

NOTICE OF INCREASE IN POLICY PREMIUM OR MATERIAL CHANGE
(Texas)

NAME AND ADDRESS OF INSURANCE COMPANY
Zurich American Insurance Co; American Guarantee and Liability Insurance Co; Zurich American Insurance Co of Illinois: 1299 Zurich Way Schaumburg IL 60196-1056

NAME AND ADDRESS OF INSURED
August Family Investments LTD.
3612 Amherst Ave
Dallas TX 75225-7421

KIND OF POLICY: Package Policy		
POLICY/APPLICATION/BINDER NO.: CPO-6444345-02 Typist: DH		
EFFECTIVE DATE OF NOTICE: 8/17/2024 12:01 AM (DATE) (HOUR-STANDARD TIME AT THE ADDRESS OF THE INSURED)		
DATE OF MAILING: 7/16/2024		
NAME AND ADDRESS OF AGENT/BROKER: SWINGLE, COLLINS & ASSOCIATES 13760 NOEL RD STE 600 DALLAS TX 75240-1381		

(Applicable item marked "X")

Increase in
Policy
Premium

- ☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the premium applying to the above noted policy will increase, effective on the date indicated above, and the premium increase is as follows:
- _____

- See the "Important Notices" section for other information that may apply.

Material
Change

- ☒ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that the above mentioned policy, which will expire effective at and from the hour and date mentioned above, will be renewed; however, there will be a material change to the renewal policy that reduces coverage, changes conditions of coverage or changes the duties of the policyholder. The material change is as follows:
- PLEASE SEE ATTACHED
- _____

- See the "Important Notices" section for other information that may apply.
- ☐ You are hereby notified in accordance with the terms and conditions of the above mentioned policy, and in accordance with law, that there will be a material change to the above mentioned policy, effective on the date indicated above, that reduces coverage, changes conditions of coverage or changes the duties of the policyholder. The material change is as follows:
- _____

- See the "Important Notices" section for other information that may apply.

Important
Notices

- ☐ Reason(s) for premium increase or material change (reason(s) stated only if this item is marked):
- _____

- ☐ **Change From Replacement Cost to Actual Cash Value Coverage:** There has been a material change to your policy and this material change includes a change from replacement cost coverage to actual cash value coverage. The change might be to the entire policy or to any part of it. The change to your policy is described herein on this notice.
- ☐ **Additional Information:** Please see Page 2 of this Notice for more information about the difference between replacement cost coverage and actual cash value coverage.
- ☐ **Definition of Depreciation:** The term "depreciation" is the amount of value that an item loses over time, typically through use, wear and tear, or by becoming obsolete.
- ☐ **Depreciation Schedule:** Your policy includes a depreciation schedule. This depreciation schedule is at the following location in your policy:
- _____

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Important
Notices
cont'd

- ☐ **Additional Information about the Material Change to your Policy and the Difference Between Replacement Cost and Actual Cash Value Coverage:**

Your policy has changed.

Your policy may now pay less if your home is damaged.

Some items in your policy have changed from replacement cost coverage to actual cash value coverage.

There are two types of coverage for homes and personal items:

- ▶ **Replacement cost coverage:** The policy will pay to replace the damaged items based on current costs.
- ▶ **Actual cash value coverage:** The policy will **pay less** based on the item's characteristics, such as age and condition.

To know what your policy will cover, check your coverage and deductible amounts. The deductible is the amount you must pay before insurance will pay.

Changing from replacement cost to actual cash value coverage can reduce what your policy will pay.

To see how the payment for a home insured for \$200,000 with a 2 percent (\$4,000) deductible might change, **check out the examples below.** Your payment will probably be different.

Example: Actual cash value coverage			
If it costs \$10,000 to replace the roof and the loss is covered at actual cash value:			
	5-year-old roof	10-year-old roof	20-year-old roof
Actual cash value of roof (example only)	\$8,500	\$7,000	\$4,000
Minus 2 percent deductible	- \$4,000	- \$4,000	- \$4,000
Policy might pay	\$4,500	\$3,000	\$0

Example: Replacement cost coverage	
If the loss is covered at replacement cost, the policy will pay the same amount for any age roof:	
Cost to replace roof	\$10,000
Minus 2 percent deductible	- \$4,000
Policy might pay	\$6,000

- ☐ **Additional Information, if any:**
- ☐ **Consumer Report:** Please see the attached or enclosed notice regarding the use of a consumer report and a disclosure of your rights under the federal Fair Credit Reporting Act (FCRA).

Susan B. Hendy

AUTHORIZED REPRESENTATIVE

Additional Explanation



As respects General Liability coverage, the following policy form CG 21 08 05/14 Exclusion – Access Or Disclosure Of Confidential Or Personal information (Coverage B Only) is being removed from the policy at expiration. The reason for removing this form is that it has been replaced, refer to below. Please contact your agent if you have any questions.

We are providing advance notice of a clarification of coverage pertaining to personal advertising injury in the revised Exclusion – Access or Disclosure of Confidential or Personal Material or Information (Coverage B Only) (CG 21 08). This CG 21 08 will be added to your policy effective the date shown on this notice. Please contact your insurance representative with questions.

We are providing advance notice of a mandatory exclusion related to a clarification of coverage pertaining to a violation of law in connection with a person's or organization's confidential or personal material or information in the Exclusion – Violation of Law Addressing Data Privacy (CG 00 69). This CG 00 69 will be added to your policy effective the date shown on this notice. Please contact your insurance representative with questions.

We are providing advance notice of a clarification of coverage pertaining to bodily injury, property damage and personal advertising injury in the Exclusion – Cyber Incident (CG 40 35). This CG 40 35 will be added to your policy effective the date shown on this notice. Please contact your insurance representative with questions.

We are providing advance notice of an exclusion of coverage pertaining to Per- and Polyfluoroalkyl Substances (PFAS) in the Per- and Polyfluoroalkyl Substances (PFAS) Exclusion (U-GL-2206-A (01/21)). This U-GL-2206-A will be added to your policy effective the date shown on this notice. Please contact your insurance representative with questions.

Additional Explanation



Zurich American Insurance Co;
American Guarantee and Liability
Insurance Co; Zurich American
Insurance Co of Illinois
1299 Zurich Way
Schaumburg, IL 60196-1056

August Family Investments LTD.
3612 Amherst Ave
Dallas, TX 75225-7421

Effective Date of Notice: 08/17/2024

Date of Mailing: 07/16/2024

Type of Policy: Package Policy

Policy NO.: CPO-6444345-02

CONDITIONAL RENEWAL:

We plan to renew your policy based upon your current exposures.

Renewal Premium Ranges based off current expiring information:

+Property: \$179,495-\$210,500

+GL: \$8,990 - \$15,350

+Auto: \$1,350 - \$2,575

+Umbrella: \$20,750- \$24,030

The reason for this change is general rate increase. This is our best estimate of your renewal premium based on the information available to us as of the date this notice was prepared. The actual premium billed for the policy may be different from this estimate for reasons such as updated information provided by you or your agent, requests for policy changes made by your or your agent and/or updates we are required to make by law. Please contact your agent if you have any questions.

We will review your policy terms and conditions, which may change due to your individual account exposures, account performance, and any other emerging variables, including a possible change in deductibles, policy forms and endorsements and writing companies. The renewal premium rate may increase and could be higher or lower due to reinsurance costs, your loss ratio, and/or other underwriting variables.

Note: Change in Terms, Conditions and Pricing of Coverage Provisions. Change may impact Windstorm or Hail deductibles, Named Storm deductibles and/or Flood/Earth Movement deductibles

+Water Damage Deductible

As respects Property coverage, the Water Damage deductible is being reviewed, and if needed will be revised per the Underwriter. Factors that may require an increase are total values insured, the exposure to catastrophic related perils, minimum required water damage deductible, or changes in current Underwriting Guidelines. Please contact your agent if you have any questions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF LAW ADDRESSING DATA PRIVACY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following is added to Paragraph 2.
Exclusions of Section I – Coverage A – Bodily
Injury And Property Damage Liability:**

This insurance does not apply to:

Violation Of Law Addressing Data Privacy

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. Any federal, state or local statute, ordinance, regulation or other law that addresses, prohibits, or limits access to, use of or the printing, dissemination, disposal, obtaining, collecting, storing, safeguarding, recording, retention, sending, transmitting, communicating, selling or distribution of any person's or organization's confidential or personal material or information, including financial, health, biometric or other nonpublic material or information.

Any such federal, state or local statute, ordinance, regulation or other law includes but is not limited to:

- (1) The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
- (2) The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law; or

- b. Any law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico that is similar to any statute, ordinance, regulation or other law described in Paragraph a. above, including but not limited to the European Union's General Data Protection Regulation.

**B. The following is added to Paragraph 2.
Exclusions of Section I – Coverage B –
Personal And Advertising Injury Liability:**

This insurance does not apply to:

Violation Of Law Addressing Data Privacy

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. Any federal, state or local statute, ordinance, regulation or other law that addresses, prohibits, or limits access to, use of or the printing, dissemination, disposal, obtaining, collecting, storing, safeguarding, recording, retention, sending, transmitting, communicating, selling or distribution of any person's or organization's confidential or personal material or information, including financial, health, biometric or other nonpublic material or information.

Any such federal, state or local statute, ordinance, regulation or other law includes but is not limited to:

- (1) The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
- (2) The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law; or

- b. Any law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico that is similar to any statute, ordinance, regulation or other law described in Paragraph a. above, including but not limited to the European Union's General Data Protection Regulation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL MATERIAL
OR INFORMATION (COVERAGE B ONLY)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Material Or Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal material or information, including:

- a. Patents, trade secrets, processing methods, customer lists;

- b. Financial information, credit card information;
- c. Health information, biometric information; or
- d. Any other type of nonpublic material or information.

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal material or information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CYBER INCIDENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Cyber Incident

"Bodily injury" or "property damage" arising out of a "cyber incident".

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other similar cost or expense incurred by you or others arising out of a "cyber incident".

B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Cyber Incident

"Personal and advertising injury" arising out of a "cyber incident".

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other similar cost or expense incurred by you or others arising out of a "cyber incident".

C. For the purposes of this endorsement, the following definition is added to the Definitions Section:

"Cyber incident" means any:

1. Unauthorized access to or use of any computer system.
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

In the event that this endorsement conflicts with any terms, conditions, provisions or exclusions in this policy, this endorsement shall supersede and control the application of this insurance. All other terms, conditions, provisions and exclusions of this policy remain the same.

Per- and Polyfluoroalkyl Substances (PFAS) Exclusion



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Policy No.

Effective Date:

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

- A.** Notwithstanding any provision of this policy to the contrary, the following exclusion is added to Paragraph 2. **Exclusions** of **SECTION I—COVERAGE A—BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and to Paragraph 2. **Exclusions** of **SECTION I—COVERAGE B—PERSONAL AND ADVERTISING INJURY LIABILITY**:

This insurance does not apply to:

PFAS

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of or which would not have occurred in whole or in part, but for the actual, alleged or threatened:

- (a) manufacture, distribution, sale, resale, re-branding, installation, repair, removal, encapsulation, abatement, replacement or handling of "PFAS" or any other material or substance containing "PFAS"; or
- (b) discharge, dispersal, release, leakage, leaching, friability, flaking, escape or presence of "PFAS"; or
- (c) ingestion of, inhalation of, contact with, exposure to, existence of, or presence of "PFAS"

regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to the injury or damage.

- (2) Any sums that any insured or other entity must pay, repay or reimburse because of any:

- (a) Request, demand, order, statutory or regulatory requirement, direction or determination that any insured or others test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding "PFAS"; or
- (b) Claim or "suit" for damages arising out of or relating in any way to any request, demand, order, statutory or regulatory requirement, direction or determination that any insured or others test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding "PFAS"; or

- (3) Any other loss, cost or expense arising out of or related in any way to "PFAS".

- B.** The Section entitled **DEFINITIONS** is amended to add the following:

"PFAS" means Per- and Polyfluoroalkyl Substances (PFAS), including but not limited to:

- a. any perfluoroalkyl and polyfluoroalkyl substances, including but not limited to perfluoroalkyl acids, perfluoroalkane sulfonamides, perfluoroalkyl ether carboxylic acids, fluorotelomer substances and perfluoroalkane sulfonamido substances; or
- b. any fluorinated polymers, including but not limited to fluoropolymers, perfluoropolyethers and side-chain-fluorinated polymers;

including associated homologues, isomers, salts, esters, alcohols, acids, precursor chemicals and derivatives, and related degradation or by-products of any such constituent.

