

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - FLORIDA

DEFINITIONS

The following definition is added:

"Fungi"

- a. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, toxins, spores, scents or by-products produced or released by fungi.
- b. 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.

The following definition is added:

"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:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. 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;
- d. 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
- e. Oral or written publication of material that violates a person's right of privacy.

**SECTION I – PROPERTY COVERAGE
COVERAGE C – PERSONAL PROPERTY
Special Limits of Liability:**

Item 2. is 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.

Items 10. and 11. are deleted and replaced by the following:

- 10. \$1,000 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. \$1,000 for loss to electronic apparatus while not in or upon 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" purposes.

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.

Item 12. is added as follows:

- 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 and 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:

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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 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 repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere. In either event, the payment(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 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 payment(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

- a. With respect to this Additional Coverage:
- (1) 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) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
 - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
 - (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- b. 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:

- (1) Perils Insured Against in Coverage C – Personal Property. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to any insured prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to any insured prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under Items **(2), (3), (4), (5)** and **(6)** in b. above unless the loss is a direct result of the collapse of a building or any part of a building.
- d. 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 a 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 thirty (30) consecutive days immediately before the loss, except when the

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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:

"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 when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril 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.

The following Additional Coverage is added:

Ordinance or Law

- a. You may use up to the limit of liability that shows on the Declarations 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; or
 - (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 the construction, demolition, remodeling, renovation, repair, or 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
 - (2) The costs to comply 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 in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

SECTION I – PERILS INSURED AGAINST

In Form **HO 00 03:**

Coverage A – Dwelling And Coverage B – Other Structures

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

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

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

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

The following Paragraph 2.e.(9) is added to SECTION I - PERILS INSURED AGAINST:

- (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 such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

Coverage C – Personal Property

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph 12.d. is added to SECTION I - PERILS INSURED AGAINST:

- 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 such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

In Form **HO 00 04**, paragraph 12. is deleted and replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;
 - (3) On the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located; or
 - (4) 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 such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I – Exclusion 1.c. Water Damage, Paragraphs (1) and (3) that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

In Form **HO 00 06**, paragraph 12. is deleted and replaced by the following:

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. We also pay for tearing out and replacing any part of a building or other structure owned by you which is covered under Coverage A and at the location of the "residence premises", but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and removal only applies to other structures if the water or steam causes actual damage to a building owned solely by you at the location of the "residence premises."
- c. This peril does not include loss:
 - (1) To or within the "residence premises," if the building containing the "residence premises" has been vacant for more than 30 consecutive days immediately before the loss. A building being constructed is not considered vacant;
 - (2) To the system or appliance from which the water or steam escaped;
 - (3) Caused by or resulting from freezing except as provided in Perils Insured Against 14. Freezing;
 - (4) On the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located; or
 - (5) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or

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- vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- d. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- e. Section I – Exclusion 1.c. Water Damage, Paragraphs (1) and (3) that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

In Form **HO 00 06** with **HO 17 32**:

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

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

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

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

For Coverage A.

Paragraph 2.e.(9) is added as follows:

- (9) 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 such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

In forms **HO 00 03**, **HO 00 04** and **HO 00 06**

COVERAGE C – PERSONAL PROPERTY

Item 9. 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. Committed by an "insured";

- b. 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
- c. From that part of a "residence premises" rented by an "insured" to other than an "insured."

SECTION I - EXCLUSIONS

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

1. **Ordinance or Law**, meaning any ordinance or law:
- a. 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;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant, or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

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

(This is exclusion 1.a. in Form **HO 00 03**)

4. **Power Failure** is deleted and replaced by the following:

4. **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.

(This is exclusion 1.d. in Form **HO 00 03**)

The following Exclusion is added to SECTION I – EXCLUSIONS:

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

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"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:

- a. When "fungi," wet or dry rot, yeast or bacteria results from fire or lightning; or
- b. 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.

SECTION I – CONDITIONS

In SECTION I – CONDITIONS, the following is added to the Loss Settlement paragraph:

In the event of a loss for which a dwelling or personal property is insured on the basis of replacement cost, we will pay the replacement cost without reservation or holdback of any depreciation in value, whether or not you replace or repair the dwelling or property. The limit of liability for a loss adjusted on the basis of replacement cost is the lesser of:

- a. The limit of liability for the applicable coverage shown on the policy declarations page;
- b. The reasonable and necessary cost to repair the damaged, destroyed, or stolen covered property; or
- c. The reasonable and necessary cost to replace the damaged, destroyed, or stolen covered property.

In SECTION I – CONDITIONS of Form **HO 00 03**

Loss Settlement paragraph 3.b.(4) is deleted and replaced by the following:

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

Dwellings under construction are not considered vacant.

In SECTION I – CONDITIONS of Form **HO 00 06**

Loss Settlement paragraph 3.b.(1) is deleted and replaced by the following:

- (1) At the actual cost to repair or replace.

Loss Settlement paragraph 3.b.(2) is deleted.

In SECTION I – CONDITIONS of Forms **HO 00 03, HO 00 04 and HO 00 06**

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, either may:

- a. Demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. 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. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within three (3) business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

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. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses incurred while attending the conference and 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 appraiser within twenty (20) days after the receipt of a written request from the other. 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.

The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If

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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.

Each party will:

- (a) Pay its own appraiser; and
- (b) 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.

- 8. **Suit Against Us** is deleted and replaced by the following:
- 8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within five (5) years after the date of the loss.
- 9. **Our Option** is deleted and replaced by the following:
- 9. **Our Option.** We may, at our option, repair or replace any covered part or item of damaged property. If an identical replacement is not available, substitute replacement of equal or greater features and functions will be substituted.

This Option does not apply to property insured on a Replacement Cost basis.

- 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 is named in the policy or is legally entitled to receive payment. Loss will be payable upon the earlier of the following:
 - 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 ninety (90) days after we receive notice of a property insurance claim, we will pay or deny the claim, or portion of the claim, unless the failure pay the claim or portion of the claim is caused by factors beyond our control that reasonably prevent such payment. Any payment of a claim or portion of a claim paid ninety (90) days after we receive notice of the

claim, or paid more than 15 days after there are no longer factors beyond our control that reasonably prevented such payment will bear interest at the rate proscribed by law.

The following condition is added to Section I – CONDITIONS of your policy:

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 these adjustments will keep pace with inflation or that the amounts of coverage are adequate to repair or rebuild any specific building or structure.

The following Condition is added to SECTION I – CONDITIONS of your policy:

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 – CONDITIONS

Condition 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 is 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

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indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or 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 **HC 03 34** is attached.

Condition 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 II – EXCLUSIONS

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

- a. Which is expected or intended by one or more "insureds,"
- l. 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 cocaine, LSD, marijuana, and 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 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 Exclusion 2. Coverage E - Personal liability, the following paragraph 1.g. is added:

1. COVERAGE E – Personal Liability, does not apply to:
 - 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.

The following Exclusion is added to Section II – Exclusions:

This insurance does not apply to:

"Personal Injury":

- a. 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";
- b. Arising out of oral or written publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;
- c. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- d. Arising out of a criminal act committed by or at the direction of an "insured";
- e. Arising out of liability assumed by an "insured" under any contract or agreement except any indemnity obligation assumed by an "insured"

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- under a written contract directly relating to the ownership maintenance or use of the premises;
- f. Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an "insured";
- g. 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."

- b. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, we may cancel this policy only for the following reasons, with respect to the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", by letting you know in writing of the date cancellation takes effect. This cancellation notice may 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.

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** is replaced by the following:

5. Cancellation

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.

- (1) When you have not paid the premium, we may cancel during this period by letting you know at least 10 days before the date cancellation takes effect.

(2) If:

- (a) There has been a material misrepresentation or fraud related to the claim;
- (b) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
- (c) We have paid policy limits;

We may cancel during this period by letting you know at least 45 days before the date cancellation takes effect.

- (3) We shall be entitled to collect any additional premium required to keep the policy in effect during this period.

However, this provision (5.b.3.) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

- c. If the conditions described in Paragraph 5.b. do not apply, we may cancel only for the following reasons:

- (1) When this policy has been in effect for 90 days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.

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- (2) We may also cancel this policy subject to the following provisions. A written cancellation notice, together with the specific reasons 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. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (a) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (b) When this policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
 - (i) 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;
 - (ii) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property; or
 - (iii) 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:
 - (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.
Except as provided in Item **5.c.1.** and **5.c.2.(a)** of this provision, we will let you know of our action at least 20 days before the date cancellation takes effect.
 - (c) When this policy has been in effect for more than 90 days, we may cancel:
 - (i) If there has been a material misstatement;
 - (ii) If the risk has changed substantially since the policy was issued;
 - (iii) In the event of failure to comply with underwriting requirements established by us within 90 days of the effective date of coverage;
 - (iv) If the cancellation is for all insureds under policies of this type for a given class of insureds;
 - (v) 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;
 - (vi) On the basis of a single claim which is the result of water damage, if we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;
 - (vii) 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:
 - (a) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or

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

We will provide the following notice:

- (i) If the date of cancellation becomes effective on or after December 1 and before June 1, we will let you know at least 100 days before the date cancellation takes effect; or
 - (ii) If the date of cancellation becomes effective on or after June 1 and before December 1, we will let you know:
 - (a) At least 100 days before the date cancellation takes effect; or
 - (b) By June 1;whichever is earlier.
- d. If the date of cancellation becomes effective during a "hurricane occurrence":
- (1) The date of cancellation will not become effective until the end of the "hurricane occurrence"; and
 - (2) We shall be entitled to collect additional premium for the period beyond which the original date of cancellation for which the policy remains in effect.

However, this provision (5.d.) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".

- e. When this policy is cancelled, the premium from the date of cancellation to the expiration date will be refunded pro rata.
- f. 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 days after the date cancellation takes effect.
- g. If we cancel this policy due to the failure of the lender to pay the premium when due, we shall reinstate the policy as required by Florida Statute 501.137.

6. Nonrenewal is replaced by the following:

6. Nonrenewal

- a. We may elect not to renew this policy. 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 reasons for nonrenewal. Proof of mailing will be sufficient proof of notice:

- (1) If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, then, during the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", we may elect not to renew this policy only if:

- (a) You have not paid the renewal premium;
- (b) There has been a material misrepresentation or fraud related to the claim;
- (c) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
- (d) We have paid policy limits.

We may do so by letting you know at least 45 days before the expiration date of the policy.

- (2) If the conditions described in Paragraph 6.a.(1) do not apply, we may elect not to renew this policy by providing the following notice before the expiration date of this policy:

- (a) If the date of nonrenewal becomes effective on or after December 1 and before June 1, we will let you know at least 100 days before the expiration date of this notice; or
- (b) If the date of nonrenewal becomes effective on or after June 1 and before December 1, we will let you know:
 - (i) at least 100 days before the expiration date of this policy; or
 - (ii) by June 1;Whichever is earlier.

- (3) We shall be entitled to collect any additional premium required to keep this policy in effect during this period.

However, this provision (6.a.(3)) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

- b. We will not nonrenew this policy:

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- (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 by us to prevent recurrence of damage to the insured property;
 - (2) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has 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.
- c. If the date of nonrenewal becomes effective during a "hurricane occurrence":
- (1) The expiration date of this policy will not become effective until the end of the "hurricane occurrence"; and

- (2) We shall be entitled to collect additional premium for the period the policy remains in effect.

However, this provision (6.c.) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".

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:

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.

Proof of mailing will be sufficient proof of notice.

All other provisions of this policy apply

IN WITNESS WHEREOF, Homeowners Choice Property and Casualty Insurance Company has executed and attested these presents.



Francis X McCahill III

President
Homeowners Choice Property and Casualty Insurance Company