
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ Additional Insured - Managers or Lessors of Premises

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

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

SCHEDULE

Designation of Premises (Part Leased to You):

Only with respects to the Association's Board Meeting(s).

Name of Person or Organization:

East Brunswick Public Library
2 Jean Walling Civic Center
East Brunswick, NJ 08816

1. XII. GENERAL LIABILITY WHO IS AN INSURED SECTION is amended as follows:

Paragraph, **A. WHO IS AN INSURED – "BODILY INJURY", "PROPERTY DAMAGE", "PERSONAL INJURY", "ADVERTISING INJURY", AND MEDICAL PAYMENTS** is amended by the addition of the following:

Any person or organization, shown in the SCHEDULE of this endorsement, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the SCHEDULE of this endorsement.

2. For the purpose of the coverage provided by this endorsement only, the following is added to Section XI. GENERAL LIABILITY EXCLUSIONS SECTION.

This insurance does not apply to:

- a. Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- b. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the SCHEDULE of this endorsement.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ Employee Dishonesty - Community Manager

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

Definition 18. "Covered employee" (PROPERTY) of **XXII. DEFINITIONS SECTION** is deleted and replaced by the following:

18. **"Covered employee"** (PROPERTY) means:

- a. Any natural person:
 - (1) While in your service (and for 30 days after termination of service);
 - (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you.
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you. However, any such person is excluded while having care and custody of property outside the "premises".
- c. Any natural person who is a duly elected or appointed director, trustee, "officer", "committee" volunteer or "committee member", whether salaried or not, and any other person acting on behalf or at the direction of an "officer" or board of directors of your Association with the exception of the developer when acting in a capacity as the developer.
- d. Other than your "employee", any person or any organization while acting as your community manager.

But covered employee does not include

- a. Any "employee" immediately upon discovery by:
 - (1) You; or
 - (2) Any of your "officers" and directors not in collusion with the employee, director, "officer" or board member; of any dishonest act committed by that employee, director, "officer" or board member whether before or after being hired or appointed by you.

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■ New Jersey Changes - Amendatory Endorsement

This endorsement modifies insurance provided under the following:

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

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

1. We will not pay for loss or damage arising out of any act committed:
 - a. By or at the direction of any insured; and
 - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny payment to a co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of domestic violence.
3. If we pay a claim pursuant to paragraph 2. above, our payment to the insured is limited to that insured's insurable interest in the property. In no event will we pay more than the limit of insurance.

To the extent that VI.A. CONCEALMENT, MISREPRESENTATION OR FRAUD conflicts with the provision of Paragraph 2. above, the provision of Paragraph 2. above will apply.

B. The following is added to VI. PROPERTY CONDITIONS SECTION, Paragraph G. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US:

If we pay a co-insured for loss arising out of an act of domestic violence by another insured, the rights of the co-insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to us to the extent of our payment. Following the loss, the co-insured who did not cooperate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic violence.

C. The following is added to XI. GENERAL LIABILITY EXCLUSIONS, G. POLLUTION:

This exclusion does not apply for the minimum coverage up to the minimal financial responsibility limits specified in N.J.S.A. 39:6 B-1.

D. The following is added to XX. LIABILITY CONDITIONS SECTION:

E. YOUR RIGHT TO LOSS INFORMATION

We will provide the first Named Insured shown in the "Declarations" the following loss information relating to this and any preceding LIABILITY COVERAGE PART we have issued to you during the previous three years:

- a. A list or other record of each "occurrence" of which we were notified in accordance with both conditions XIII. B. and XVIII. B. entitled "YOUR DUTIES IN THE EVENT OF "OCCURRENCE", "OFFENSE", CLAIM OR "SUIT" in this LIABILITY COVERAGE PART. We will include a brief description of the "occurrence" and information on whether any claim arising out of the "occurrence" is open or closed.
- b. A summary by policy year, of payments made and amounts reserved, stated separately under any applicable General Aggregate Limit and Products-Completed Operations Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

We will provide this information only if we receive a written request from the first Named Insured during the policy period. We will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured.

E. COMMON POLICY CONDITIONS is amended as follows:

(i). The following is added:

Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request. This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

(ii). **A. CANCELLATION**, Paragraph 2. is deleted and replaced by the following:

2.a. CANCELLATION OF POLICIES IN EFFECT FOR LESS THAN 60 DAYS

If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured and any person entitled to notice under this policy written notice of cancellation at least:

(1) 10 days before the effective date of cancellation if we cancel for:

- (a) Nonpayment of premium; or
- (b) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:
 - (i) "The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'; and
 - (ii) The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'."

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

2.b. CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE

(1) If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2 (f);
- (c) Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;
- (d) Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
- (e) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
- (f) Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;
- (g) Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
- (h) Loss of or reduction in available insurance capacity;
- (i) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
- (j) Loss of or substantial changes in available reinsurance;
- (k) Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;
- (l) Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefore and a reasonable opportunity to respond;
- (m) Agency termination, provided:

- (i) We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or
- (ii) We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.
- (n) Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.
- (2) If we cancel this policy based on paragraph 2.(1)(a) or 2.(1)(b) above, we will mail a written notice, stating the reason for cancellation, to the first Named Insured and any person entitled to notice under this policy, at least 10 days before the effective date of cancellation. For cancellation due to the nonpayment of premium, the notice will state the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice. If we cancel this policy for any other reason listed above, we will mail a written notice, stating the reason for cancellation, to the first Named Insured and any person entitled to notice under this policy not more than 120 days nor less than 30 days before the effective date of such cancellation.
- (3) Notice will be sent to the last mailing addresses known to us, by:
 - (a) Certified mail; or
 - (b) First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses.
- (4) We need not send notice of cancellation if you have:
 - (a) Replaced coverage elsewhere; or,
 - (b) Specifically requested termination.

(iii). B. NONRENEWAL, Paragraphs 2. and 3. are deleted and replaced by the following:

- 2. The company may elect not to renew this policy for any reason permitted to cancel it. If the company elects not to renew this policy, the company shall mail a notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured at least 30 days but not more than 120 days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.
- 3. This notice will be sent to the first Named Insured at the last mailing address known to the company by:
 - (a) Certified mail; or,
 - (b) First class mail, if the company has obtained from the post office a date stamped proof of mailing showing the first Named Insured's name and address.

(iv). The following is added to B. NONRENEWAL:

- 5. The company need not mail or deliver this notice if the first Named Insured has:
 - a. Replaced coverage elsewhere; or
 - b. Specifically requested termination.

Service will be sufficient proof of notice.

F. XI. GENERAL LIABILITY EXCLUSIONS is amended as follows:

- (i). Paragraph 2. of **EXCLUSION O. EMPLOYERS LIABILITY** is deleted and replaced with the following:
 - 2. The spouse, party to a civil union recognized under New Jersey law, child, parent, brother, or sister of that "employee" as a consequence of subparagraph 1. above.
- (ii). Paragraph 2. of **EXCLUSION X. INJURY RELATING TO "NONOWNED AUTO" AND "HIRED AUTO"** is deleted and replaced with the following:
 - 2. To the spouse, party to a civil union recognized under New Jersey law, child, parent, brother, or sister of that "employee" as a consequence of subparagraph 1. above.

G. XII. GENERAL LIABILITY WHO IS AN INSURED SECTION, A. WHO IS AN INSURED - "BODILY INJURY", "PROPERTY DAMAGE", "PERSONAL INJURY", Paragraph **A.1.f.(1)** is deleted and replaced as follows:

- a. "Bodily injury" or "personal injury" to you or to a "coemployee" while in the course of their employment, or the spouse, party to a civil union recognized under New Jersey law, child, parent, brother or sister of that "coemployee" as a consequence of such "bodily injury" or "personal injury" or for any obligation to share damages with or repay someone else who must pay damages because of injury; or

H. DIRECTORS AND OFFICERS LIABILITY COVERAGE PART, SECTION III, WHO IS AN INSURED, Paragraph A. 5. is deleted and replaced by the following:

5. Marital Estate

We shall cover "loss" arising from any "claim" made against the lawful (as determined by the applicable jurisdiction of the spouse, or party to a civil union recognized under New Jersey law) spouse or party to a civil union recognized under New Jersey law, of any natural person insured in 2. or 3. above if such "claim" arises solely out of the spousal relationship to the insured person. This coverage includes "claims" that seek damages recoverable from marital community property, property jointly held by the insured person and spouse or party to a civil union recognized under New Jersey law, and property transferred from the insured person to spouse or party to a civil union recognized under New Jersey law. However, we shall not cover any "claim" for any actual or alleged "wrongful act" committed by the spouse or party to a civil union recognized under New Jersey law, himself or herself, of any such insured person. All provisions of this Directors and Officers Liability Coverage Part, including the application of any retention, which apply to the insured person, also apply to the spouse or party to a civil union recognized under New Jersey law.

I. ENVIRONMENTAL IMPAIRMENT LIABILITY COVERAGE PART, EXCLUSIONS is amended as follows:

Paragraph 2. of **EXCLUSION C. EMPLOYERS LIABILITY** is deleted and replaced by the following:

- 2. The spouse, party to a civil union recognized under New Jersey law, child, parent, brother or sister of that "employee" as a consequence of subparagraph 1. above.

This exclusion applies:

- 1. Whether the insured may be liable as an employer or in any other capacity; and,
- 2. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

J. ENVIRONMENTAL IMPAIRMENT LIABILITY COVERAGE PART, LIABILITY ADDITIONAL CHANGES, Paragraph B.7 "Loss" is deleted and replaced by the following:

- 7. "Loss" (ENVIRONMENTAL IMPAIRMENT LIABILITY) means monetary judgment, award or settlement of compensatory damages arising from:
 - a. "bodily injury";
 - b. "property damage"; and,
 - c. "remediation expense".

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

■ "Fungus", Wet Rot and Dry Rot Coverage

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

SCHEDULE

OPTIONAL HIGHER LIMIT:

<input checked="" type="checkbox"/>	\$25,000; or
<input type="checkbox"/>	\$50,000

A. The following exclusion is added to III.B. EXCLUSIONS, 1.:

"FUNGUS", WET ROT AND DRY ROT

Presence, growth, proliferation, spread, or any activity of "fungus" or wet or dry rot.

But, if "fungus" or wet or dry rot results in a "specified causes of loss", we will pay for the loss or damage caused by that "specified cause of loss".

However, this exclusion does not apply when "fungus" or wet or dry rot results from fire or lightning.

Except as provided under Paragraph C. **"FUNGUS", WET ROT AND DRY ROT COVERAGE** of this endorsement.

B. III.B. EXCLUSIONS, 2. is amended as follows:

1. Exclusion **b.(5)** is deleted.
2. The following exclusion is added:

NEGLECT OF AN INSURED

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

C. The following exclusion is added to IV. PROPERTY ADDITIONAL COVERED CAUSES OF LOSS SECTION:

"FUNGUS", WET ROT AND DRY ROT COVERAGE

1. We will pay for loss or damage by "fungus" or wet or dry rot. As used in this endorsement, the term loss or damage means:
 - a. Direct physical loss or damage to "covered property" caused by "fungus" or wet or dry rot, including the cost of removal of the "fungus" or wet or dry rot;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus" or wet or dry rot; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus" or wet or dry rot are present.

The coverage described above is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of COVERED CAUSE OF LOSS, other than fire or lightning, which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus" or wet or dry rot, we will not pay more than a total of \$15,000 even if the "fungus" or wet or dry rot continues to be present or active, or recurs in a later policy period.

However, if an optional higher limit of \$25,000 or \$50,000 is selected in the Schedule, the above amount of \$15,000 limit is replaced by the amount of \$25,000 or \$50,000 limit selected in the Schedule.

2. The following provisions a. or b. applies only if II.A. MAINTENANCE FEES, B. COMMUNITY INCOME or C. EXTRA EXPENSE coverage applies to the "premises" and only if the suspension of operations satisfies all terms and conditions of the applicable II.A. MAINTENANCE FEES, B. COMMUNITY INCOME or C. EXTRA EXPENSE coverage.
- a. If the loss which resulted in "fungus" or wet or dry rot does not in itself necessitate a suspension of operations, but such suspension is necessary due to loss or damage to property caused by "fungus" or wet or dry rot, then our payment under II.A. MAINTENANCE FEES, B. COMMUNITY INCOME or C. EXTRA EXPENSE is limited to the amount of loss and expense sustained in a period of not more than 30 days. The days do not be consecutive.
 - b. If a covered suspension of operations was caused by loss or damage other than "fungus" or wet or dry rot but remediation of "fungus" or wet or dry rot prolongs the "period of restoration", we will pay for loss and expense sustained during the delay, regardless of when such a delay occurs during the "period of restoration", but such coverage is limited to 30 days. The days do not be consecutive.
3. The coverage described in provisions 1. and 2. above only applies when the "fungus" or wet or dry rot is the result of one or more COVERED CAUSE OF LOSS other than fire or lightning that occurs during the "policy period" and only if all reasonable means were used to save and preserve the property from further reasonably foreseeable damage at the time of and after that occurrence.

We will pay only for such loss or damage which, with respect to the occurrence described in provision 1.a. above which:

- a. Occurs within 48 consecutive hours of the occurrence; and
 - b. Is reported to us within seven consecutive days of the occurrence.
4. The coverage provided under this endorsement does not increase the applicable limit of insurance on any "covered property". If a particular occurrence results in loss or damage by "fungus" or wet or dry rot, and other loss or damage, we will not pay more for the total of all loss or damage, than the applicable limit of insurance on the affected "covered property".

If there is covered loss or damage to "covered property", not caused by "fungus" or wet or dry rot, loss payment will not be limited by the terms of this endorsement except to the extent that "fungus" or wet or dry rot causes an increase in the loss. Any such increase in loss will be subject to the terms of this endorsement.

D. The following exclusion is added to XXII. DEFINITIONS SECTION:

"Fungus" (PROPERTY) means any type or form of fungus or bacteria, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi or bacteria.

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

NEW JERSEY EARTHQUAKE INSURANCE AVAILABILITY NOTICE

All insureds and applicants are cautioned that commercial fire insurance policies do not provide coverage for earthquake damage.

The definition of an earthquake:

- is a shaking or trembling of the earth that is geologic or tectonic in nature;
- includes shock waves or tremors before, during or after a volcanic eruption; and
- can also include after-shocks that occur within a seventy-two hour period following an earthquake.

A typical commercial fire insurance policy:

- does not cover the cost to replace or repair your damaged dwelling, premises or structures, such as garages, resulting from an earthquake;
- does not cover the cost to replace or repair the contents of your home or business if the damages result from an earthquake; and
- does not pay for any additional living or business expenses if your property is badly damaged or destroyed by an earthquake.

Earthquake insurance is available through an endorsement to your policy for an additional premium. The decision to purchase earthquake insurance is one that should be carefully considered based on individual circumstances.

Historically, an earthquake in New Jersey is a rare event, although the possibility exists that it could happen. Over the five-year period from 2010 to 2015, for every \$1 of earthquake insurance premium, 1/10 of one cent has been paid out for losses.

Please contact your agent if you have any questions or want additional information on how you can obtain earthquake insurance.

This notice is a general description of coverage and does not change, modify or invalidate any of the provisions, terms or conditions of your policy or endorsements.