**ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement, effective 12:01 A.M.,

Forms a part of Policy No.:

**SOUTH CAROLINA**

**WINDSTORM OR HAIL DEDUCTIBLE ENDORSEMENT –**

**WITH NAMED STORM DEFINITION**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

COUNTRY CLUB PREMIER PROPERTY COVERAGE FORM

PROPERTY COVERAGE FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE PART

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| **SCHEDULE \*** | | | | |
| **Prem. No.** | **Bldg. No.** | **PROPERTY COVERED, OR BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE** | **WINDSTORM OR HAIL**  **(\*) DEDUCTIBLE PERCENTAGE, OR**  **(\*) MONETARY (DOLLAR) DEDUCTIBLE, OR**  **(\*) “PERIOD OF RESTORATION” (HOURS)** | **MINIMUM PER OCCURRENCE DEDUCTIBLE** |
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\* Information required to complete this schedule, if not shown on this endorsement, will be shown in the Declarations or by endorsement hereto.

The Windstorm or Hail Cause of Loss, as used in this endorsement, includes only those occurrences of windstorm or hail that are designated as a “named storm”.

The Windstorm or Hail Deductible, as shown in the Schedule, applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for the Windstorm or Hail, such loss or damage shall be considered to be caused by the Windstorm or Hail and therefore part of the Windstorm or Hail occurrence.

The Windstorm or Hail, “Period of Restoration” (hours), as shown in the Schedule, applies to the “Period of Restoration” for Business Income (and Extra Expense) coverage, if any, as specified in this endorsement.

With respect to Covered Property at a location identified in the Schedule, no other deductible, or “Period of Restoration”, applies to Windstorm or Hail.

The Windstorm or Hail Deductible, and “Period of Restoration” (hours), applies whenever there is a Windstorm or Hail occurrence caused by a “named storm”. If there is a covered loss by windstorm or hail that is not a “named storm”, the applicable deductible is the same deductible that applies to fire, unless a different deductible is stated elsewhere in this policy for such loss or damage.

DEFINITIONS:

“Named storm” is a storm system that has been identified as a tropical storm or hurricane and assigned a name by the National Hurricane Center or the Central Pacific Hurricane Center of the National Weather Service (hereafter referred to as NHC and CPHC). Under the terms of this endorsement, a Named Storm begins at the time a Watch or Warning is issued by the NHC or CPHC for the area in which the affected premises are located, and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC or CPHC.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

WINDSTORM OR HAIL DEDUCTIBLE CLAUSE

1. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible(s) shown in the Schedule. We will then pay the amount of loss or damage in excess of that (those) Deductible(s), up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage.

When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to:

1. a percentage of the value(s) of the property at time of loss, if a Deductible percentage is shown in the Schedule. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises; or
2. the highest monetary (dollar) Deductible shown in the schedule; or
3. if both Deductible percentage and monetary (dollar) Deductible amounts are shown in the Schedule, then the applicable Deductible will be the greater of the deductibles determined by a. and b. above.

B. Calculation of the Percentage Deductible – Specific Insurance

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

C. Calculation of the Percentage Deductible – Blanket Insurance

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage as shown in the Schedule,of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

1. Minimum Per Occurrence Deductible

In any one occurrence of loss or damage, the minimum amount that will be deducted from all loss or damage, regardless of the number of locations, or number of buildings, involved in the loss, is the Minimum Per Occurrence Deductible shown in the Schedule.

If more than one Minimum Per Occurrence Deductible applies to Covered Property, as a result of one occurrence, you shall pay the highest applicable deductible.

WINDSTORM OR HAIL “PERIOD OF RESTORATION”

In the event of loss or damage to Covered Property by an occurrence of Windstorm or Hail, as covered by this endorsement, the Business Income “Period of Restoration” is amended as follows:

"Period of Restoration" means the period of time that:

a. Begins:

(1) the number of hours as shown in the Schedule after the time of direct physical loss or damage for Business Income coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

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

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

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

EXAMPLES – APPLICATION OF DEDUCTIBLE:

**APPLICATION OF DEDUCTIBLE – SPECIFIC INSURANCE**

The Percentage Deductible is 2%.

The minimum per occurrence deductible is $1,000.

Example #1

The Limits of Insurance of the damaged buildings at time of loss are:

Building #1: $100,000.

Building #2: $ 5,000.

Building #1 is undamaged.

The amount of loss to Building #2 is $4,000.

Step **(1)** :  $5,000 X 2% = $100. (percentage deductible)

Step **(2):** The percentage deductible is less than the Minimum Per Occurrence Deductible

Step **(3)** : Therefore the Minimum Per Occurrence Deductible is $1,000. applies

Step **(4)** :  $4,000 – $1,000 = $3,000

The most we will pay is $3,000.

Example #2

The Limits of Insurance of the damaged buildings at time of loss are:

Building #1: $100,000.

Building #2: $ 5,000.

The amount of loss to Building #1 is $25,000.

The amount of loss to Building #2 is $4,000.

Calculation of deductible for Building #1:

* $100,000 X 2% = $2,000. (percentage deductible)

Calculation of deductible for Building #2:

* $5,000 X 2% = $100. (percentage deductible)

Step **(1)** :  Total deductibles applicable are $2,100. which exceeds the Minimum Per Occurrence Deductible

Step **(2)** : Therefore the Minimum Per Occurrence Deductible does not apply, and the Percentage Deductibles shall be applied to the property that has sustained covered loss

Step **(3)** :  Building #1: $25,000 - $2,000 = $23,000

Step **(4)**: Building #2: $4,000 – $100 = $3,900

The most we will pay is $26,900.

Example #3

The Limits of Insurance of the damaged buildings at time of loss are:

Building #1: $100,000. Building and $10,000. Personal Property

Building #2: $ 5,000. Building and $ 1,000. Personal Property

Building #1 is undamaged.

The amount of loss at Building #2 is $4,000 Building and $500 Personal Property.

Step **(1)** :  $5,000 X 2% = $100. (percentage deductible - building)

Step **(2)**: $1,000 X 2% = $ 20. (percentage deductible – personal property)

Step **(3)**: The percentage deductible is less than the Minimum Per Occurrence Deductible

Step **(4)** : Therefore the Minimum Per Occurrence Deductible is $1,000. applies

Step **(5)** :  $4,500 – $1,000 = $3,500

The most we will pay is $3,500.

Example #4

The Limits of Insurance of the damaged buildings at time of loss are:

Building #1: $100,000. Building and $10,000. Personal Property

Building #2: $ 5,000. Building and $ 1,000. Personal Property

The amount of loss at Building #1 is $25,000 Building and $5,000 Personal Property.

The amount of loss at Building #2 is $4,000 Building and $500 Personal Property.

Calculation of deductible for Building #1:

* $100,000 X 2% = $2,000. (percentage deductible - building)
* $ 10,000 X 2% = $ 200. (percentage deductible – personal property)

Calculation of deductible for Building #2:

* $5,000 X 2% = $100. (percentage deductible - building)
* $1,000 X 2% = $ 20. (percentage deductible – personal property)

Step **(1)** :  Total deductibles applicable are $2,320. which exceeds the Minimum Per Occurrence Deductible.

Step **(2)** : Therefore Minimum Per Occurrence Deductible does not apply, and the Percentage Deductibles shall be applied to the property that has sustained covered loss.

Step **(3)** :  Building #1: $30,000 - $2,200 = $27,800

Step **(4)**: Building #2: $ 4,500 - $ 120 = $ 4,380

The most we will pay is $32,180.

**APPLICATION OF DEDUCTIBLE – BLANKET INSURANCE**

Deductibles will be calculated in the same manner as the examples provided above, except that any reference to Limits of Insurance shall be amended to state “value, as shown in the most recent Statement of Values on file with us”.

All other terms and conditions of the policy remain the same.

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Authorized Representative