

Environmental Impairment Liability Coverage Part

This Coverage Part Provides Claims Made Coverage.

VII. ENVIRONMENTAL IMPAIRMENT LIABILITY ADDITIONAL CHANGES

The policy this Environmental Impairment Liability Coverage Part is attached to is changed as follows:

A. The following defined terms of XXII. DEFINITIONS SECTION of the policy are amended to also apply to the Environmental Impairment Liability Coverage Part:

3. "Agreed settlement";
9. "By-product material";
12. "Committee member";
23. "Declarations";
28. "Employers Liability";
34. "Hazardous properties";
41. "Leased workers";
52. "Nuclear facility";
53. "Nuclear material";
54. "Nuclear reactor";
61. "Policy period" (LIABILITY);
62. "Pollutants" (LIABILITY);
74. "Source material";
75. "Special nuclear material";
77. "Spent fuel";
78. "Subsidiary(ies)";
79. "Suit(s)";
81. "Temporary workers";
88. "Unit"; and
94. "Waste";

B. The following defined terms are added to XXII. DEFINITIONS SECTION of the policy:

1. "Bodily Injury" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means bodily injury, sickness, disease or building related illness, mental anguish, emotional distress, or shock sustained by any person, including death resulting therefrom, caused by "pollution conditions".
2. "Claim(s)" (ENVIRONMENTAL IMPAIRMENT LIABILITY)
 - a. means the assertion of a legal right alleging liability or responsibility on the part of the insured, arising out of "pollution conditions", and shall include but not be limited to a

lawsuit, petition, order, or government and/or regulatory action, filed against the insured; and,

- b. includes "remediation expense" resulting from "pollution conditions" which are:

- (1) first discovered by any insured; and,
- (2) reported to us, during the "policy period" or applicable extended reporting period.

3. "Coverage territory" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means the United States and its territories and possessions.
4. "Defense costs" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means legal costs, charges and expenses, including expert fees, incurred in the investigation, adjustment, settlement and defense of "claim(s)" and "suit(s)". "Defense Costs" do not include the time and expenses incurred by the insured in assisting in the investigation or resolution of "claim(s)" and "suit(s)" including but not limited to the costs of the insured's in-house counsel, salary charges of regular employees or officials of the insured and fees and expenses of supervisory counsel retained by the insured.
5. "Employee" (ENVIRONMENTAL IMPAIRMENT LIABILITY) includes "leased worker", "temporary worker", director, officer, "committee member", or community manager.
6. "Extended reporting period" means the Automatic Extended Reporting or, where applicable, the Optional Extended Reporting Period, described in V. ENVIRONMENTAL IMPAIRMENT LIABILITY EXTENDED REPORTING PERIOD SECTION.
7. "Loss" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means monetary judgment, award or settlement of compensatory damages arising from:
 - a. "bodily injury";
 - b. "property damage";
 - c. "remediation expense"; and,
 - d. "defense costs".
8. "Pollution conditions" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means the discharge, dispersal, release, seepage, migration or escape of smoke, vapors, soot, fumes, acids, alkalis, electromagnetic fields, toxic chemicals, hazardous substances, liquids or gases, waste materials, including medical, infectious and pathological

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wastes, or other irritants, contaminants or "pollutants" into or upon land or structures thereupon, the atmosphere or any watercourse or body of water including groundwater.

9. **"Property damage"** (ENVIRONMENTAL IMPAIRMENT LIABILITY) means:

- a. Physical injury to or destruction of tangible property, including the personal property of third parties, including the loss of use thereof; or,
- b. Loss of use of such property that has not been physically injured or destroyed; or,
- c. Diminished third party property value; or,
- d. "Natural Resource Damage", caused by any "pollution conditions"

"Property damage" does not include "Remediation expense".

10. **"Remediation expense"** (ENVIRONMENTAL IMPAIRMENT LIABILITY) means expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment or neutralization of "pollution conditions" to the extent required by any Federal, State or Local Laws, Regulations or Statutes enacted to address "pollution conditions".

"Remediation Expense" also includes punitive, exemplary, or multiplied damages, where insurable by law.

11. **"Termination of coverage"** (ENVIRONMENTAL IMPAIRMENT LIABILITY) means cancellation or nonrenewal of the Environmental Impairment Liability Coverage Part by either party.

12. **"Natural resource damage"** (ENVIRONMENTAL IMPAIRMENT LIABILITY) means physical injury to or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value of land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act 16 U.S.C. 1801 et. seq.), any State, Local or Provincial government, any foreign government, any Native American tribe or, if such resources are subject to a trust restriction on alienation, any member of a Native American tribe.

13. **"Underground storage tank"**

(ENVIRONMENTAL IMPAIRMENT LIABILITY) means any stationary container or vessel, including the associated piping connected thereto, which is ten percent (10%) or more beneath the surface of the ground and is:

- (i) constructed primarily of non-earthen materials; and
- (ii) designed to contain any substance.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

■ Disclosure Pursuant to Terrorism Risk Insurance Act

This endorsement modifies insurance provided by the following policies:

CONDOMINIUM ASSOCIATION INSURANCE POLICY
COOPERATIVE APARTMENT INSURANCE POLICY
HOMEOWNERS ASSOCIATION INSURANCE POLICY
OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

This policy includes coverage for Certified Acts of Terrorism. Please refer to the applicable charge below.

SCHEDULE

Terrorism (<u>Certified Acts</u>)	PREMIUM \$2,127
Federal share of terrorism losses	<u>83%</u> Year <u>2017</u>
Federal share of terrorism losses	<u>82%</u> Year <u>2018</u>

A. DISCLOSURE OF PREMIUM

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage, as shown in the Schedule above, of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. CAP ON INSURER PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. ADDITIONAL OR RETURN PREMIUM

The premium for "certified acts of terrorism" coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act. The federal program established by the Act is scheduled to terminate December 31, 2020, unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the estimated premium shown in the Schedule may not be appropriate.

If this policy contains a Conditional Exclusion, continuation of coverage for "certified acts of terrorism", or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion. If this policy does not contain a Conditional Exclusion, coverage for "certified acts of terrorism" will continue. In either

case, when disposition of the federal program is determined, we will recalculate the premium shown in the Schedule and will charge additional premium or refund excess premium, if indicated.

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ **Cap on Losses from "Certified Acts of Terrorism"**

This endorsement modifies insurance provided by the following policies:

CONDOMINIUM ASSOCIATION INSURANCE POLICY
COOPERATIVE APARTMENT INSURANCE POLICY
HOMEOWNERS ASSOCIATION INSURANCE POLICY
OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

A. The following is applicable to the Property Coverage Part:

1. CAP ON CERTIFIED TERRORISM LOSSES

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

2. APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Property Coverage Part, such as losses excluded by the III.B.1.d. NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL HAZARDS exclusions, III.B.1.e. "WAR" AND MILITARY ACTION exclusion or III.B.2.e. POLLUTION exclusion.

B. The following is applicable to the Liability Coverage Part, Directors & Officers Liability Coverage Part, Employee Benefits Liability Coverage Part and Environmental Impairment Liability Coverage Part:

1. CAP ON CERTIFIED TERRORISM LOSSES

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

2. APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under these Coverage Parts, such as losses excluded by the "WAR" exclusion, HOSTILE ACTS exclusion, NUCLEAR ENERGY exclusion, NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL HAZARDS exclusions or the POLLUTION exclusion.

C. The following definition is added to XXVIII. DEFINITIONS SECTION:

"Certified act of terrorism" (PROPERTY, LIABILITY, DIRECTORS AND OFFICERS LIABILITY, EMPLOYEE BENEFITS LIABILITY, and ENVIRONMENTAL IMPAIRMENT LIABILITY) means an act that is certified by the Secretary of the Treasury in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

D. If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ Amended Water Exclusion

This endorsement modifies insurance provided by the Property Coverage Part of the following:

CONDOMINIUM ASSOCIATION INSURANCE POLICY

COOPERATIVE APARTMENT INSURANCE POLICY

HOMEOWNERS ASSOCIATION INSURANCE POLICY

OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

III. PROPERTY CAUSES OF LOSS, EXCLUSIONS, AND LIMITATIONS SECTION is amended as follows:

Paragraph (3) of exclusion f. WATER under Section B. EXCLUSIONS is deleted and replaced by the following:

- (3) Continuous or repeated seepage, leakage, or inundation of water, or the presence of condensation, humidity, moisture, or vapor, that occurs over 14 days or more.

All other terms and conditions of this policy remain unchanged by this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ Additional Claim Expenses

This endorsement modifies insurance provided by the Property Coverage Part of the following:

CONDOMINIUM ASSOCIATION INSURANCE POLICY

COOPERATIVE APARTMENT INSURANCE POLICY

HOMEOWNERS ASSOCIATION INSURANCE POLICY

OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

V. PROPERTY SUPPLEMENTARY PAYMENTS SECTION is amended to include the following:

E. ADDITIONAL CLAIM EXPENSES

Subject to the limit of insurance shown below, we will pay for the reasonable and necessary expenses you incur for your community manager to assist you in preparing and certifying details from a COVERED CAUSE OF LOSS to "covered property" when the cost to repair or replace damage to "covered property" exceeds \$250,000. No deductible applies to this coverage.

We will not pay:

1. Expenses incurred when your community manager is acting as your public or independent adjuster, or as your contractor;
2. Expenses billed by or payable to an independent or public adjuster; or
3. Expenses incurred by you under VI. PROPERTY CONDITIONS SECTION, N. APPRAISAL.

The limit of insurance below is the most we will pay and does not increase any other coverage limits of insurance.

LIMIT OF INSURANCE

\$2,500 per occurrence

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ Power Failure or Interruption Coverage - Sump Pump

This endorsement modifies insurance provided by the Property Coverage Part of the following:

CONDOMINIUM ASSOCIATION INSURANCE POLICY

COOPERATIVE APARTMENT INSURANCE POLICY

HOMEOWNERS ASSOCIATION INSURANCE POLICY

OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

IV. PROPERTY ADDITIONAL COVERED CAUSES OF LOSS SECTION is amended by the addition of the following:

POWER FAILURE OR INTERRUPTION COVERAGE – SUMP PUMP

Subject to the limit of insurance and valuation shown below, we will pay for direct physical loss or damage to "covered property" caused by or resulting from water which backs up through, overflows, or is otherwise discharged from a sump well, if the back up, overflow or discharge results from a power failure, or power interruption to a sump pump or related equipment. No deductible applies to this coverage.

LIMIT OF INSURANCE

\$15,000 per occurrence

VALUATION

Replacement Cost

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ Deductible Credit

This endorsement modifies insurance provided by the Property Coverage Part of the following:

CONDOMINIUM ASSOCIATION INSURANCE POLICY

COOPERATIVE APARTMENT INSURANCE POLICY

HOMEOWNERS ASSOCIATION INSURANCE POLICY

OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

The following is added to the Property Coverage Part, **VI. PROPERTY CONDITIONS SECTION, K. DEDUCTIBLE:**

When a loss or damage caused by or resulting from a COVERED CAUSE OF LOSS to "covered property" exceeds \$250,000, the deductible amount shown on the "Declarations" is waived.

This endorsement does not apply to any deductibles shown on endorsements to this policy or to any per "unit" deductibles.

All other terms and conditions of this policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ Deductible Allowance

This endorsement modifies insurance provided by the Property Coverage Part of the following:

CONDOMINIUM ASSOCIATION INSURANCE POLICY
COOPERATIVE APARTMENT INSURANCE POLICY
HOMEOWNERS ASSOCIATION INSURANCE POLICY
OFFICE CONDOMINIUM ASSOCIATION INSURANCE POLICY

The following is added to the Property Coverage Part, **VI. PROPERTY CONDITIONS SECTION, K. DEDUCTIBLE:**

DEDUCTIBLE ALLOWANCE

- A. For every consecutive annual "policy period" that you do not sustain a loss or damage caused by or resulting from a COVERED CAUSE OF LOSS to "covered property", to which the deductible amount shown on the "Declarations" applies, and also applies to all other endorsements, we will annually allot 20% of the deductible amount shown on the "Declarations" to a Deductible Allowance to be used in the event of a future loss or damage resulting from a COVERED CAUSE OF LOSS to "covered property".
- B. The Deductible Allowance is subject to the following conditions:
 - 1. The Deductible Allowance shall be used for any loss or damage from a COVERED CAUSE OF LOSS to "covered property" that exceeds the applicable deductible shown on the "Declarations" and all endorsements;
 - 2. The Deductible Allowance may not be used if loss or damage caused by or resulting from a COVERED CAUSE OF LOSS to "covered property" is less than the applicable deductible shown on the "Declarations" and all endorsements;
 - 3. The Deductible Allowance is eliminated in the event we pay a loss or damage caused by or resulting from a COVERED CAUSE OF LOSS to "covered property" for which a deductible applies;
 - 4. The Deductible Allowance cannot exceed the applicable deductible amount shown on the "Declarations" and all endorsements. The maximum Deductible Allowance you may accrue is \$5,000.
- C. For example, if your deductible amount shown on the "Declarations" is \$5,000 and you do not sustain a loss or damage from a COVERED CAUSE OF LOSS to "covered property" for four consecutive annual "policy periods", the Deductible Allowance will have accrued \$4,000. If you then sustain a loss or damage caused by or resulting COVERED CAUSE OF LOSS to "covered property", that exceeds the applicable deductible shown on the "Declarations", the Deductible Allowance of \$4,000 may be used to reduce the applicable deductible by \$4,000.

All other terms and conditions of this policy remain unchanged by this endorsement.