

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

SPECIAL PROVISIONS – FLORIDA

FORM HO 00 03

DEFINITIONS

The following definitions are added:

9. "Catastrophic ground cover collapse" means geological activity that results in all of the following:
- The abrupt collapse of the ground cover,
 - A depression in the ground cover clearly visible to the naked eye,
 - Structural damage to the building, including the foundation,
 - The "residence premises" being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for the "residence premises."
10. "Sinkhole" means a landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by groundwater. A sinkhole may form by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.
11. "Sinkhole activity" means settlement or systematic weakening of the earth supporting property covered under **SECTION I** of your policy. The settlement or systematic weakening must result from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.
12. "Sinkhole loss" means structural damage to the building, including foundation, caused by "sinkhole activity". Contents coverage shall apply only if there is structural damage to the building caused by "sinkhole activity".
13. "Professional engineer" means a person, as defined in Florida statute 471.005, who has a bachelor's degree or higher in engineering with a specialty in the geotechnical engineering field. A professional engineer must have geotechnical experience and expertise in the identification of "sinkhole activity" as well as other potential causes of damage to the structure.
14. "Professional geologist" means a person, as defined by Florida statute 492.102, who has a bachelor's degree or higher in geology or related earth science with expertise in the geology of Florida. A professional geologist must have geological experience and expertise in the identification of "sinkhole activity" as well as other potential geologic causes of damage to the insured structure.
15. "Fungi"
- "Fungi" means any type or form of fungus, including:
 - Mold or mildew; and
 - Any mycotoxins, toxins, spores, scents or byproducts produced or released by fungi.
 - Under **SECTION II**, this does not include any fungi, yeast or bacteria that are, are on or are contained in a good or product intended for consumption.
16. "Personal injury"
- "Personal injury" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:
- False arrest, detention or imprisonment;
 - Malicious prosecution;
 - The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - Oral or written publication of material that violates a person's right of privacy.

**SECTION I - PROPERTY COVERAGES,
COVERAGE C – Personal Property, Special
Limits of Liability.**

Item 2., 10. and 11. are deleted and replaced by the following:

2. \$1,000 on:

Securities; Accounts; Deeds; Evidences of debt; Letters of credit; Notes other than bank notes; Manuscripts; Personal records; Passports, Tickets; Stamps; Trading cards; and Comic books.

This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

a. Accessories and antennas; or

b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 10.

11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:

a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;

b. Is away from the "residence premises"; and

c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

a. Accessories and antennas; or

b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this Item 11.

The following **Special Limit of Liability** is added:

12. \$500 is the maximum loss payable for covered property stored in freezers or refrigerators on the "residence premises."

Special Deductible.

The following deductible applies to covered loss to refrigerated property:

We will pay that part of the loss that exceeds \$100.

No other deductible applies to this coverage.

Property Not Covered.

Item 3.b. is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:

b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:

(1) Accessories or antennas; or

(2) Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

a. Used to service an "insured's" residence; or

b. Designed for assisting the handicapped;

COVERAGE D – Loss of Use

Item 1. is deleted and replaced by the following:

1. If a loss covered under this section makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning:

a. Any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to:

- a. Repair or replace the damage; or
- b. If you permanently relocate, the shortest time required for your household to settle elsewhere.

In either event, the payments(s) will be limited to (24) consecutive months from the date of the covered loss.

Item 2. is deleted and replaced by the following:

- 2. If a loss covered under this section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the Fair Rental Value, meaning:
 - a. The fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

In either event, the payments(s) will be limited to (24) consecutive months from the date of the covered loss.

SECTION I - ADDITIONAL COVERAGES

- 8. **Collapse.** is deleted and replaced by the following:
- 8. **Collapse.**

We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- a. Perils Insured Against in **COVERAGE C - PERSONAL PROPERTY**;
- b. Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- d. Weight of contents, equipment, animals or people;

- e. Weight of rain which collects on a roof; or
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf, dock, cisterns or similar structures is not included under items **b., c., d., e.,** and **f.;** unless the loss is a direct result of the collapse of a building or any part of a building.

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 any part of the building cannot be occupied for its intended purpose.

A building or any part of a building is not considered in a state of collapse, and therefore is not covered, if a building or any part of the building is:

- (1) In danger of falling down or caving in;
- (2) Standing even if it has separated from another part of the building; or
- (3) Standing even if it shows evidence of settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion.

This coverage does not increase the limit of liability applying to the damaged covered property.

- 9. **Glass or Safety Glazing Material** is deleted and replaced by the following:

9. Glass or Safety Glazing Material.

- a. We cover:
 - (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and,
 - (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part

of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this Additional Coverage 9. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

The following Additional Coverage is added:

11. "Fungi," Wet Or Dry Rot, Yeast Or Bacteria.

a. We will pay up to **\$10,000** for:

- (1) The total of all loss payable under **SECTION I** – Property Coverages caused by "fungi," wet or dry rot, yeast or bacteria;
- (2) The cost to remove "fungi," wet or dry rot, yeast or bacteria from property covered under **SECTION I** – Property Coverages;
- (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi," wet or dry rot, yeast or bacteria; and
- (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi," wet or dry rot, yeast or bacteria; whether performed prior to, during or after removal, repair, restoration or replacement.

The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi," wet or dry rot, yeast or bacteria.

b. The coverage described in a. only applies:

- (1) When such loss or costs are a result of a Peril Insured Against that occurs during the policy period; and
- (2) Only if all reasonable means were used to save and preserve the property from further damage at and after the time the Perils Insured Against occurred.

c. \$10,000 is the most we will pay for the total of all loss or costs payable, including Loss of Use under this Additional Coverage regardless of the:

- (1) Number of locations insured; or
- (2) Number of occurrences or claims made; or
- (3) Number of "insureds".

d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi," wet or dry rot, yeast or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi," wet or dry rot, yeast or bacteria causes an increase in the loss or any Loss of Use.

Any such increase in the loss or Loss of Use will be subject to the terms of this Additional Coverage.

This coverage does not increase the limit of liability applying to the damaged covered property.

12. Ordinance or Law.

a. You may use up to twenty-five percent (25%) of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another

part of that covered building or other structure; or

- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from:
 - (1) The construction,
 - (2) Demolition,
 - (3) Remodeling,
 - (4) Renovation,
 - (5) Repair or
 - (6) Replacement of property as stated in a. above.
- c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or

This coverage is additional insurance.

SECTION I - PERILS INSURED AGAINST

COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES

Subparagraph 2.e.(2) is deleted and replaced by the following:

- (2) Inherent vice, latent defect, defect or mechanical breakdown;

Subparagraph 2.e.(3) is deleted and replaced by the following:

- (3) Smog, rust, decay or other corrosion;

Subparagraph 2.e.(6) is deleted and replaced by the following:

- (6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings except when the loss is caused by a “catastrophic ground cover collapse” or “sinkhole loss”;

Subparagraph 2.e.(9) is added:

- (9) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years; unless:
 - (a) Such seepage or leakage of water or the presence of condensation of humidity, moisture or vapor and the resulting damage is unknown to all “insureds”; and
 - (b) Is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

COVERAGE C – PERSONAL PROPERTY

- 9. Theft is deleted and replaced by the following:
- 9. **Theft**, including attempted theft and loss of property from the “residence premises” when it is likely that the property has been stolen.

Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the “residence premises.”

This peril does not include loss caused by theft:

- a. While property is off the “residence premises”;
- b. Committed by an “insured”;
- c. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
- d. From that part of a “residence premises” rented by an “insured” to other than an “insured.”

12. Accidental Discharge Or Overflow Of Water Or Steam.

Subparagraph 12.d. is added:

- d. Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years; unless:

- (1) Such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insured's"; and
- (2) Is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

The following paragraphs are added to **SECTION I – PERILS INSURED AGAINST:**

17. Catastrophic Ground Cover Collapse.

- a. We insure for direct physical loss to property covered under **SECTION I** caused by the peril of "catastrophic ground cover collapse".
- b. Coverage **C** applies if there is a direct physical loss resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in this policy.
- c. Structural damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".
- d. Direct physical loss from "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or to stabilize the land on the insured premises.

This peril does not increase the limit of liability that applies to the damaged property.

The **SECTION I – EXCLUSIONS, 1.b.** Earth Movement and Settlement does not apply to this peril.

18. Sinkhole Loss.

- a. We insure for direct physical loss to property covered under **SECTION I** caused by the peril of "sinkhole loss";

This includes costs incurred to:

- (1) Stabilize the portion of the land and building; and
- (2) Repair the portion of the foundation; in accordance with the recommendations of the professional engineer, who verifies the presence of a "sinkhole loss" in compliance with Florida "sinkhole" testing standards, and in consultation with you.

The professional engineer must be selected or approved by us.

- b. This peril does not increase the limit of liability applying to the covered property.

The **SECTION I – EXCLUSIONS, 1.b.** Earth Movement and Settlement does not apply to this peril.

SECTION I - EXCLUSIONS

Ordinance or Law 1.a. is deleted and replaced by the following:

- a. **Ordinance or Law**, meaning any ordinance or law:

- (1) Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris.

This exclusion **1.a.** does not apply to the amount of coverage that may be provided for under **ADDITIONAL COVERAGES, Glass or Safety Glazing Material or Ordinance or Law;**

- (2) The requirements of which result in a loss in value to property; or
- (3) Requiring any "insured" or others to:

- (a) Test for;
- (b) Monitor;
- (c) Clean up;
- (d) Remove;
- (e) Contain;
- (f) Treat;
- (g) Detoxify;
- (h) Neutralize; or
- (i) In any respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant, or contaminant, including:

- (a) Smoke;
- (b) Vapor;
- (c) Soot;
- (d) Fumes;

- (e) Acids;
- (f) Alkalis;
- (g) Chemicals; and
- (h) Waste.

Waste includes materials to be recycled, reconditioned, or reclaimed.

This exclusion applies whether or not the property has been physically damaged.

Earth Movement 1.b. is deleted and replaced by the following:

b. Earth Movement and Settlement, meaning any loss caused by, resulting from, contributed to or aggravated by events that include, but are not limited to:

- (1) Earthquake and the aftershocks, including land shock waves or tremors before, during or after a volcanic eruption;
- (2) Landslide;
- (3) Mine subsidence;
- (4) Mudslide or mudflow;
- (5) Earth sinking, rising or shifting;
- (6) Clay shrinkage or other expansion or contraction of soils or organic materials;
- (7) Decay of buried or organic materials; or
- (8) Settling, cracking or expansion of foundations;

whether caused by or resulting from human or animal forces or any act of nature; unless direct loss by:

- (1) Fire; or
- (2) Explosion;

Ensues and then we will pay only for the ensuing loss.

This Exclusion does not apply to loss by "Catastrophic Ground Cover Collapse" or "Sinkhole Loss", as defined in this endorsement.

Power Failure 1.d. is deleted and replaced by the following:

d. Power Failure, meaning:

The failure of power or other utility service if the failure takes place off the "residence premises."

But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises," we will pay for the loss or damage caused by that Peril Insured Against.

Paragraph 1.i. is added:

i. "Fungi," Wet Or Dry Rot, Yeast Or Bacteria meaning:

The presence, growth, proliferation, spread or any activity of "fungi," wet or dry rot, yeast or bacteria.

This Exclusion does not apply:

- (1) When "fungi," wet or dry rot, yeast or bacteria results from fire or lightning; or
- (2) To the extent coverage is provided for in the "Fungi," Wet Or Dry Rot, Yeast Or Bacteria Additional Coverage under **SECTION I** – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi," wet or dry rot, yeast or bacteria is covered.

Paragraph 1.j. is added:

j. Existing Damage.

- (1) Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date; or
- (2) Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception.

This exclusion does not apply in the event of a total loss caused by a Peril Insured Against.

SECTION I – CONDITIONS

3. **Loss Settlement** is deleted and replaced by the following:

3. **Loss Settlement** property losses, other than “sinkhole loss”, are settled as follows:

a. Property of the following types:

- (1) Personal property;
- (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
- (3) Structures that are not buildings;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

b. Buildings under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:

(1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (a) The limit of liability under this policy that applies to the building;
- (b) The replacement cost of that part of the building damaged for like construction and use on the same premises; or
- (c) The necessary amount actually spent to repair or replace the damaged building.

(2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (a) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged,

which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

(3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (a) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
- (b) Those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (c) Underground flues, pipes, wiring and drains.

c. If the dwelling where loss or damage occurs has been vacant for more than (30) consecutive days before the loss or damage, we will:

(1) Not pay for any loss or damage caused by any of the following perils, even if they are Covered Causes of Loss:

- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Dwelling glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) Reduce the amount we would otherwise pay for a covered loss by 15%.

Dwellings under construction are not considered vacant.

The following Loss Settlement Condition is added:

Sinkhole Loss Settlement property losses are settled as follows:

COVERAGE A – Dwelling, COVERAGE B – Other Structures, and COVERAGE C – Personal Property

If a covered loss resulting from “sinkhole activity” is verified and the dwelling, other structure or personal property is insured on the basis of replacement cost:

- a. We may limit our payment to the actual cash value of the “sinkhole loss”, not including underpinning or grouting or any other repair technique performed below the existing foundation of the building, until you enter into a contract for the performance of building stabilization or foundation repairs. After you enter into a contract, we will pay the amounts necessary to begin and perform such repairs as the work is performed and as expenses are incurred. We may not require you to advance payment for such repairs;
- b. If such repair has begun and the “professional engineer” selected or approved by us determines that the repair cannot be completed within the policy limits, we must either complete the engineer’s recommended repair or tender the applicable policy limits to you without a reduction for the repair expenses incurred;
- c. We will pay to stabilize the land and building and repair the foundation in accordance with the recommendations of the “professional engineer” as provided under statute, and in consultation with you, subject to coverage and terms of the policy. We will pay for the other repairs to the structure and contents in accordance with the terms of the policy; and
Subject to the exception described in item b. above, in no event will the amount payable for covered loss resulting from a “sinkhole loss” exceed the applicable limit of liability.
- e. **Sinkhole Deductible**
 - (1) The Sinkhole Deductible, which applies to all “sinkhole losses”, is shown on the Declarations Page.
 - (2) The Sinkhole Deductible applies separately to each covered “sinkhole loss”.

- (3) The Sinkhole Deductible does not apply to any loss resulting from “catastrophic ground cover collapse”, as defined in this form. The “All Other Perils” Deductible applies to “catastrophic ground cover collapse” losses.

6. **Appraisal** is deleted and replaced by the following:

6. Mediation or Appraisal

If you and we fail to agree on the amount of loss, other than Sinkhole Loss, either may:

- a. Demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.
 - (1) The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.
 - (2) The settlement in the course of the mediation is binding only if:
 - (a) Both parties agree, in writing, on a settlement; and
 - (b) You have not rescinded the settlement within three (3) business days after reaching settlement.
 - (3) You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.
 - (4) We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.
That conference will then be rescheduled upon your payment of the mediator’s fee for that rescheduled conference.
 - (5) However, if we fail to appear at a mediation conference, we will pay:
 - (a) Your actual cash expenses incurred while attending the conference; and

- (b) Also pay the mediator's fee for the rescheduled conference.
- b. Demand an appraisal of the loss.

In this event, each party will choose a competent and disinterested appraiser within twenty (20) days after the receipt of a written request from the other.

- (1) The two appraisers will choose a competent and independent umpire.

If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located.

- (2) The appraisers will separately set the amount of the loss and assign the amount of loss attributable to each specific policy coverage.

- (3) If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss.

- (4) If they fail to agree, they will submit their differences to the umpire.

A decision agreed to by any two will set the amount of the loss.

- (5) A decision by any two must assign the amount of loss attributable to each specific policy coverage.

- (6) An appraisal decision is subject to all terms and conditions of this policy.

- (7) Each party will:

- (a) Pay its own appraiser;
(b) Pay its own attorney fees; and
(c) Bear the other expenses of the appraisal and umpire equally.

If, however, we demand the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of

the loss as a precondition to action against us for failure to pay the loss.

With respect to a loss to property caused by the peril of "Sinkhole loss", Mediation Or Appraisal condition 6. is deleted and replaced with the following:

c. Neutral Evaluation Program.

With respect to a claim for alleged "Sinkhole loss", a neutral evaluation program is available as follows:

- (1) Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for repair of property, or if we deny your claim, we will notify you of your right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department).

- (2) For alleged "Sinkhole loss" to property, this program applies instead of the Mediation and Appraisal condition set forth elsewhere in this policy.

- (3) You or we may file a request with the Department for neutral evaluation; the other party must comply with such request.

- (4) We will pay the costs associated with the neutral evaluation regardless of which party makes the request.

- (5) The neutral evaluator will be selected from a list maintained by the Department.

- (6) The recommendation of the neutral evaluator will not be binding on you or us.

- (7) Participation in the neutral evaluation program does not change your right to file suit against us in accordance with the Suit Against Us Condition 8. in this policy.

8. **Suit Against Us** is deleted and replaced by the following:

8. **Suit Against Us**

No action can be brought against us; unless:

- a. There has been full compliance with all of the terms under **SECTION I** of this policy; and
- b. The action is started within 5 years after the date of the loss.

Except that the time for filing suit is extended for a period to sixty (60) days following the conclusion of neutral evaluation process of five (5) years, whichever is later.

9. **Our Option** is deleted and replaced by the following:

9. **Our Option**

If at the time of loss:

- a. The damaged property is insured for Actual Cash Value loss settlement as described in **SECTION I – CONDITIONS 3.a. Loss Settlement** and we give you written notice within 30 days after we receive your signed, sworn proof of loss:

(1) We may at our option, repair or replace any covered part or item of the damaged property with material or property of like kind and quality.

(2) If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features of the damaged property.

- b. The damaged property is insured for Replacement Cost loss settlement as described in **SECTION I – CONDITIONS 3.b. Loss Settlement** or the damaged property is insured for replacement cost loss settlement under form **HPA 04 90**:

(1) We will pay the amount of loss, whether or not you repair or replace the damaged property.

10. **Loss Payment** is deleted and replaced by the following:

10. **Loss Payment**

We will adjust all losses with you.

We will pay you unless some other person named in the policy is also legally entitled to receive payment.

Loss will be payable:

- a. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or

- b. Sixty (60) days after we receive your proof of loss; and

(1) There is an entry of a final judgment; or

(2) There is a filing of an appraisal award or a mediation settlement with us.

- c. Within 90 days after we receive the notice of a property insurance claim from you, we shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

Our failure to comply with this paragraph shall not form the sole basis for an action against us for breach of contract under this policy or for benefits under this policy.

The following conditions are added to **SECTION I – CONDITIONS** of your policy:

17. Adjustment to Property Coverage Limits

If your policy is a renewal with us, the limit of liability for Coverages **A, B, C** and **D** may be adjusted.

Any change in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that:

- a. These adjustments will keep pace with inflation; or

- b. That the amounts of coverage are adequate to repair or rebuild any specific building or structure.

18. Deductible

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under **SECTION I** that exceeds the deductible amount shown in the Declarations.

SECTION II – EXCLUSIONS

Under **EXCLUSIONS, 1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others**, items **a.** and **I.** are deleted and replaced by the following:

- a.** Which is expected or intended by one or more “insureds,”
- I.** Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined under federal law.

Controlled Substances include, but are not limited to:

- (1)** Cocaine;
- (2)** LSD;
- (3)** Marijuana; and
- (4)** All narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Under **EXCLUSIONS, 1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others**, item **m.** is added as follows:

- m.** Coverage **E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to “bodily injury” or “property damage” arising:
 - (1)** Out of the ingestion of paint that has lead in it;
 - (2)** Out of the ingestion of paint that has lead compounds in it;
 - (3)** Out of the inhalation of paint that has lead in it;
 - (4)** Out of the inhalation of paint that has lead compounds in it;
 - (5)** From radon, or any other substance that emits radiation;
 - (6)** In any manner (including liability imposed by law) from the discharge, disposal, release or escape of:
 - (a)** Vapors or fumes;
 - (b)** Gas or oil;
 - (c)** Toxic chemicals, liquid or gas;

- (d)** Waste materials; and
- (e)** Irritants, contaminants or pollutants.

All other conditions are the same.

Under **EXCLUSIONS, 2. Coverage E - Personal Liability**, the following subparagraphs are added:

- g.** “Bodily injury” or “property damage” caused by any animal owned or kept by you whether or not the injury occurs on your premises or any other location.
- h.** "Personal Injury"
 - (1)** Caused by or at the direction of an "insured" with the knowledge that the act would violate the rights of another and would inflict "personal injury";
 - (2)** Arising out of oral or written publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;
 - (3)** Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - (4)** Arising out of a criminal act committed by or at the direction of an "insured";
 - (5)** Arising out of liability assumed by an "insured" under any contract or agreement except any indemnity obligation assumed by an "insured" under a written contract directly relating to the ownership maintenance or use of the premises;
 - (6)** Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an "insured";
 - (7)** Arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured," whether or not the "business" is owned or operated by an "insured" or employs an "insured."

This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the "business".

SECTION II – CONDITIONS

1. **Limit Of Liability** is deleted and replaced by the following:

1. **Limit Of Liability.**

a. Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** limit of liability shown in the Declarations.

This limit is the same regardless of the number of "insureds," claims made or persons injured.

All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence."

b. Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** limit of liability shown in the Declarations.

c. **Sub-limit Of Liability.**

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened:

- (1) Inhalation of;
- (2) Ingestion of;
- (3) Contact with;
- (4) Exposure to;
- (5) Existence of; or
- (6) Presence of any "fungi," wet or dry rot, yeast or bacteria will not be more than the **SECTION II – Coverage E** Aggregate Sublimit of Liability of \$50,000 for "Fungi," Wet Or Dry Rot, Yeast Or Bacteria.

This is the most we will pay regardless of the:

- (1) Number of locations insured under the policy to which this endorsement is attached;
- (2) Number of persons injured;

(3) Number of persons whose property is damaged;

(4) Number of "insureds"; or

(5) Number of "occurrences" or claims made.

This sublimit is within, but does not increase, the Coverage **E** limit of liability.

It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

This condition does not apply with respect to damages arising out of "fungi," wet or dry rot, yeast or bacteria when Endorsement **CIT 03 34** is attached.

2. **Severability Of Insurance** is deleted and replaced by the following:

2. **Severability Of Insurance.**

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability of \$50,000 described under **SECTION II**, Conditions **1.c.** – Sublimit of Liability for "Fungi," Wet Or Dry Rot, Yeast Or Bacteria.

This condition will not increase the limit of liability for this coverage.

SECTION I and II – CONDITIONS

1. **Policy Period** is deleted and replaced by the following:

1. **Policy Period.**

This policy applies only to loss or costs in **SECTION I** or "bodily injury" or "property damage" in **SECTION II**, which occurs during the policy period.

2. **Concealment or Fraud** is deleted and replaced by the following:

2. **Concealment or Fraud.**

a. Under **SECTION I – PROPERTY COVERAGES**, with respect to all "insureds" covered under this policy, we provide no coverage for loss under **SECTION I – PROPERTY COVERAGES** if, whether before or after a loss, one or more "insureds" have:

(1) Intentionally concealed or misrepresented any material fact or circumstance;

(2) Engaged in fraudulent conduct; or

(3) Made false statements;

relating to this insurance.

b. Under **SECTION II - LIABILITY COVERAGES**, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:

(1) Intentionally concealed or misrepresented any material fact or circumstance;

(2) Engaged in fraudulent conduct; or

(3) Made false statements;

relating to this insurance.

5. Cancellation.

Paragraphs **b.**, **c.** and **d.** are deleted and replaced by the following:

b. When this policy has been in effect for ninety (90) days or less, we may cancel immediately:

(1) If there has been a material misstatement or misrepresentation; or

(2) Failure to comply with underwriting requirements.

c. We may also cancel this policy subject to the following provisions.

A written cancellation notice, together with the specific reason(s) for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel at any time by letting you know at least ten (10) days before the date the cancellation takes effect.

(2) When this policy has been in effect for ninety (90) days or less, we may cancel for any reason, except we may not cancel:

(a) On the basis of property insurance claims that are the result of an Act

of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

(b) Solely as the result of a single claim on your policy caused by water damage, unless you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or

(c) On the basis of filing of claims for partial loss caused by "sinkhole" damage or clay shrinkage, regardless of whether this policy has been the subject of a "sinkhole" claim, or on the basis of the risk associated with the occurrence of such a claim.

However, we may cancel this policy if:

(i) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or

(ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item **5.b.** and **5.c.(1)** above, we will let you know of our action at least twenty (20) days before the date the cancellation takes effect.

(3) When the policy has been in effect for more than ninety (90) days, we may cancel:

(a) If there has been a material misstatement;

- (b) If the risk has changed substantially since the policy was issued;
- (c) In the event of failure to comply with underwriting requirements established by us within ninety (90) days of the effective date of coverage;
- (d) If the cancellation is for all insureds under policies of this type for a given class of insureds;
- (e) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- (f) Solely as a result of a single claim on your policy caused by water damage, unless you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or,
- (g) On the basis of filing of claims for partial loss caused by "sinkhole" damage or clay shrinkage, regardless of whether this policy has been the subject of a "sinkhole" claim, or on the basis of the risk associated with the occurrence of such a claim, if:
 - (i) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting you know at least one hundred (100) days before the date the cancellation takes effect.

However, we shall give at least one hundred (100) days' written notice, or when required by law, written notice by June 1, whichever is earlier, for any cancellation that would be effective between June 1 and November 30.

- d. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

The following subsections are added:

- e. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within 15 working days after the date cancellation takes effect.
- f. An insurer that cancels a property insurance policy on property secured by a mortgage due to the failure of the lender to make timely payment of the premium when due shall reinstate the policy as required by Florida Statute 501.137.

- 6. **Nonrenewal** is deleted and replaced by the following:

6. Nonrenewal.

We may elect not to renew this policy.

- a. We may do so by delivering to you or mailing to you at your mailing address shown in the Declarations, written notice, together with the specific reason(s) for nonrenewal, at least one hundred (100) days before the expiration date of this policy.

However, for any nonrenewal effective between June 1 and November 30:

- (1) We shall give at least one hundred (100) days' written notice, or
- (2) When required by law, written notice by June 1, whichever is earlier; unless
- (3) The nonrenewal is for a policy that has been assumed by an authorized insurer offering replacement or renewal coverage to you.

Proof of mailing will be sufficient proof of notice.

- b. However, we will not nonrenew this policy:

- (1) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested to prevent recurrence of damage to the insured property; or
- (2) Solely as the result of a single claim on your policy caused by water damage, unless you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
- (3) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim.

However, we may elect not to renew this policy if:

- (a) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
- (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

8. Subrogation.

The following sentence is added to the first paragraph of this condition:

However, we waive any rights of recovery against the corporation or association of property owners of the condominium where the "residence premises" is located.

The following condition is added to your policy:

10. Renewal Notification.

If we elect to renew this policy, we will let you know, in writing:

- a. Of our decision to renew this policy; and
- b. The amount of renewal premium payable to us.

This notice will be delivered to you or mailed to you at your mailing address shown in the Declarations at least forty-five (45) days before the expiration date of this policy.

All other provisions of this policy apply.