

ISRB CIRCULAR

IDAHO COMMERCIAL FIRE & ALLIED LINES - FINALIZED MULTISTATE FORMS AND ENDORSMENT CHANGES.

Forms

June 19, 2017

2017-CF-1

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BACKGROUND

This information is intended exclusively for Idaho Surveying and Rating Bureau, Inc. affiliated companies.

Bureau staff has received and reviewed changes to Commercial Fire Forms and Endorsements. Based on staff's evaluation of this review, the Bureau will implement the following Form changes to Commercial Fire and Allied Lines in Idaho effective November 1, 2017.

CHANGES

The Idaho Department of Insurance has accepted this filing.

CF-2016-OFR16

This filing provides new, withdrawn, and revised Commercial Fire Forms and Endorsements.

Changes to Policy Forms

Causes of Loss – Special Form CP 10 30 09 17

Changes to Endorsements

Revised-

Ordinance Or Law Coverage CP 04 05 09 17

Protective Safeguards CP 04 11 09 17

Functional Building Valuation CP 04 38 09 17

Burglary And Robbery Protective Safeguards CP 12 11 09 17

Ordinance Or Law – Increased Period Of Restoration CP 15 31 09 17

Utility Services – Time Element CP 15 45 09 17

New-

Ordinance Or Law Coverage For Tenant's Interest in Improvements and Betterments (Tenant's Policy) CP 04 26 09 17

Scheduled Building Property Tenant's Policy CP 14 01 09 17

Unscheduled Building Property Tenant's Policy CP 14 02 09 17

Withdrawn-

Building Glass – Tenant's Policy CP 14 70 10 12

EFFECTIVE DATE

The effective date for these changes will be November 1, 2017.

COMPANY ACTIONS

All correspondence with the Idaho Department of Insurance should refer to **CF-2016-OFR16**.

If you have authorized us to file on your behalf and decide:

☐ To use our revision and effective date, you are not required to file anything with the Idaho Department of Insurance.

☐ To use our revision with a different effective date, to use our revision with modifications or to not use our revision, then you must make an appropriate submission with the Idaho Department of Insurance.

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Commercial Property Multistate Revision: New And Revised Forms

About This Filing

This filing provides revisions to various Commercial Property forms and introduces several new forms.

The filing consists of a Table of Contents and two sections:

- ◆ Section I: Explanatory Memoranda

This section provides explanatory material concerning revised, new and withdrawn forms.

- ◆ Section II: Copies of Forms

This section contains a copy of all revised, new and withdrawn forms, in their entirety, depicting the changes addressed in Section I. In addition, we are making various changes in punctuation, capitalization and format, as shown.

In all exhibits depicting changes to forms, we have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the prior editions to the new editions.

All of the new and revised forms will carry an edition date of **09 17**.

NOTE: Some forms in this multistate part of the filing may not apply in a given jurisdiction. Please refer to the State Supplements for exceptions to the multistate material.

Related Filing(s)

The following companion filings will be implemented concurrently with this filing:

- ◆ CF-2016-RRU16 (Rules)
- ◆ CF-2016-RLC16 (Loss Costs)

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Water Damage

Background

Currently, Causes of Loss - Special Form CP 10 30 excludes wear and tear, but provides that, if wear and tear results in a "specified cause of loss," such resulting loss is covered. "Specified causes of loss," a defined term, includes, in part: "accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises... caused by wear and tear." Current language specifies that such pipes must be part of a municipal potable water supply system or municipal sanitary sewer system.

Explanation of Changes

We are revising the language relating to such incidents, to include reference to the section of pipe that is connected to the water supply or sewer system. Further, the language is revised to remove reference to municipal systems in favor of reference to potable water supply systems and sanitary sewer systems operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

Impact

These changes broaden coverage.

Revised Forms

We are revising the following form:

- ◆ CP 10 30 10 12 Causes Of Loss - Special Form

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced edition to the **09 17** edition. Concurrent with implementation, the **09 17** edition will supersede the prior edition.

Building Items Coverage For Tenants

Background

Commercial tenants may have a contractual obligation, under the lease agreement for their rental space, to insure (or assume responsibility for reimbursement of damage to) certain property that is part of the building, such as HVAC equipment. Dating back to the 2007 edition of the ISO Commercial Property program, we addressed a similar issue with respect to insuring building glass under a tenant's policy, currently insurable under Endorsement CP 14 70, Building Glass - Tenant's Policy.

Explanation of Changes

New endorsement CP 14 01 modifies a tenant's policy by adding certain building property as insured property, on a scheduled basis. Under this endorsement, building property means the building glass, building fixtures and permanently installed machinery and equipment described in the Schedule.

New endorsement CP 14 02 modifies a tenant's policy by adding certain building property as insured property, on an unscheduled basis. When a Limit of Insurance is shown for Building Glass, insurance is provided for building glass that is part of the building shown in the Schedule. When a Limit of Insurance is shown for Building Property Other Than Glass, insurance is provided for building fixtures and permanently installed machinery and equipment that are part of the building shown in the Schedule.

Under both endorsements, the Causes of Loss, type of Valuation, Coinsurance (if applicable), Deductible and Limit are accommodated in the Schedule. A Deductible is optional for building glass (as it is currently under CP 14 70), in recognition of having that option in past ISO glass insurance forms.

Endorsement CP 14 70 is being withdrawn because the option to cover building glass is included in new endorsements CP 14 01 and CP 14 02.

Impact

Endorsement CP 14 01 broadens coverage by adding certain building items as insured property under a tenant's policy that is so endorsed.

Endorsement CP 14 02 broadens coverage by adding certain building items as insured property under a tenant's policy that is so endorsed.

New Forms

We are introducing the following forms:

- ◆ CP 14 01 09 17 Scheduled Building Property - Tenant's Policy
- ◆ CP 14 02 09 17 Unscheduled Building Property - Tenant's Policy

Withdrawn Form

We are withdrawing the following form:

- ◆ CP 14 70 10 12 Building Glass- Tenant's Policy

Protective Safeguards

Background

An insurer's acceptance of a risk may be conditioned on the use of protective safeguards to mitigate or avoid fire or theft losses. Endorsements CP 04 11 (relating to fire protective safeguards) and CP 12 11 (relating to theft protection) convey the conditional aspect of coverage. Accordingly, both endorsements exclude coverage for the related peril if, prior to the loss event, the insured failed to take certain actions concerning maintenance and notification of suspension or impairment of a protective safeguard.

Explanation of Changes

Endorsement CP 04 11

The requirements that are currently addressed in the exclusions in Paragraph B are moved to Paragraph A. New Paragraph B restates the exclusions as failure to comply with the conditions set forth in A.

A new condition is added to Paragraph A: An automatic fire alarm or other automatic system listed in the Schedule must be actively engaged and maintained in the "on" position at all times. This explicit requirement is in reaction to claims scenarios in which automatic alarm systems were not activated and creative arguments were advanced by policyholders asserting that inactivation does not equate to suspension or impairment of a protective safeguard. Clearly, a protective safeguard that is not activated does not provide protection and as such does not fulfill the expectation that is integral to the insurer's acceptance of the risk.

Endorsement CP 12 11

The requirements that are currently addressed in the exclusions in Paragraph B are moved to Paragraph A. New Paragraph B restates the exclusions as failure to comply with the conditions set forth in A.

A new condition is added to Paragraph A: An automatic burglary alarm or other automatic system listed in the Schedule must be actively engaged and maintained in the "on" position during all non-work hours and whenever the premises are unoccupied. This explicit requirement is in reaction to claims scenarios in which automatic alarm systems were not activated and creative arguments were advanced by policyholders asserting that inactivation does not equate to suspension or impairment of a protective safeguard. Clearly, a protective safeguard that is not activated does not provide protection and as such does not fulfill the expectation that is integral to the insurer's acceptance of the risk.

A related condition enables use of the Schedule to specify additional requirements for activation of an automatic burglary alarm or other automatic system, or parts thereof. For example, some retail establishments and museums might have valuable property in display cases that are to be protected even during business hours.

With respect to the requirement to notify the insurer of suspension or impairment of the protective system (a current requirement as indicated above), we have introduced an exception. The exception provides that notification is not necessary with respect to suspension or impairment of an automatic burglary alarm or other automatic system if protection can be restored within 48 hours and the insured provides at least one watchperson or other means of surveillance during non-work hours and whenever the premises are otherwise unoccupied (and during work hours if so required in the Schedule).

Impact

The additional condition is consistent with our understanding of the traditional application of these endorsements. However, with respect to insurers that have provided coverage in situations in which protective systems were in working order but not actively engaged, the explicit requirement for active engagement represents a potential reduction in coverage.

Under CP 12 11, the exception to the notification requirement broadens coverage.

Revised Forms

We are revising the following forms:

- ◆ CP 04 11 10 12 Protective Safeguards
- ◆ CP 12 11 10 00 Burglary And Robbery Protective Safeguards

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the **09 17** editions. Concurrent with implementation, the **09 17** editions will supersede the prior editions.

Utility Services - Time Element Waiting Period Options

Background

Prior to the 1995 edition of CP 15 45, this endorsement imposed a 12-hour waiting period for time element losses arising out of an interruption in utility service. In the 1995 edition of the underlying time element policy forms (CP 00 30 and CP 00 32), a 72-hour waiting period on Business Income losses was introduced by means of a period of restoration definition, and endorsement CP 15 45 was modified to remove reference to the waiting period. The explanatory memorandum for the 1995 edition of CP 15 45 conveyed that the 12-hour waiting period was removed because the policy's new 72-hour waiting period would apply (flow through) to utility services coverage under CP 15 45. Subsequent editions of the time element forms and endorsement CP 15 45 have continued that approach. (The underlying policy can be written with no waiting period or a 24-hour waiting period, instead of 72 hours.)

Explanation of Changes

We have revised CP 15 45 to enable selection of an independent waiting period for Business Income losses arising from utility services interruption, that is, a waiting period which could be different from the policy's waiting period. This approach provides flexibility in underwriting and managing the utility services exposure. This is potentially an important feature since that exposure is markedly different from the scenario of physical damage and attendant restoration of property at the insured premises, which the base time element policy relates to from the perspective of the inception of the period of restoration. Further, addressing the waiting period within CP 15 45 enables expressing it in terms that fit the utility services interruption scenario more explicitly.

In the companion Rules filing, we are providing rating information supporting the following waiting period options for Business Income coverage under endorsement CP 15 45: no-waiting-period; 12 hours; 24 hours; 48 hours; 72 hours; 96 hours; 120 hours; 144 hours; 168 hours. Thus the waiting period options range from no waiting period to a waiting period of one week.

Impact

- ◆ There is no impact on coverage with respect to continuation of the 72-hour base waiting period.
- ◆ There is no impact on coverage with respect to continuation of the 24-hour waiting period and no-waiting-period options, for policies that were previously written with those same options.
- ◆ The new options for a 12-hour waiting period and 48-hour waiting period would broaden Business Income utility services coverage that was previously written subject to the 72-hour base waiting period.
- ◆ The new waiting period options of 96, 120, 144 and 168 hours would reduce Business Income utility services coverage that was previously written subject to the 72-hour base waiting period.

Rate modification is addressed in the companion Rules filing.

Revised Form

We are revising the following form:

- ◆ CP 15 45 10 12 Utility Services - Time Element

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced edition to the **09 17** edition. Concurrent with implementation, the **09 17** edition will supersede the prior edition.

Ordinance Or Law Coverage - Post-Loss Change To Building Code

Background

Currently, Ordinance Or Law Coverage Endorsement CP 04 05 (property damage) and Ordinance Or Law - Increased Period of Restoration Endorsement CP 15 31 (time element) explicitly relate to coverage for complying with an ordinance or law that is in force at the time of loss. That provision also applies to the ordinance/law provisions within Functional Building Valuation Endorsement CP 04 38.

Explanation of Changes

Endorsement CP 04 05

- ◆ We are revising CP 04 05 to add an option to include an ordinance or law that is promulgated or revised after the loss but prior to commencement of reconstruction or repair, provided such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.
- ◆ Coverage A (loss to the undamaged portion of the building) is included within the Limit of Insurance that applies to the building. In the Coverage A grant and in the Loss Payment provisions addressing Coverage A, reference to the Limit of Insurance is being elaborated upon to recognize that the building limit might appear in the Declarations or elsewhere in the policy. Further, the aforementioned Loss Payment clause is revised to explicitly convey the information that the building limit in the event of earthquake or flood loss (if such perils are endorsed to the policy) may be lower than the limit that otherwise applies. Such elaboration is being made in light of the fact that it is not uncommon in the marketplace for earthquake and flood, if covered, to be written at a sub-limit, a situation addressed in current ISO endorsements pertaining to earthquake and flood.
- ◆ We are making editorial revisions and changes to format throughout CP 04 05 to accommodate the new post-loss option and enhance the flow of text. In some areas, reference to property is replaced with reference to the building to more precisely reference the subject of coverage. Further, the provision appearing in Paragraph G. of the current endorsement is moved to B.7.

Endorsement CP 04 38

- ◆ We are revising CP 04 38 to add an option to include an ordinance or law that is promulgated or revised after the loss but prior to commencement of reconstruction or repair, provided such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.
- ◆ We are making editorial revisions and changes to format in the sections of CP 04 38 that address Ordinance Or Law Coverage, to accommodate the new post-loss option and enhance the flow of text.

Endorsement CP 15 31

- ◆ We are revising CP 15 31 to align the description of an ordinance or law with the description in CP 04 05, and to add an option to include an ordinance or law that is promulgated or revised after the loss but prior to commencement of reconstruction or repair, provided such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.
- ◆ The coverage grant in CP 15 31 is streamlined by referring to a suspension of operations covered under the policy and incorporating the substance of what is currently the closing paragraph of the period of restoration definition in this endorsement. That definition is eliminated within CP 15 31 as the remaining portion is identical to that in the underlying policy.
- ◆ Under Paragraph A, certain references to property are replaced with reference to the building to reflect the subject of the ordinance or law.

Impact

The new option addressing post-loss promulgation/revision of building codes is a broadening of coverage. Other revisions have no impact on coverage.

Revised Forms

We are revising the following forms:

- ◆ CP 04 05 10 12 Ordinance Or Law Coverage
- ◆ CP 04 38 10 12 Functional Building Valuation
- ◆ CP 15 31 10 12 Ordinance Or Law - Increased Period Of Restoration

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the **09 17** editions. Concurrent with implementation, the **09 17** editions will supersede the prior editions.

Tenants Improvements And Betterments: Ordinance Or Law Coverage

Background

Under a tenant's policy, coverage is provided for the tenant's use interest in improvements and betterments, which are described in the policy as fixtures, alterations, installations or additions made a part of the building occupied by the tenant and which the tenant acquired or made at their expense but cannot legally remove. In the event of damage to the building, enforcement of building codes can have an impact on losses to improvements and betterments which although a part of the building, may be the tenant's responsibility to insure. Traditional Ordinance Or Law Coverage (OLC), such as is provided under Endorsement CP 04 05, pertains to the building owner's interest in the building.

Explanation of Changes

We are introducing Endorsement CP 04 26 to provide OLC under a tenant's policy for improvements and betterments. This new endorsement provides options for the same types of coverage addressed in CP 04 05, that is:

- ◆ Coverage A, pertaining to loss in value of undamaged property;
- ◆ Coverage B, pertaining to the cost of demolition of undamaged property; and
- ◆ Coverage C, pertaining to the increased cost of construction arising out of compliance with building codes.

With the exception of terminology relating to improvements and betterments specific to this endorsement, and provisions recognizing the situations in which building codes may impact such property, the scope of Coverage A, Coverage B and Coverage C in new endorsement CP 04 26 is equivalent to that of CP 04 05. (As such, Endorsement CP 04 26 includes the option for inclusion of post-loss building code changes as addressed in the explanatory memorandum in this filing titled Ordinance Or Law Coverage - Post-Loss Change To Building Code.)

In part, applicability of Coverage A and Coverage B is subject to the following circumstances:

- ◆ The improvements and betterments are damaged and the ordinance or law requires demolition of the undamaged parts of such property; or
- ◆ The undamaged improvements and betterments, or undamaged parts of the improvements and betterments, are demolished or damaged in the course of demolition or repair of the building or part of the building where such property is located, as a consequence of the ordinance or law. (But coverage does not apply to the extent that improvements and betterments could be removed from the building, without incurring damage to such improvements and betterments, prior to demolition or repair of the building.)

Loss Payment provisions, such as the following, are tailored to improvements and betterments:

- ◆ There is no loss payment to the extent that others pay for loss or damage to improvements and betterments.
- ◆ Under Coverage A, when the improvements or betterments are being repaired or replaced, loss is valued at replacement cost or actual cash value, depending on the valuation condition applicable to the base policy. When the improvements and betterments are not being repaired or replaced, loss is valued at a proportion of the original cost of the improvements and betterments. Payment in any case will not exceed the applicable Limit of Insurance.
- ◆ Under Coverage C, if the improvements and betterments are repaired or replaced at the same premises, loss payment is based on the increased cost of construction at such premises, subject to the applicable Limit of Insurance. If the tenant relocates to other premises, valuation is based on the increased cost of construction at the new premises, subject to the applicable Limit of Insurance.

Impact

This endorsement broadens coverage under a policy to which it is attached.

New Form

We are introducing the following form:

- ◆ CP 04 26 09 17 Ordinance Or Law Coverage For Tenant's Interest In Improvements And Betterments (Tenant's Policy)



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY**SCHEDULE**

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance
/	<input type="checkbox"/>	\$	\$	\$ *
/	<input type="checkbox"/>	\$	\$	\$ *
/	<input type="checkbox"/>	\$	\$	\$ *

Post-Loss Ordinance Or Law Option: Yes ☐ No ☐

*Do **not** enter a ~~Blanket Combined~~ Limit of Insurance if individual Limits of Insurance are selected for Coverages **B** and **C**, or if one of these Coverages is not applicable.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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

B. Application Of Coverage(s)

~~The Coverage(s) provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**~~

~~1. The ordinance or law:~~

~~a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and~~

~~b. Is in force at the time of loss.~~

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

1. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph **B.2.** applies instead of this Paragraph **B.1.**

2. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

3. ~~But~~ Coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

4. Coverage under this endorsement applies only if:

2.a. The building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

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

5. If coverage applies under this endorsement based on the terms of Paragraph ~~In the situation described in B.2.b.B.4.b., above,~~ we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section Paragraph ~~H.F.~~ of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this endorsement.

~~C6.~~ We will not pay under ~~Coverage A, B or C~~ of this endorsement for:

4a. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

2b. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

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

~~D~~C. Coverage

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

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

Coverage A is included within the Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy ~~as applicable to the covered building.~~ Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

- a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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

However:

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

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

- b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with Paragraph C.3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph C.3.a.:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, **3.b.**

ED.Loss Payment

1. All following loss payment provisions, **ED.2.** through **ED.5.**, are subject to the apportionment procedures set forth in SectionParagraph B.3.B.5. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- a. If the Replacement Cost Coverage Option applies and ~~the property~~ such building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you would actually spend to repair, rebuild or reconstruct ~~the~~ such building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (2) The Limit Of Insurance ~~shown in the Declarations as applicable to the covered~~ such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

- b. If the Replacement Cost Coverage Option applies and ~~the property~~ such building is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

- (1) The actual cash value of ~~the~~ such building at the time of loss; or

- (2) The Limit Of Insurance ~~shown in the Declarations as applicable to the covered~~ such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

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3. Unless Paragraph ~~ED.5.~~ applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule ~~above.~~

4. Unless Paragraph ~~ED.5.~~ applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:

- a. We will not pay under Coverage **C**:

- (1) Until the ~~property~~building is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repair or replacement is 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 under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule ~~above.~~

- c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule ~~above.~~

5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule ~~above~~, Paragraphs ~~ED.3.~~ and ~~ED.4.~~ of this ~~endorsement~~ do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

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

- a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

- b. With respect to the Increased Cost of Construction:

- (1) We will not pay for the increased cost of construction:

- (a) Until the ~~property~~building is actually repaired or replaced, at the same or another premises; and

- (b) Unless the repair or replacement is 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.

- (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

- (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

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FE. The terms of this endorsement apply separately to each building to which this endorsement applies.

~~**G.** Under this endorsement we will not pay for loss due to any ordinance or law that:~~

~~1. You were required to comply with before the loss, even if the building was undamaged; and~~

~~2. You failed to comply with.~~

HF. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section Paragraph B.3.B.5. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

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

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

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

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

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

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

IG. The following definition is added:

"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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
Describe Any "P-9":		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. The following is added to the Commercial Property Conditions:

Protective Safeguards

As a condition of this insurance, you are required to:

- Maintain the protective safeguards devices or services listed in the Schedule above, and over which you have control, in complete working order;
- Actively engage and maintain in the "on" position at all times any automatic fire alarm or other automatic system listed in the Schedule; and
- Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

However, if part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

B. The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form

Causes Of Loss – Broad Form

Causes Of Loss – Special Form

Mortgageholders Errors And Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to comply with any condition set forth in Paragraph A.

2C. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:

(1) Sprinklers and discharge nozzles;

- (2) Ducts, pipes, valves and fittings;
- (3) Tanks, their component parts and supports; and
- (4) Pumps and private fire protection mains.

b. When supplied from an automatic fire protective system:

- (1) Non-automatic fire protective systems; and
- (2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- a. Connected to a central station; or
- b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System installed on cooking appliances and having the following components:

- a. Hood;
- b. Grease removal device;

c. Duct system; and

d. Wet chemical fire extinguishing equipment.

"P-9", the protective system described in the Schedule.

~~B. The following is added to the **Exclusions** section of:~~

~~Causes Of Loss — Basic Form~~

~~Causes Of Loss — Broad Form~~

~~Causes Of Loss — Special Form~~

~~Mortgageholders Errors And Omissions Coverage Form~~

~~Standard Property Policy~~

~~We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:~~

~~1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or~~

~~2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.~~

~~If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.~~

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE FOR TENANT'S INTEREST IN IMPROVEMENTS AND BETTERMENTS (TENANT'S POLICY)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance
/	<input type="checkbox"/>	\$	\$	\$ *
/	<input type="checkbox"/>	\$	\$	\$ *
/	<input type="checkbox"/>	\$	\$	\$ *
Description Of Tenant's Improvements And Betterments				
At Building Number/Premises Number :				
At Building Number/Premises Number :				
At Building Number/Premises Number :				
Post-Loss Ordinance Or Law Option: Yes <input type="checkbox"/> No <input type="checkbox"/>				
*Do not enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C , or if one of these Coverages is not applicable.				
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

A. Introduction

Each Coverage – Coverage **A**, Coverage **B** and Coverage **C** – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the improvements and betterments identified with that Coverage(s) in the Schedule.

Improvements and betterments are fixtures, alterations, installations or additions made a part of the building you occupy but do not own and which you acquired or made at your expense but cannot legally remove.

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B. Application Of Coverage(s)

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

1. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph **B.2.** applies instead of this Paragraph **B.1.**
2. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.
3. Coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.
4. Coverage under this endorsement applies only if the property damage that results in the requirement to comply with the ordinance or law is:
 - a. Caused only by a Cause of Loss covered under this policy; or
 - b. Caused by both a Cause of Loss covered under this policy and a Cause of Loss not covered under this policy, but only if the requirement to comply with the ordinance or law is based on the extent of property damage in its entirety.

But if the property damage that results in the requirement to comply with the ordinance or law is not covered under this policy, and such damage is the subject of the ordinance or law, there is no coverage under this endorsement, even if the property has also sustained covered direct physical damage.

5. If coverage applies under this endorsement based on the terms of Paragraph **B.4.b.**, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage to the improvements and betterments bears to the total direct physical damage to the improvements and betterments.

(Paragraph **E.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

6. We will not pay under this endorsement for:
 - a. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - b. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
7. We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of property damage, if you failed to comply.

C. Coverage

1. Coverage A – Coverage For Loss To The Undamaged Portion Of Tenant's Improvements And Betterments

We will pay under Coverage **A** for the loss in value of the undamaged portion of the improvements and betterments when:

- a. The improvements and betterments are damaged and the ordinance or law requires demolition of the undamaged parts of such property; or
- b. The undamaged improvements and betterments, or undamaged parts of the improvements and betterments, are demolished or damaged in the course of demolition or repair of the building or part of the building where such property is located, as a consequence of the ordinance or law. But we will not pay under Coverage **A** for undamaged improvements and betterments that could be removed from the building, without incurring damage to such improvements and betterments, prior to demolition or repair of the building.

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Coverage **A** is included within the Limit Of Insurance applicable to the improvements and betterments as shown in the Declarations or addressed elsewhere in this policy. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

We will pay the cost to demolish and clear the site of undamaged parts of the improvements and betterments, provided that such cost is distinguishable from the cost of demolishing the building and you are responsible for the cost of demolition of the improvements and betterments, and further provided that:

- a. The improvements and betterments are damaged and the ordinance or law requires demolition of the undamaged parts of such property; or
- b. The undamaged improvements and betterments, or undamaged parts of the improvements and betterments, are demolished or damaged in the course of demolition or repair of the building or part of the building where such property is located, as a consequence of the ordinance or law. But we will not pay under Coverage **B** for demolition of undamaged improvements and betterments that could be removed from the building, without incurring damage to such improvements and betterments, prior to demolition or repair of the building.

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

3. Coverage C – Increased Cost Of Construction Coverage

We will pay the increased cost to:

- a. Repair or reconstruct damaged portions of the improvements and betterments; and/or
- b. Reconstruct or remodel undamaged portions of the improvements and betterments, whether or not demolition is required;

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

However:

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

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

D. Loss Payment

1. We will not pay under this endorsement if others pay for loss or damage to improvements and betterments.
2. All following loss payment provisions, **D.3.** through **D.6.**, are subject to the apportionment procedures set forth in Paragraph **B.5.** of this endorsement.
3. When there is a loss in value of an undamaged portion of improvements and betterments to which Coverage **A** applies, the loss payment for that property, including damaged and undamaged portions, will be determined as follows:

- a. If the Replacement Cost Coverage Option applies and the improvements and betterments are being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you would actually spend to repair, rebuild or reconstruct such property, but not for more than the amount it would cost to restore the property on the same premises and to the same dimensions, style and comparable quality of the original property insured; or

- (2) The Limit Of Insurance applicable to the improvements and betterments as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the improvements and betterments in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

- b. If the Replacement Cost Coverage Option does **not** apply and the improvements and betterments are being repaired or replaced, we will not pay more than the lesser of:

- (1) The actual cash value of such property at the time of loss; or

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- (2) The Limit Of Insurance applicable to the improvements and betterments as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the improvements and betterments in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)
- c. If the improvements and betterments are **not** repaired or replaced, we will not pay more than the lesser of:
- (1) A proportion of your original cost as set forth in the Valuation Loss Condition of this Coverage Form or Policy; or
 - (2) The Limit Of Insurance applicable to the improvements and betterments as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the improvements and betterments in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)
4. Unless Paragraph **D.6.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:
- We will not pay more than the lesser of the following:
- a. The amount you actually spend for demolishing the improvements and betterments and clearing the demolished property from the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage **B** in the Schedule.
5. Unless Paragraph **D.6.** applies, loss payment under Coverage **C** – Increased Cost Of Construction Coverage will be determined as follows:
- a. We will not pay under Coverage **C**:
 - (1) Until the improvements and betterments are actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is 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 improvements and betterments are repaired or replaced at the same premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction of the improvements and betterments at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.
 - c. If you relocate to another premises, the most we will pay under Coverage **C** is the lesser of:
 - (1) The increased cost of construction of the improvements and betterments at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.
6. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule, Paragraphs **D.4.** and **D.5.** do not apply with respect to the improvements and betterments that are subject to the Combined Limit, and the following loss payment provisions apply instead:
- The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages **B** and **C** in the Schedule. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
- a. For Demolition Cost, we will not pay more than the amount you actually spend for demolishing the improvements and betterments and clearing the demolished property from the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the improvements and betterments are actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is 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.

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(2) If the improvements and betterments are repaired or replaced at the same premises, the most we will pay for the increased cost of construction is the increased cost of construction of the improvements and betterments at the same premises.

(3) If you relocate to another premises, the most we will pay for the increased cost of construction is the increased cost of construction of the improvements and betterments at the new premises.

E. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Paragraph B.5.).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$1,000,000
- The improvements and betterments have a value of \$200,000
- Total direct physical damage to property: \$600,000 (\$100,000 attributable to improvements and betterments)
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$120,000 (\$20,000 attributable to improvements and betterments)
- Portion of direct physical damage that is not covered (caused by flood): \$480,000 (\$80,000 attributable to improvements and betterments)
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$50,000

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

$$\$20,000 \div \$100,000 = .20$$

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

$$\$50,000 \times .20 = \$10,000$$

In this example, the most we will pay under this endorsement for the Coverage **C** loss is \$10,000, subject to the applicable Limit of Insurance and any other applicable provisions.

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

F. The following definition is added:

"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.

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FUNCTIONAL BUILDING VALUATION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM**SCHEDULE**

Premises Number	Building Number	Limit Of Insurance
		\$
		\$
		\$

Post-Loss Ordinance Or Law Option: Yes ☐ No ☐

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** The Limit Of Insurance shown in the above Schedule is the only limit of insurance applicable to the building described in the above Schedule.
- B.** The **Coinsurance** Additional Condition does not apply to the building described in the above Schedule.
- C.** With respect to the building described in the above Schedule, the following replaces Items **a.** and **b.** of the **Valuation** Loss Condition:
- 1.** If you contract for repair or replacement of the loss or damage to restore the building shown in the above Schedule for the same occupancy and use, within 180 days of the damage unless we and you otherwise agree, we will pay the smallest of the following, **a.**, **b.**, **c.** or **d.**:
 - a.** The Limit Of Insurance shown in the above Schedule as applicable to the damaged building;
 - b.** In the event of a total loss, the cost to replace the damaged building on the same site (or on a different site if relocation is required by an ordinance or law as described in Paragraph **E.2.a.** below), with a less costly building that is functionally equivalent to the damaged building;
 - c.** In the event of partial loss:
 - (1)** The cost to repair or replace the damaged portion of the building with less costly material, if available, in the architectural style that existed before the loss or damage occurred; and
 - (2)** The amount you actually spend to demolish and clear the site of undamaged parts of the building as described in Paragraph **E.2.b.** below.
 - d.** The amount you actually spend:
 - (1)** That is necessary to repair or replace the lost or damaged building with less costly material if available; and
 - (2)** To demolish and clear the site of undamaged parts of the building as described in Paragraph **E.2.b.** below.
 - 2.** If you do not make a claim under Paragraph 1. above, we will pay the smallest of the following, **a.**, **b.** or **c.**:
 - a.** The Limit Of Insurance shown in the above Schedule as applicable to the damaged building;

- b. The "market value" of the damaged building, exclusive of the land value, at the time of loss; or
- c. The amount it would cost to repair or replace the damaged building on the same site, with less costly material in the architectural style that existed before the damage occurred, less allowance for physical deterioration and depreciation.

D. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Functional Building Valuation insurance. 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 Functional Building Valuation insurance 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, our insurance is excess. But we will not pay more than the applicable Limit of Insurance.

E. Ordinance Or Law Coverage

1. Application Of Coverage

a. The Ordinance Or Law Coverage provided under this endorsement applies to the building described in the above Schedule, subject to all provisions of this Section E. only if both E.1.a. and E.1.b. are satisfied and are then subject to the qualifications set forth in E.1.c.

a. The ordinance or law:

- (1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (2) Is in force at the time of loss.

b. Ordinance Or Law Coverage provided under this endorsement applies with respect to an ordinance or law that regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises, subject to the following:

- (1) The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph b.(2) applies instead of this Paragraph b.(1).

(2) The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

(3) But Ordinance Or Law Coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

(4) Ordinance Or Law Coverage under this endorsement applies only if:

b.(1)(a) The building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or

(2)(b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

(3) But However, there is no Ordinance Or Law Coverage under this endorsement if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no Ordinance Or Law Coverage under this endorsement even if the building has also sustained covered direct physical damage.

c.(5) In the situation described in E.1.b.(2) above, If Ordinance Or Law Coverage applies under this endorsement based on the terms of Paragraph E.1.b.(4)(b), we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

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(Section **G.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement.

2. Description Of Coverage

The following coverage(s) applies to the building described in the above Schedule, subject to Paragraph **C.** and all other provisions of this endorsement.

This is not additional insurance; losses covered under Coverages **A**, **B** and **C** are included within the Limit Of Insurance shown in the above Schedule as applicable to the building.

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

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

b. Coverage B – Demolition Cost Coverage

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

c. Coverage C – Cost To Reconstruct In Compliance With An Ordinance Or Law

With respect to the building that has sustained covered direct physical damage, the cost to repair, reconstruct or remodel the damaged and/or undamaged portions of the building (whether or not demolition is required) will include costs that are a consequence of a requirement to comply with the minimum standards of the ordinance or law. If the building is repaired or rebuilt, it must be intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the cost to reconstruct in compliance with an ordinance or law if the building is not repaired or replaced.

3. We will not pay under this endorsement for:

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

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

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

F. The following definition is added:

"Market value", as used in this endorsement, means the price which the property might be expected to realize if offered for sale in a fair market.

G. Example of proportionate loss payment for Ordinance Or Law Coverage losses (procedure as set forth in Section ~~E.1.c.~~**E.1.b.(5)** of this endorsement)

Assume:

- Wind is a Covered Cause Of Loss; Flood is an excluded Cause Of Loss
- The building sustains a partial loss
- Total direct physical damage to building: \$100,000
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000

- The cost to repair the building includes \$60,000 attributable to enforcement of an ordinance (Coverage **C**)

Step 1:

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

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

Step 2:

Apply that proportion to the Ordinance or Law loss.

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

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

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

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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 direct physical loss unless the loss is excluded or limited in this policy.

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 or compliance with any ordinance or law:

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

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

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

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, 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.

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.

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 (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).

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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 result 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 result 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 microwaves.

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 (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1)** Applies whether or not an act occurs during your normal hours of operation;
 - (2)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives 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.

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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.

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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.
 - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
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

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(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 (unless a higher limit is shown in the Declarations):

- a.** \$2,500 for furs, fur garments and garments trimmed with fur.
- b.** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious 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;

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- 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 are the result of one or more of the following causes that occur 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.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

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 continue to be present or active, or recur, in a later policy period.

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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 cause 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:
 - 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:
 - (1) 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; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, that when the pipe is located off the described premises and is connected to or is part of a—municipal potable water supply system or—municipal sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located,—if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

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BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE*

Premises No.	Building No.	Protective Safeguards Symbols Applicable
Describe any "BR-4":		
<u>Additional requirements, if any, for engagement of an automatic burglary alarm or other automatic system listed in this Schedule (other than the requirements of Paragraph A.2.):</u>		
<small>*Information required to complete this Schedule, if not shown <u>above</u> on this endorsement, will be shown in the Declarations.</small>		

A. The following is added to the Commercial Property Conditions:

BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS
Burglary And Robbery Protective Safeguards

1. As a condition of this insurance, you are required to:

1. Maintain the protective safeguards devices and/or services listed in the Schedule above, and over which you have control, in complete working order;

2. Actively engage any automatic burglary alarm or other automatic system listed in the Schedule and maintain it in the "on" position during all non-work hours and whenever the premises are unoccupied;

3. Actively engage an automatic burglary alarm or other automatic system, or parts thereof, in accordance with any other requirements, if any, indicated in the Schedule; and

4. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

However, notification to us of the suspension of or impairment in an automatic burglary alarm or other automatic system listed in the Schedule will not be necessary if you:

a. Can restore full protection within 48 hours of the suspension or impairment;

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b. Provide at least one watchperson or other means of surveillance at the premises during all non-work hours and whenever the premises are otherwise unoccupied; and

c. Provide at least one watchperson or other means of surveillance during work hours if the Schedule requires that the premises or part thereof be protected during work hours.

B. The following is added to the **Exclusions** section of the Causes Of Loss – Special Form:

Burglary And Robbery Protective Safeguards

We will not pay for loss or damage caused by or resulting from theft if, prior to the theft, you failed to comply with any condition set forth in Paragraph A.

C2. The protective safeguard(s) to which this endorsement applies are identified by the following symbols:

1a. "BR-1" Automatic Burglary Alarm, protecting the entire building, that signals to:

a.(1) An outside central station; or

b.(2) A police station.

2b. "BR-2" Automatic Burglary Alarm, protecting the entire building, that has a loud sounding gong or siren on the outside of the building.

3e. "BR-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

4d. "BR-4" The protective safeguard described in the Schedule.

B. The following is added to the **Exclusions** section of the Causes Of Loss – Special Form:

BURGLARY AND ROBBERY PROTECTIVE SAFEGUARDS

We will not pay for loss or damage caused by or resulting from theft if, prior to the theft, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

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SCHEDULED BUILDING PROPERTY TENANT'S POLICY

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
STANDARD PROPERTY POLICY**

SCHEDULE

Location Of Building:	
Causes Of Loss Form (and related endorsements, if any):	
Valuation Condition: Actual Cash Value <input type="checkbox"/> Or Replacement Cost <input type="checkbox"/>	
Coinsurance (if applicable): %	
Deductible On Building Glass (if any): \$	
Deductible On Building Property Other Than Glass \$	
Description Of Building Glass	Limit Of Insurance
	\$
Description Of Other Building Property	Limit Of Insurance
	\$
	\$
	\$
	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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- A.** Under this endorsement, building property means the building glass, building fixtures and permanently installed machinery and equipment described in the Schedule, which are part of the building shown in the Schedule.
- B.** We will pay for direct physical loss of or damage to the described building property at the building shown in the Schedule caused by or resulting from a Covered Cause of Loss shown in the Schedule, provided that:
1. You are a tenant of the building shown in the Schedule; and
 2. You have a contractual responsibility to insure such property, or a contractual responsibility to pay for loss or damage to such property.

- C.** The value of building property covered under this endorsement will be determined in accordance with the terms of the Valuation Condition indicated in the Schedule, 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. However, the most we will pay for the coverage provided under this endorsement is the applicable Limit Of Insurance shown in the Schedule.
- D.** The Coinsurance Condition applies to the property described in the Schedule only if a Coinsurance percentage is shown in the Schedule.
- E.** Any coverage provided under this Coverage Form or Policy for Your Business Personal Property or Personal Property Of Others does not apply to the property described in the Schedule.

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UNSCHEDULED BUILDING PROPERTY TENANT'S POLICY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Location Of Building:	
Causes Of Loss Form (and related endorsements, if any):	
Valuation Condition:	Actual Cash Value <input type="checkbox"/> Or Replacement Cost <input type="checkbox"/>
Coinsurance (if applicable):	%
Deductible On Building Glass (if any):	\$
Limit Of Insurance On Building Glass:	\$
Deductible On Building Property Other Than Glass:	\$
Limit Of Insurance On Building Property Other Than Glass:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A.** If a Limit Of Insurance is shown in the Schedule for Building Glass, building property means building glass that is part of the building shown in the Schedule.

B. If a Limit Of Insurance is shown in the Schedule for Building Property Other Than Glass, building property means building fixtures and permanently installed machinery and equipment that are part of the building shown in the Schedule.

C. We will pay for direct physical loss of or damage to building property at the building shown in the Schedule caused by or resulting from a Covered Cause of Loss shown in the Schedule, provided that:

 1. You are a tenant of the building shown in the Schedule; and
 2. You have a contractual responsibility to insure such property, or a contractual responsibility to pay for loss or damage to such property.

D. The value of building property covered under this endorsement will be determined in accordance with the terms of the Valuation Condition indicated in the Schedule, 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. However, the most we will pay for the coverage provided under this endorsement is the applicable Limit Of Insurance shown in the Schedule.

E. The Coinsurance Condition applies to the property covered under this endorsement only if a Coinsurance percentage is shown in the Schedule.

F. Any coverage provided under this Coverage Form or Policy for Your Business Personal Property or Personal Property Of Others does not apply to the property covered under this endorsement.



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BUILDING GLASS – TENANT'S POLICY

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Location Of Building:
Description Of Building Glass:
Causes Of Loss Form (And Related Endorsements, If Any):
Deductible (If Any): \$
Limit Of Insurance: \$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** Under this endorsement, building glass means the building glass described in the Schedule.
- B.** We will pay for direct physical loss of or damage to building glass at the building shown in the Schedule caused by or resulting from a Covered Cause of Loss shown in the Schedule, provided that:
1. You are a tenant of the building shown in the Schedule; 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.

- C.** The value of property covered under this endorsement will be determined in accordance with the Valuation Condition applicable under this Coverage Form or 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. However, the most we will pay for the coverage provided under this endorsement is the Limit Of Insurance shown in the Schedule.

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ORDINANCE OR LAW – INCREASED PERIOD OF RESTORATION

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

SCHEDULE

Described Premises:

Post-Loss Ordinance Or Law Option: Yes ☐ No ☐

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. If a Covered Cause of Loss occurs to ~~property~~ a building(s) at the premises described in the Declarations Schedule, resulting in a "suspension" of "operations" covered under this policy, the "period of restoration" is extended to include the increased period required to comply with the minimum standards of an ordinance or law, provided that coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

- ~~1. Regulates the construction or repair of any property;~~
- ~~2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and~~
- ~~3. Is in force at the time of loss.~~

1. The ordinance or law regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

2. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph **A.3.** applies instead of this Paragraph **A.2.**

3. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. 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.

B. The period of restoration definition is replaced by the following:

"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" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.~~

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

CB. The following definition is added:

"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.

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UTILITY SERVICES – TIME ELEMENT

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**SCHEDULE**

Premises Number	Building Number	Utility Services Limit Of Insurance	Enter "X" for each applicable property.					
			Water Supply Property	Waste-water Removal Property	Communication Supply Property (including overhead transmission lines)	Communication Supply Property (not including overhead transmission lines)	Power Supply Property (including overhead transmission lines)	Power Supply Property (not including overhead transmission lines)
		\$						
Causes Of Loss Form Applicable:								
<u>Business Income Waiting Period:</u> _____ <u>Hours</u> (Leave blank if no waiting period applies to Business Income, or if Business Income coverage does not apply.)								
		\$						
Causes Of Loss Form Applicable:								
<u>Business Income Waiting Period:</u> _____ <u>Hours</u> (Leave blank if no waiting period applies to Business Income, or if Business Income coverage does not apply.)								
		\$						
Causes Of Loss Form Applicable:								
<u>Business Income Waiting Period:</u> _____ <u>Hours</u> (Leave blank if no waiting period applies to Business Income, or if Business Income coverage does not apply.)								
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.								

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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 provided under the applicable Causes of Loss Form indicated in the Schedule) to the property described in Paragraph **CE**, if such property is indicated by an "X" in the Schedule.

B. Waiting Period

If a Business Income Waiting Period is indicated in the Schedule, such waiting period begins at the time of interruption of utility service to the described premises.

C. Duration Of Coverage

Coverage under this endorsement applies to loss sustained and expense incurred during the period of time that:

1. Begins:

- a. Following expiration of the waiting period indicated in the Schedule, for Business Income; or
- b. At the time of interruption of utility service to the described premises, for Extra Expense (and for Business Income, if a Business Income Waiting Period does not apply); and

2. Ends when:

- a. "Operations" are fully resumed by any means; or
- b. "Operations" could be fully resumed with reasonable speed following restoration of utility service to the described premises;

whichever occurs first.

The expiration date of this policy will not cut short the duration of coverage under this endorsement.

The "period of restoration" definition in the Coverage Form, or in any endorsement amending the Coverage Form, does not apply to the coverage provided under this endorsement.

~~B~~D. Exception

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.

~~C~~E. Utility Services

1. Water Supply Property, meaning the following types of property supplying water to the described premises:

- a. Pumping stations; and
- b. Water mains.

2. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

3. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

- a. Communication transmission lines, including optic fiber transmission lines;
- b. Coaxial cables; and
- c. Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

4. Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations;

- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

DE.As used in this endorsement, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

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

FH.The Utility Services Limit Of Insurance, as shown in the Schedule, is the only Limit which applies to the coverage provided under this endorsement, and is part of, not in addition to, the Limit Of Insurance stated in the Declarations as applicable to the described premises.

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