KENTUCKY CHANGES – MINE SUBSIDENCE

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This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

The Coverage Form to which this endorsement applies is extended to insure against direct loss by Mine Subsidence.

A. Coverage

The **Coverage** Section is replaced by the following:

Mine Subsidence Coverage

We will pay for direct physical loss of or damage to structures at the premises described in the Mine Subsidence Schedule or in the Declarations caused by or resulting from Mine Subsidence.

1. Covered Property

Covered Property, as used in this endorsement, means the following type of property for which a Limit Of Insurance is shown in the Mine Subsidence Schedule or Declarations:

Structures, meaning buildings or fixtures permanently attached to real estate, including:

a. The cost of excavation, grading, backfilling or filling;

b. Foundations of building, 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;

c. Pilings and piers; and

d. Underground pipes, flues and drains.

2. Property Not Covered

Covered Property does not include:

a. Land; or

b. Personal Property.

3. Covered Cause Of Loss

Mine Subsidence means the collapse of underground coal mines resulting in direct damage to a Structure. It does not include loss caused by:

a. Earthquake or earth movement, landslide, water seepage or volcanic eruption; or

b. Collapse of storm or sewer drains.

4. Additional Living Expense, Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

If this policy includes the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, then the following applies in the event of loss or damage caused by or resulting from Mine Subsidence to a Structure that is a residence you own and that is insured against Mine Subsidence under that coverage form:

We will pay up to $50,000 for the additional living expenses reasonably and necessarily incurred by you, when you have been temporarily displaced as the direct result of loss of or damage to a residence you own caused by or resulting from Mine Subsidence.

5. Additional Coverage

DEBRIS REMOVAL

We will pay your expense to remove debris of Covered Property caused by or resulting from Mine Subsidence.

B. Exclusions

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For the purpose of the coverage provided by this endorsement, the following is added to the **Earth Movement** Exclusion:

This exclusion does not apply to direct loss caused by Mine Subsidence as covered under this Coverage Part.

C. Limits Of Insurance

1. For the Commercial Property Coverage Part and for the Capital Assets Program (Output Policy) Coverage Part, the Limits Of Insurance provision is replaced by the following:

Limits Of Insurance

The most we will pay for loss of or damage to any one Structure caused by Mine Subsidence in any one occurrence, including debris removal, is the Limit Of Insurance for Mine Subsidence shown in the Mine Subsidence Schedule or in the Declarations. However, this limit will be reduced by the amount of loss payment which is due from the Mine Subsidence Insurance Fund but which we cannot collect from the Mine Subsidence Insurance Fund.

2. For the Farm Coverage Part, the Limits Of Insurance provision is replaced by the following:

Limits Of Insurance

a. If this policy does not include the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, the most we will pay for loss of or damage to any one Structure caused by Mine Subsidence in any one occurrence, including debris removal, is the Limit Of Insurance for Mine Subsidence shown in the Mine Subsidence Schedule or in the Declarations.

b. If this policy includes the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, the most we will pay for loss of or damage caused by Mine Subsidence is the sum of:

(1) The Limit of Insurance for loss of or damage to any one Structure caused by Mine Subsidence in any one occurrence, including debris removal; plus

(2) $50,000 for additional living expenses in accordance with Paragraph A.4.;

as shown in the Mine Subsidence Schedule or in the Declarations.

However, the sum of **b.(1)** and **b.(2)** will be reduced by the amount of loss payment which is due from the Mine Subsidence Insurance Fund but which we cannot collect from the Mine Subsidence Insurance Fund. If both **b.(1)** and **b.(2)** apply to such a loss, the reduction in the amount of loss payment will be made to **b.(1)** and **b.(2)** in proportion to the respective amounts of the Limit of Insurance and the $50,000 limit for additional living expenses.

D. Deductible

The **Deductible** provision is replaced by the following:

Deductible

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds 2% of the Limit of Insurance. But this amount will not be;

a. Less than $250; or

b. More than $500.

We will then pay the amount of loss or damage in excess of the amount determined above up to the applicable Limit of Insurance.

2. This section applies separately to each Structure to which this endorsement applies.

E. Additional Conditions

The **Coinsurance** Additional Condition does not apply to this endorsement.