coverage to this policy.

III. Deductible Amount. The amount of your deductible may be different for different Covered Causes of Loss under this policy. These differences shall be identified on the Declarations Page, Schedule A. If you are insured for loss or damage caused by windstorm or hail, the amount of your deductible may differ for loss or damage caused by Named Hurricane, Named Windstorm, and windstorm or hail.

Notwithstanding anything to the contrary herein, if you purchased a Named Windstorm or Named Hurricane Deductible, your deductible shall be applied exclusively and on a primary basis if loss or damage is caused by a Named Windstorm or a Named Hurricane.

Although the Covered Cause of Loss insured against may include multiple Covered Causes of Loss (i.e., windstorm or hail coverage includes coverage for Named Hurricane), the Declarations Page, Schedule A may indicate different deductibles for these associated Covered Causes of Loss. For example, if your Declarations Page, Schedule A indicates separate deductibles for Named Hurricane and windstorm or hail, the Named Hurricane Deductible applies to loss or damage resulting from a Named Hurricane, and the Windstorm or Hail Deductible applies to all other loss or damage caused by windstorm or hail. In the event that two or more Covered Causes of Loss apply to an occurrence of loss or damage and two or more of the Covered Causes of Loss have different

deductibles shown in the Declarations, only the highest deductible shall apply.

IV. The amount of your deductible is determined as follows:

- a. Fixed Dollar Deductible. Your deductible equals a fixed dollar amount if the deductible is identified as a fixed dollar amount on the Declarations Page, Schedule A for the Covered Cause of Loss.
- b. Percentage Deductible - Line of Coverage. If the deductible is expressed as a percentage in Schedule A for a Covered Cause of Loss, and the percentage deductible is applied by Line of Coverage, then that deductible amount shall be determined by multiplying the percentage which applies for the Covered Cause of Loss by the stated value at each building or structure for each Line of Coverage identified in the Statement of Values (ICAT 50 SOV) or otherwise identified in the policy. The deductible amount for loss or damage to Business Personal Property shall be determined by multiplying the percentage which applies for the Covered Cause of Loss by the stated values for such Business Personal Property identified in the Statement of Values (ICAT 50 SOV) or otherwise identified in the policy.
- c. Percentage Deductible - Building. If the deductible is expressed as a percentage and applied by Building in Schedule A for a Covered Cause of Loss, then that deductible amount shall be determined by multiplying the percentage which applies for the Covered Cause of Loss by the sum of the stated values for each Building identified in the Statement of Values (ICAT 50 SOV) or otherwise identified in the policy.
- d. Percentage Deductible - Location. If the deductible is expressed as a percentage and applied by Location in Schedule A for a Covered Cause of Loss, then that deductible amount shall be determined by multiplying the percentage which applies for the Covered Cause of Loss by the sum of the stated values for each Covered Location identified in the Statement of Values (ICAT 50 SOV) or otherwise identified in the policy.
- e. Percentage Deductible - Policy. If the deductible is expressed as a percentage and applied by Policy in the Declarations Page, Schedule A for

a Covered Cause of Loss, then that deductible amount shall be determined by multiplying the percentage which applies for the Covered Cause of Loss by the sum of the stated values under the policy identified in the Statement of Values (ICAT 50 SOV) or otherwise identified in the policy.

- f. Minimum Deductible. Notwithstanding anything to the contrary contained herein, a Covered Cause of Loss may be subject to a Minimum Deductible.

V. Deductible Application. Your deductible will be applied to loss or damage to Covered Property by Policy, Location, Building, or Line of Coverage, subject to our Limit of Insurance. Your deductible will be applied as identified in the Declarations Page, Schedule A.

- a. Policy Application. If your deductible for a particular Covered Cause of Loss is applied by Policy, your deductible will be applied to the sum of all loss or damages to Covered Property under this policy directly resulting from a Covered Cause of Loss.
- b. Location Application. If your deductible for a particular Covered Cause of Loss is applied by Location, your deductible will be applied to the sum of all loss or damages to Covered Property at each Covered Location resulting from a Covered Cause of Loss. If two or more Covered Locations are insured under this policy, then the deductible will be applied separately at each Covered Location against the sum of all loss or damages incurred at each Covered Location resulting from a Covered Cause of Loss.
- c. Building Application. If your deductible for a particular Covered Cause of Loss is applied by Building, your deductible will be applied to the sum of all loss or damages to Covered Property at each Building or structure resulting from a Covered Cause of Loss. If two or more buildings or structures are insured under the policy, then the applicable deductible will be applied separately at each Building or structure against the sum of all loss or damages incurred at each Building or structure resulting from a Covered Cause of Loss.
- d. Line of Coverage Application.

- i. As respects loss or damage to Covered Property (as defined in either the Building and Personal Property Coverage Form or the Condominium Association Coverage Form) excluding Business Personal Property (also as defined in either the Building and Personal Property Coverage Form or the Condominium Association Coverage Form):

- 1. The applicable deductible will be applied separately to all Covered Property excluding Business Personal Property building and structure losses from all other Covered Property losses; and
- 2. If two or more buildings or structures are Covered Property, then the applicable deductible will be applied separately to each such building or structure.

- ii. As respects loss or damage to Business Personal Property:

- 1. The applicable deductible will be applied to Business Personal Property losses separately from All Other Covered Property Losses; and
- 2. If Business Personal Property is located in two or more buildings or structures, then the applicable deductible will be applied separately to such Business Personal Property located in each such separate building or structure as shown in the Declarations Page, Schedule A and/or the Statement of Values (ICAT 50 SOV) or otherwise identified in the policy; and

- 3. The applicable deductible for losses to all Business Personal Property will be applied to the sum of all Business Personal Property losses in each building or structure as shown in the Declarations Page, Schedule A and/or the Statement of Values (ICAT 50 SOV) or otherwise identified in the policy.

- iii. As respects loss, damage or expense to Covered Property insured under Business Income and Extra Expense (pursuant to

the Business Income (And Extra Expense) Coverage Form and/or the Extra Expense Coverage Form and hereinafter referred to as Business Income and Extra Expense):

- 1. The applicable deductible will be applied separately to all Business Income and Extra Expense losses and applied at either the building or Covered Location level as shown in the Declarations Page, Schedule A; and
- 2. If Business Income and Extra Expense Coverage is applicable to two or more buildings or structures, then the applicable deductible will be applied separately to Business Income and Extra Expense losses from all other Covered Property Losses and applied at either each building or Covered Location as shown in the Declarations Page, Schedule A.

- iv. As respects loss or damage to Covered Property under the Increased Cost of Construction Additional Coverage (as defined in either the Building and Personal Property Coverage Form or the Condominium Association Coverage Form), the coverage provisions of this Additional Coverage shall not be activated or available to you unless and until the deductible provisions applicable to Covered Property have been satisfied and a claim payment is due to you.

VI. Frequency of Deductible Application During the Policy Period. The Deductible applicable to any loss or damage to Covered Property will be applied separately to each such occurrence of loss or damage during the Policy Period.

VII. Named Windstorm as used herein is defined as a storm system that has been declared to be a hurricane or tropical storm by the National Hurricane Center of the National Weather Service which affects Covered Property. The duration of the Named Windstorm shall be from the moment a tropical storm or hurricane watch or warning is issued by the National Hurricane Center and continuing for the time period during which the tropical storm or hurricane watch or warning is in effect, ending 72 hours following the termination of the last tropical storm or hurricane watch or warning issued by the National Hurricane Center for such storm system.

VIII Named Hurricane as used herein is defined as a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service which affects Covered Property. The duration of the Named Hurricane shall be from the moment a hurricane watch or warning is issued by the National Hurricane Center and continuing for the time period during which the hurricane watch or warning is in effect, ending 72 hours following the termination of the last hurricane watch or warning issued by the National Hurricane Center for such storm system.

IX. Water Damage Deductible. In the event that the Declarations Page indicates a separate Water Damage Deductible, that Deductible shall apply to covered fortuitous loss or damage to Covered Property caused directly or indirectly by water, freeze, wetness, accidental discharge, seepage, or excessive moisture resulting from a Covered Cause of Loss under this policy. For example,

the Water Damage Deductible applies, but is not limited, to loss or damage to Covered Property that occurs when a pipe freezes resulting in the cracking of the pipe and water leaks from the pipe after it thaws, but does not apply to loss or damage to Covered Property caused by the intentional spraying of a fire hose to extinguish a fire. Instead, the All Other Peril or All Other Causes of Loss Deductible would apply to loss or damage caused by the intentional spraying of a fire hose to extinguish a fire. Notwithstanding the foregoing, if the water, freeze, wetness, accidental discharge, seepage, or excessive moisture is the result of, or contributed to in any way by, windstorm or hail, Named Windstorm, Named Hurricane, Earthquake, or Earthquake Sprinkler Leakage and that Cause of Loss has a higher Deductible shown in the Declarations, then that higher Deductible shall apply to any loss or damage to Covered Property.

All other terms and conditions of this policy remain.

FLORIDA CHANGES AND COMMON POLICY CONDITIONS

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

All parts of your policy are subject to the following.

I. Cancellation.

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - i. 10 days before the effective date of cancellation if We cancel for non-payment of premium; or
 - ii. 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 1. A material misstatement or misrepresentation; or
 2. A failure to comply with an underwriting requirement established by us.
- c. The notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- d. If this policy is cancelled, we will refund any premium refund due, with such refund payment to be calculated consistent with the terms and conditions of this policy and any endorsements that are part of this policy, unless otherwise stipulated by law.

II. Changes.

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

III. Examination Of Your Books And Records.

- a. 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 five years afterward.

IV. Inspections And Surveys.

- a. We have the right to:
 - i. Make inspections and surveys at any time;
 - ii. Give you reports on the conditions we find; and
 - iii. Recommend changes.
- b. 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. We do not warrant that conditions:
 - i. Are safe or healthful; or
 - ii. Comply with laws, regulations, codes, or standards.
- c. Section IV., Paragraphs a. and b. apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- d. The underwriting period for this policy is the first 90 days of the policy period. During the underwriting period, we may verify the information submitted as part of the application for insurance coverage under this policy. We may modify the terms of the policy, including the premium charged, based on the information we obtain during the underwriting period.
- e. We may cancel the policy for any reason, subject to Section I. Cancellation above, either during the underwriting period or after the underwriting period, except that if the notice of cancellation is being mailed after the above-stated underwriting period, the notice period stated in Section I., Paragraph b.ii. above is 45 days.

V. Premiums.

- a. The first Named Insured shown in the Declarations is responsible for the payment of all premiums.

VI. Transfer of Your Rights And Duties Under This Policy.

- a. Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured. If you die, your rights and duties will be transferred to your legal representative. Until your legal representative is appointed, anyone having temporary custody of your property will have your rights and duties with respect to that property.

VII. Nonrenewal.

- a. If we decide not to renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal at least 45 days in advance.

VIII. Notice of Cancellation or Nonrenewal.

- a. Any notice of cancellation or nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us.
- b. If notice of cancellation or nonrenewal is mailed, proof of mailing will be sufficient proof of notice.

IX. Windstorm or hail, Named Windstorm, and Named Hurricane Exterior Paint and Waterproofing Exclusion.

- a. If windstorm or hail, Named Windstorm, or Named Hurricane is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from such Covered Cause(s) of Loss, the following exclusion applies in:
 - i. Broward County;
 - ii. Dade County;
 - iii. Martin County;
 - iv. Monroe County;
 - v. Palm Beach County; and
 - vi. All the areas east of the west bank of the Intra-Coastal Waterway in the Counties of:
 - 1. Indian River; and
 - 2. St. Lucie.
- b. We will not pay for loss or damage caused by windstorm or hail, Named Windstorm, or Named Hurricane to:
 - Paint; or
 - Waterproofing material;

applied to the exterior of Buildings unless the Building to which such loss or damage occurs also sustains other loss or damage by windstorm or hail, Named Windstorm, or Named Hurricane in the course of the same storm event. But such coverage applies only if windstorm or hail, Named Windstorm, or Named Hurricane is a Covered Cause of Loss.

- c. When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:
 - i. The amount of the Windstorm or Hail Deductible, the Named Windstorm Deductible, or the Named Hurricane Deductible; or
 - ii. The value of Covered Property when applying the Coinsurance Condition.

- X. Changes for Residential Condominium Association Coverage. This Section X. applies only if (1) the Condominium Association Coverage Form (CP 00 17) is attached to and part of this policy and (2) this policy provides coverage for a "residential condominium" as defined in Section 718.103(23) of the Florida Statutes. This Section X. does not apply to any type of condominium other than a "residential condominium."

The **Building** section of the Condominium Association Coverage Form (CP 00 17) is replaced by the following:

- a. Building shall mean the building or structure described in the Declarations, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy, including:
 - i. Completed additions;
 - ii. Fixtures, outside of individual units, including outdoor fixtures;
 - iii. Permanently installed:
 - 1. Machinery and
 - 2. Equipment;
 - iv. Air conditioning and heating equipment, including air conditioning compressors, used to service the building or structure including individual units and limited common elements;
 - v. Any other portion of the condominium property located outside of individual units; and

- vi. Additional property as described in the Declarations, the Statement of Values (ICAT 50 SOV), or otherwise identified in the policy.
 - vii. 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;
 - viii. If not covered by other insurance:
 - 1. Additions under construction, alterations and repairs to the building or structure;
 - 2. Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and
 - ix. Fixtures, improvements and alterations that are a part of the building or structure and contained within a unit if your Condominium Association Agreement requires you to insure it.
- b. Building does not include:
- i. Any personal property within individual units or limited common elements except as provided in Section X., Paragraph a.iv. above;
 - ii. Floor coverings, wall coverings and ceiling coverings within individual units or limited common elements;
 - iii. 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;
 - iv. Any of the following types of property contained inside individual units: appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; and
 - v. Improvements or additions to the condominium property that benefit fewer than all unit-owners, unless otherwise endorsed to the policy.
- c. 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.
- d. With respect to Replacement Cost coverage as provided under this Coverage Form, the property described in Section X., Paragraph a.iv. above is not considered to be the personal property of others.
- XI. The following provision is added to the **Duties In The Event Of Loss or Damage** Loss Condition:
- a. A claim, supplemental claim or reopened claim for loss or damage caused by windstorm, Named Windstorm, or Hurricane is barred unless notice of the claim is given to us in accordance with the terms of this policy within three years after windstorm caused the loss or damage or within three years after the named storm or hurricane first made landfall. Supplemental claim or reopened claim for purposes of this provision means an additional claim for recovery from us for losses from the same windstorm, named windstorm, or hurricane that we previously adjusted pursuant to the initial claim.
- XII. The following replaces the second paragraph of the **Legal Action Against Us** Condition in the **COMMERCIAL PROPERTY COVERAGE PART**:
- Legal action against us involving direct physical loss or damage to property must be brought within 5 years from the date the loss occurs.

EARNED PREMIUM ENDORSEMENT

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following forms.

COMMERCIAL PROPERTY COVERAGE PART

Earned Premium

- I. If this Policy, including any extensions of this Policy, is in force at any time between June 1 and November 30, then the Table 1 immediately below defines how premium is earned unless otherwise stipulated by law and subject to any exceptions stated herein.

Island, then Section I.A of this Endorsement is deleted and replaced with the following:

Table 1

Percent of Expired Policy Term Current Policy Period	Percent of Annual Premium Earned
0% to 50%	80%
51% to 57%	85%
58% to 65%	90%
66% to 73%	92.5%
74% to 82%	95%
83% to 90%	97.5%
91% to 100%	100%

If a building or location is added during the term of this Policy and the Policy is in force at any time between June 1 and November 30, then the premium associated with that building or location will be earned in accordance with the above table.

- II. The sole exceptions to Table 1 above are as follows:
- A. If the Covered Property is located in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, or Rhode

1. Unless otherwise stipulated by law and subject to any exceptions stated in Sections II.A.(1)-(2) of this Endorsement, if this Policy, including any extensions of this Policy, is in force at any time between July 1 and April 1, then Table 1 above defines how premium is earned.

- III. If this Policy is cancelled, we will refund any unearned premium due in accordance with the table above, subject only to the following exceptions:
- A. If we cancel, the refund will be pro-rated based upon the number of days remaining until the end of the Policy Period.
- B. If you cancel and the Policy was not in force at any time between June 1 and November 30, then the premium refund will be equal to 90% of the pro rata unearned premium as of the effective date of cancellation subject to a minimum earned premium of 25% of the annual premium.
- C. If this Policy has been extended beyond the end of the Policy Period and the Policy is cancelled at any time during such extended Policy Period, there will be no premium refund.

ELECTRONIC DATE RECOGNITION EXCLUSION ENDORSEMENT

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

A. Notwithstanding any provision to the contrary within this Policy or within any Endorsement which forms part of this Policy, this Policy does not insure any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

1. the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
2. any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This Endorsement applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

The above-listed changes do not increase or decrease the Policy Limit of Insurance.

All other terms and conditions of this Policy remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this policy or any endorsement attached thereto, it is agreed that this policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this Endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If we determine that by reason of this exclusion, any loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall be upon the Insured.

In the event any portion of this Endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

TRIA COVERAGE DECLINATION

This Endorsement is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Program" as provided for and created by the "U.S. Terrorism Risk Insurance Act of 2002" as amended.

It is hereby noted that we have made available coverage for "insured losses" directly or indirectly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002" as amended ("TRIA") and you have declined or not confirmed to purchase this coverage.

This policy therefore affords no coverage for losses directly or indirectly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

The terms "act of terrorism" and "insured loss(es)" shall have the meanings as provided for in TRIA.

All other terms, conditions, insured coverage and exclusions of this policy, including applicable limits and deductibles, remain unchanged and apply in full force and effect to the coverage provided by this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYEE THEFT AND FORGERY POLICY
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
GOVERNMENT CRIME AND COVERAGE FORM
GOVERNMENT CRIME POLICY
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

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

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

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

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY
 EXCESS FOLLOWING FORM POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
California, Connecticut, Georgia, Iowa, Maine,	Policy
Missouri, New York, Rhode Island, Washington	
and West Virginia	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

WAR AND CIVIL WAR EXCLUSION CLAUSE

Notwithstanding anything to the contrary contained herein this policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

NMA0464

01/01/1938

AUTHORIZED SIGNATURES, SERVICE OF PROCESS, AND CONSUMER SERVICE ENDORSEMENT

1. **Signature(s) Required.** If the Insurer Participation Schedule (ICAT 50 SCH) identifies Underwriters at Lloyd's, London, as an insurer participating on this policy, a signature of the duly authorized Correspondent issuing this policy on behalf of Underwriters at Lloyd's, London, is required to be included with this policy. The duly authorized Correspondent is International Catastrophe Insurance Managers, LLC ("ICAT") and following is the required signature on behalf of such Correspondent:



Any authorized signatures required on behalf of any other insurers participating on this policy can be found on the pages immediately following this Endorsement.

2. **Service of Suit.**

- A. **Underwriters at Lloyd's, London.** If the Insurer Participation Schedule (ICAT 50 SCH) identifies Underwriters at Lloyd's, London, as an insurer participating on this policy, then the following provisions apply with regard to Service of Suit upon such Underwriters at Lloyd's, London: 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

If the cause of action arises in California:

Foley & Lardner LLP
555 California Street
Suite 1700
San Francisco, CA 94104-1520
Tel: 415.434.4484

If the cause of action arises in any other state:

Mendes & Mount, LLP
750 Seventh Avenue
New York, NY 10019
Tel: 212.261.8000

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 hereby 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 authorized to mail such process or a true copy thereof.

B. Other Insurers. If the Insurer Participation Schedule (ICAT 50 SCH) identifies insurer(s) other than Underwriters at Lloyd's, London, as participating on this policy, then please see the separate Service of Process Endorsement(s) attached to and part of this policy immediately following on the pages immediately following this Endorsement.

3. **Applicable Law.** This insurance policy shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the Service-of-Suit provisions in number 2. directly above. (LMA5021.)
4. **Consumer Service.** We are dedicated to providing you with high-quality service and we want to ensure that we maintain such service at all times. If you feel that we have not offered you first-class service, please write and tell us and we will do our best to resolve the problem. If you have any questions or concerns about your policy or the handling of a claim, you should, as a first step, contact the licensed insurance professional who assisted you in the purchase of this insurance. If the licensed insurance professional is unable to resolve your questions or concerns, please write to the Lloyd's Coverholder for this business at the following address:

Compliance Department
ICAT
385 Interlocken Crescent
Suite 1100
Broomfield, CO 80021

Tel: (303) 447-1155
Fax: (303) 447-1166

In the event that you remain dissatisfied and wish to make a complaint, it may be possible in certain circumstances, and to the extent that Underwriters at Lloyd's, London, is identified as an insurer which is participating on this policy, for you to refer the matter to Policyholder & Market Assistance at Lloyd's. Their address is:

Policyholder & Market Assistance
Lloyd's Market Services
One Lime Street
London EC3M 7HA

Tel.: 011.44.020.7327.5693
Fax: 011.44.020.7327.5225
Email: Complaints@Lloyds.com

In the event that Policyholder & Market Assistance is unable to resolve your complaint, it may be possible, and again only to the extent that Underwriters at Lloyd's, London, is identified as an insurer which is participating on this policy, for you to refer it to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaints process.



National Fire & Marine Insurance Company

SERVICE OF SUIT (National Fire & Marine Insurance Company Only)

Service of Suit upon National Fire & Marine Insurance Company may be made upon: Counsel, Legal Department, National Fire & Marine Insurance Company, 1314 Douglas Street, Suite 1400, Omaha, NE 68102-1944.

In addition to the foregoing, should any cause of action arise in Washington under this policy of insurance, then service of process against National Fire & Marine Insurance Company may be made in such action by service upon the Commissioner of Insurance of the State of Washington. National Fire & Marine Insurance Company further designates the following as the person to whom the Commissioner shall forward such process: Counsel, Legal Department, National Fire & Marine Insurance Company, 1314 Douglas Street, Suite 1400, Omaha, NE 68102-1944.

SIGNATURE PAGE (National Fire & Marine Insurance Company Only)

	
Secretary	President

All other terms and conditions of the policy remain unchanged.



CRUM & FORSTER®
A FAIRFAX COMPANY

COMPANY SIGNATURE PAGE

Crum & Forster Specialty Insurance Company
A Delaware Corporation
Home Office: Wilmington, DE

(A Capital Stock Company)

SIGNATURE

Marc J. Adee
Chairman and CEO

SIGNATURE

James Kraus
Secretary



CRUM & FORSTER®
A FAIRFAX COMPANY

SERVICE OF PROCESS CLAUSE

The Insurance Commissioner, Director of Insurance, Superintendent of Insurance, or other officer specified by law, pursuant to the laws of the state where this policy is delivered, is hereby designated as the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit, or proceeding arising out of this policy. The Company further designates:

Name: Marc Adee, President
Name of Company or Firm: Crum & Forster Specialty Insurance Company
Mailing Address: 305 Madison Avenue
Morristown, NJ 07960

as its person to whom such process shall be forwarded by the Insurance Commissioner, Director of Insurance, Superintendent of Insurance, or other officer specified by law.

All other terms and conditions of the policy remain unchanged.

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

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

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

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

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

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

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

EXHIBIT B



April 22, 2020

VIA CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

RESERVATION OF RIGHTS

Alan Serure MD PA; South Miami Center for Advanced Surgery
7330 SW 62nd Pl, #200
South Miami, FL 33143

Attn: Lucy Cabrera

RE: Insured: Alan Serure MD PA; South Miami Center for Advanced Surgery
 Claim #: ICAT-2020-V-0000022603
 Policy #: 09-7590120459-S-02
 Date of Loss: 03/18/2020
 Carrier: Crum & Forster Specialty Insurance Company
 National Fire & Marine Insurance Company
 Certain Underwriters at Lloyd's, London

Dear Lucy Cabrera:

We are the representatives of Crum & Forster Specialty Insurance Company, National Fire & Marine Insurance Company and Certain Underwriters at Lloyd's, London, all subscribing to policy of insurance No. 09-7590120459-S-02 ("Underwriters"), which insures Alan Serure MD PA; South Miami Center for Advanced Surgery ("the Insured") for the property located at 7330 SW 62nd Pl, 7300-7330 #200, 201, 220, South Miami, FL 33143 under an "All Risk" policy. We write regarding the claim the Insured has submitted for business income loss related to the Covid-19 (the "Claim").

Please be advised that upon review of the coverage provided by the Policy and in light of Underwriters' continuing investigation, Underwriters is issuing this reservation of rights letter in connection with the Claim. By "reservation of rights," we mean that this Claim is currently being investigated, and it has not yet been determined whether, or to what extent, it is covered under the Policy. While our investigation continues, please be advised that any investigation made, or action taken by Underwriters and/or its representatives, is done under a full reservation of rights under the Policy.

Boulder Claims, LLC

385 Interlocken Crescent, Suite 1100, Broomfield, Colorado 80021

Tel: 303-327-1800

www.boulderclaims.com

Fax: 303-327-1967

At the outset, we note that you did not present any information that confirmed the actual existence of Covid-19 anywhere on covered property. Rather, your Claim appears to be premised on the possible, and not the actual, presence of the virus on covered property, and the actual presence of the virus on covered property must be established with respect to any coverage consideration.

Underwriters' reservation of rights with respect to its investigation of coverage relies, in part, on the following Policy provisions.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
CP 00 30 06 07

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section F., Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll. For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by

direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located. With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease, or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

3. "Period of restoration" means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location

5. Additional Coverages

a. Civil Authority

In this Additional Coverage - Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began. Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends; whichever is later.

**CAUSES OF LOSS – SPECIAL FORM
Form CP 10 30 06 07**

B. Exclusions

2. We will not pay for loss or damage caused by or resulting from any of the following:

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

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

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

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS
ENDORSEMENT CAREFULLY.**

**NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL HAZARDS
EXCLUSION
ICAT SCOL 238 (10 15)**

This endorsement modifies insurance provided under the following:
COMMERCIAL PROPERTY COVERAGE PART
SPECIAL CAUSE OF LOSS POLICY

- I. Regardless of any other cause or event that contributes concurrently or in any sequence to loss, damage, cost, or expense, we will not pay for any loss, damage, cost or expense, whether real or alleged, that is caused by, results from, is exacerbated by or otherwise impacted by, either directly or indirectly and whether threatened or actual, any of the following:
 - 2) **Biological Hazard** – including, but not limited to, any biological and/or poisonous or pathogenic agent, material, product, or substance, whether engineered or naturally occurring, that induces or is capable of inducing physical distress, illness, or disease;

**SEEPAGE AND POLLUTION EXCLUSION ENDORSEMENT
ICAT SCOL 234 (07 09)
THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS
ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following form:
CAUSES OF LOSS - SPECIAL FORM (CP 10 30)

- I. The following replaces **B.2.1.**:

I. Seepage and Pollution Exclusion

- (1) Notwithstanding any provision to the contrary within the policy of which this endorsement forms part (or within any other endorsement which forms part of this policy), this policy does not insure:
 - (a) any loss, damage, cost, or expense, or
 - (b) any increase in insured loss, damage, cost, or expense, or
 - (c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps

or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

- (2) The term "any kind of seepage or any kind of pollution and/or contamination" as used herein includes (but is not limited to):

- b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

We quote the above provisions for ease of reference and note that all other terms and conditions of the Policy remain in full force and effect.

At this juncture, the facts do not establish direct physical loss or damage to Covered Property at the insured premises by a Covered Cause of Loss under the Policy. As outlined above, direct physical loss of or damage to Covered Property is a condition to coverage. In addition, if the threshold for coverage for the loss of business income is met, such coverage begins 72 hours after the time direct physical loss or damage to covered property occurs and ends on the earlier of the date when the damaged covered property should be repaired, rebuilt or replaced with reasonable speed and similar quality or the date when business is resumed at a new permanent location.

The coverage provided by the Civil Authority provision requires that the action of civil authority that prohibits access to the described premises be due to direct physical loss of or damage to property other than covered property caused by or resulting from any Covered Cause of Loss. Under the Civil Authority provision coverage for the loss of Business Income begins 72 hours after the time of that action and applies for a period of up to three consecutive weeks after coverage begins.

Assuming direct physical loss or damage to Covered Property, the Policy contains an exclusion for loss or damage caused by any "Biological Hazard" such as Covid-19. In addition, the policy contains an exclusion for loss or damage caused by "contamination" the presence or existence of which endangers or threatens to endanger the health, safety, or welfare of persons such as Covid-19. The policy also contains an exclusion for loss or damage resulting from acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body. Further, the policy also contains an exclusion for loss or damage resulting from delay, loss of use or loss of market. Any or all of these exclusions may be applicable to the claim as reported.

Accordingly, depending on the results of Underwriters' investigation of this loss and claim, any damages suffered by the Insured from this loss may not be covered, in whole or in part, pursuant to the above-quoted terms and conditions or otherwise may be excluded or not covered under the Policy.

April 21, 2020

As stated, Underwriters are proceeding with its investigation under a reservation of rights and reserves its right to decline coverage for the reasons set forth above. Underwriters also expressly reserve the right to modify or expand upon the foregoing reservations as its investigation proceeds. Underwriters further expressly reserve all, and do not waive any, of its rights to raise or assert any and all defenses and/or bases to disclaim coverage, based upon law or the terms and conditions, exclusions and/or limitations of the Policy. No actions heretofore or hereinafter taken by Underwriters shall be construed as either a waiver of its policy provisions or its rights thereunder, all of which are hereby reserved.

Underwriters are committed to the prompt and fair handling of all claims for coverage. If you believe that their position is incorrect or constitutes a wrongful denial, reservation of rights or rejection of this claim, you may have the matter reviewed by the Florida Division of Consumer Services by calling (877) 693-5236, or by writing to the Division at this address:

Florida Chief Financial Officer
Division of Consumer Services,
200 East Gaines Street
Tallahassee, FL 32399-0322

Related to your uninsured or underinsured claims, Underwriters wish to remind you to inquire about potential coverage under the **Florida Citizens Property Insurance Corporation (citizensfla.com)** and the **National Flood Insurance Program (fema.gov)**. Your retail insurance agent may be able to assist you in this regard. Underwriters also encourage you to contact the **Federal Emergency Management Agency or FEMA (1-800-733-2767) or disasterassistance.gov** to see what resources may be available to you. Additionally, the **Small Business Administration, or SBA (disasterloan.sba.gov)** might be able to assist in recovering from uncovered losses. For immediate food and shelter needs, contact the **American Red Cross (1-800-733-2767) or redcross.org**. Although these programs may not provide insurance coverage, Underwriters wish to alert you to these programs, which may address the insurance coverage gaps in your claim or provide other assistance.

If you or your representatives have any questions, please contact us.
Best Regards,

Rhonda Cole
Claims Examiner
Office: 954-233-0734

cc: RT Specialty Tampa
101 E. Kennedy Blvd
Suite 2175
Tampa, FL 33602

Marsh & McLennan Agency LLC
9850 N.W. 41st Street

April 21, 2020

Suite 100
Miami, FL 33178

For your protection Florida law requires the following statement to appear on this form. "Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree."