



**THIS DISCLOSURE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER ANY POLICY.**

## **DISCLOSURE OF IMPORTANT INFORMATION RELATING TO TERRORISM RISK INSURANCE ACT**

### **SCHEDULE\***

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

**\$0**

\*Any information required to complete this Schedule, if not shown above, will be shown in the quote or proposal.

#### **A. Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

#### **B. Disclosure of Federal Participation in Payment of Terrorism Losses**

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, the United States Government may pay up to 80% of insured losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

#### **C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations**

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer 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 Treasury.

#### **D. Availability**

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

#### **E. Definition of Act of Terrorism under TRIA**

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been 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.

No act may be certified as an "act of terrorism" if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



## **Disclosure Statement**

It is our pleasure to present the enclosed policy to you  
for presentation to your customer.

**INSTRUCTION TO AGENT OR BROKER:**

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER  
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.



## Disclosure Statement

### NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichnaproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company

and its underwriting subsidiaries.



## California Disclosure Statement

### Minimum Earned premium

This policy is subject to a Minimum Earned Premium that is shown in the Declarations.

If you cancel this policy you must pay at least the Minimum Earned Premium unless the policy is cancelled as of the inception date shown in the Declarations.



## **PAYMENT INSTRUCTIONS FOR THE ZURICH BUILDERS RISK INSURED**

Thank you for trusting the Builders Risk Plan insured by Zurich for your construction project.

**The following policy is not your invoice. A separate premium invoice for your Zurich Builders Risk policy will be mailed directly to you within 48 hours after being issued by your agent.** The premium invoice will be addressed from US Assure, the exclusive program administrator and services provider for the Builders Risk Plan insured by Zurich.

To help ensure no lapse in coverage occurs, payment for your policy should be remitted to US Assure at the following address by the due date shown on the invoice:

**US Assure  
P.O. Box 935597  
Atlanta, GA 31193-5597**

For billing-related support, contact our dedicated team at (855) 872 - 7787 Monday through Friday, 7:30 a.m. to 7:30 p.m. Eastern time.

Your insurance agent or broker continues to be your primary contact for policy servicing and general inquiries.

## COMMON POLICY DECLARATIONS

The Common Policy Declarations with Coverage Part(s) and endorsements, if any, issued to form a part thereof, completes the below numbered  
**COMMERCIAL INSURANCE POLICY**  
**EC74133997**

American Zurich Insurance Company  
A Stock Company  
Administrative Office: 1299 Zurich Way  
Schaumburg, IL 60196  
Phone: 800-382-2150

NEW    RENEWAL OF

**1. NAMED INSURED AND MAILING ADDRESS:**

JSKS ESTATES LLC  
6513 1/2 Hollywood Blvd  
Los Angeles, CA 90028

**2. POLICY PERIOD:** From 05/24/2023 to 05/24/2024  
12:01 A.M. at your mailing address shown above.

AGENT: US ASSURE INSURANCE SERVICES OF FLORIDA, INC. D/B/A INLINK INSURANCE SERVICES		
	A0083850	
BO CODE	PRODUCER	BRANCH OFFICE

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

**3. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.**

COVERAGE PARTS	PREMIUM
<input type="checkbox"/> Commercial General Liability	\$
<input type="checkbox"/> Commercial Property	\$
<input type="checkbox"/> Commercial Crime	\$
<input type="checkbox"/> Equipment Breakdown	\$
<input checked="" type="checkbox"/> Commercial Inland Marine	\$ 5,256.00
<input type="checkbox"/> Commercial Auto	\$
<input type="checkbox"/> Total Taxes and Surcharges	\$ 0.00
<input type="checkbox"/>	\$
<input type="checkbox"/> Premium is payable in installments: See endorsement	TOTAL POLICY <input type="checkbox"/> \$ 5,256.00
	PREMIUM
	Minimum Earned Premium \$ 350

**4. FORMS APPLICABLE TO ALL COVERAGE PARTS:**

**SEE SCHEDULE OF FORMS AND ENDORSEMENTS**

**5. BUSINESS DESCRIPTION:** Owner/Contractor

**6. FORM OF BUSINESS**    Individual    Partnership    Corporation    Joint Venture    Other

Countersigned: \_\_\_\_\_ By: \_\_\_\_\_ Date: \_\_\_\_\_ Authorized Representative: \_\_\_\_\_



# Commercial Marine Miscellaneous Declarations

## Unsold Dwelling Or Structure

Insurance is provided by: American Zurich Insurance Company  
A Stock Company  
1299 Zurich Way, Schaumburg, IL 60196  
Phone: 800-382-2150

POLICY NO. EC74133997 EFFECTIVE DATE 05/24/2023

### LIMITS OF INSURANCE

DESCRIPTION OF PROPERTY	LIMITS OF INSURANCE
9064 HARLAND AVE WEST HOLLYWOOD, CA 90069	\$730,000

Property Insured – The property of the first named insured until such time as the property has been sold, the title transferred to the purchaser, or the interest of the insured ceases, whichever occurs first. In no event shall this policy cover completed dwellings which have been occupied in whole or in part for a period in excess of 30 days.

### DEDUCTIBLE

THE DEDUCTIBLE AMOUNT IS \$250 UNLESS OTHERWISE STATED.	\$ 5,000
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### RATE AND PREMIUM

SCHEDULED PROPERTY	RATE	PREMIUM
	0.72	\$ 5,256.00

### ADDITIONAL COVERAGES

	LIMIT	
\$		\$
\$		\$
\$		\$

TOTAL PREMIUM	\$ 5,256.00
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### SPECIAL PROVISIONS (IF ANY)

**Policy Number** EC74133997

**SCHEDULE OF FORMS AND ENDORSEMENTS**

Named Insured: JSKS ESTATES LLC

Effective Date: 05/24/2023

12:01 A.M., Standard Time

Agent Name: US ASSURE INSURANCE SERVICES OF FLORIDA, INC. D/B Agent No.: A0083850

47662(08/10), 40790(01/20), U-GU-619-A CW(10/02), U-GU-319-F(01/09), 40218(04/09), 40946(04/09),  
U-GU-630-E CW(01/20), U-GU-767-B CW(01/15), IL0003(09/08), CM0001(09/04), IL0104(07/20), IL0102(02/20),  
IL0017(11/98), IL0270(07/20), 1001NR(01/20), U-GU-1191-A CW(03/15)



## Important Notice – In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

[

A handwritten signature in black ink, appearing to read "Terry N.Y."/&gt;

President

]

A handwritten signature in black ink, appearing to read "Lana J. Karczynski"/&gt;

Corporate Secretary

]

**QUESTIONS ABOUT YOUR INSURANCE?** Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America  
Customer Inquiry Center  
1299 Zurich Way  
Schaumburg, Illinois 60196-1056  
**1-800-382-2150** (Business Hours: 8am - 4pm [CT])  
**Email:** info.source@zurichna.com



# Miscellaneous Property Coverage Form

Various Provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us", and "our" refer to the Company providing this insurance.

Words and phrases that appear in quotation marks have special meaning. Refer to Section **F. DEFINITIONS**.

Coverage provided by Coverage Form is also subject to all Conditions in the Common Policy Conditions and Commercial Inland Marine Conditions forms.

## A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from a Covered Cause of Loss described in this Coverage Form.

### 1. COVERED PROPERTY, as used in the Coverage Form means:

- a. Described property that belongs to you; and
- b. Similar described property of others for which you are responsible within the "coverage territory".

### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Automobiles, watercraft, (including its motors, equipment and accessories), and aircraft;
- b. Contraband, or property in the course of illegal transportation or trade;
- c. "Money" and "securities";
- d. Animals;
- e. Bridges, roadways, walks, patios, or other paved surfaces;
- f. Property that is covered under another coverage form of this or any other policy in which it is more specifically described;
- g. Plans, blueprints, designs and specification;
- h. Jewelry, precious stones, silverware, furs, or articles trimmed with furs, or similar valuables;
- i. Fine arts; and
- j. Electronic data processing equipment, data, and media.

### 3. COVERED CAUSES OF LOSS

Covered Cause of Loss means risk of direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

### 4. ADDITIONAL COVERAGE COLLAPSE

We will pay for direct loss or damage caused by or resulting from direct physical loss or damage involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion smoke; aircraft; vehicles; riot civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; but only if the causes of loss are otherwise covered in this Coverage Form;

- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

## 5. COVERAGE EXTENSIONS

### a. Damage To Building By Burglars

We will pay for loss or damage to that portion of the building containing Covered Property if the loss or damage is caused directly by the breaking in or exiting of burglars.

The most we will pay under this Coverage Extension is the lesser of \$10,000 or the Limit of Insurance shown in the Declarations.

### b. Debris Removal

We will pay your expenses to remove the debris of Covered Property damaged by a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay under this Coverage Extension is \$5,000.

## B. EXCLUSIONS

1. We will not pay for a loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence of the loss or damage.

### a. Governmental Action

Loss or damage caused by seizure or destruction of property by order of any governmental authority. This exclusion does not apply if the act of seizure or destruction is ordered at the time of a fire to prevent its spread, if that fire would otherwise be covered under this Coverage Form.

### b. Nuclear Hazard

Loss or damage caused directly, indirectly, contributed to, or aggravated by any of the following:

- (1) Any nuclear weapon;
- (2) Nuclear reaction or nuclear radiation, or radioactive contamination from any other cause.

But we will pay for direct loss or damage caused by resulting fire if that fire would otherwise be covered under this Coverage Form.

### c. War and Military Action

Loss or damage caused by or resulting from any of the following:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by government authority in hindering or defending against any of these.

**d. Earth Movement**

- (1)** Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, risking or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- (2)** Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic actions means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a)** Airborne volcanic blast or airborne shock waves;
- (b)** Ash, dust or particulate matter; or
- (c)** Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion does not apply to property in transit.

**e. Water**

Damage arising out of the following:

- (1)** Flood, surface water; waves; tides; tidal waves; overflow of any body of water or its spray;
- (2)** The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (a)** The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - (b)** The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- (3)** Mudslide or mudflow;
- (4)** Water that seeps, leaks, or flows from below the surface of the ground; or
- (5)** Any release of water impounded by a dam.

This exclusion does not apply to property while it is in transit.

**2. We will not pay for a loss or damage caused by or resulting from any of the following:**

- a.** Delay, loss or use, loss of market, loss of contract or any other "consequential loss";
- b.** Dishonest acts by any of the following:
  - (1)** You, your "employees" or authorized representatives;
  - (2)** Anyone else with an interest in the property, or their employees or authorized representatives; or
  - (3)** Anyone else to whom the property is entrusted. This exclusion does not apply to Covered Property while it is entrusted to others who are carriers for hire.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons.

- c.** Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device, or false pretense.
- d.** Unauthorized instructions to transfer property to any persons or to any place.
- e.** Intentional Acts committed by you, your, "employees" or authorized representative, or at your direction or the direction of your "employees" or authorized representatives, with the intent to cause loss or damage;
- f.** Mysterious disappearance of property or unexplained shortage or loss disclosed upon taking inventory;

- g. Theft from any unattended vehicle unless
- (1) At the time of the theft its windows, doors, and compartments were fully closed and locked; and
  - (2) There are visible signs that the theft was a result of forced entry.
- This exclusion does not apply to property in the custody of a carrier for hire.
3. We will not pay for a loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the resulting loss.
- a. Weather conditions which contribute in any way with a cause or event excluded in paragraph **B.1.** above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group or organization representing a governmental or regulatory or controlling body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance of all or part of any property wherever located.
  - d. Collapse, except as provided in Section **A.4. ADDITIONAL COVERAGE COLLAPSE** in this Coverage Form.
  - e. Wear and tear, marring, scratching;
  - f. Any quality in the property itself that causes it to damage or destroy itself, gradual deterioration;
  - g. Insect, vermin or rodents;
  - h. Corrosion, rust, dampness, changes in or extremes of temperature;
  - i. Settling, cracking, shrinking, or expansion;
  - j. The release, discharge, seepage, migration, escape or dispersal of "pollutants";
  - k. Rain, snow, sleet, sand and dust to property that is in the open. This does not apply to property in the custody of a carrier for hire; or
  - l. Artificially generated electrical current, mechanical breakdown, rupturing or bursting caused by centrifugal force.

## C. LIMITS OF INSURANCE

The most we will pay for any one loss or damage is the applicable Limit of Insurance shown in the Declarations or Schedules.

## D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of covered loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of covered loss or damage which exceeds the Deductible, up to the applicable limit of insurance.

## E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

### 1. COVERAGE TERRITORY

We will cover property wherever located, including while in transit, except imports or exports while ocean marine coverage applies.

## **2. COINSURANCE**

The company will not be liable for a greater portion of any loss or damage to property covered by this coverage form than the amount shown on the Declarations bears to 80% of the actual cash value of that property as of the time of the loss or damage.

## **F. DEFINITIONS**

1. "Consequential loss" means a loss which arises out of direct damage to property. This includes, but is not limited to, loss of business income and loss of rents.
2. "Employees" are people who work for you in the conduct of your ordinary activities in return for a salary, wages or commission. In order to be considered an "employee", a person must be subject to your direction and control in the performance of his or her activities. Brokers, factors, commission merchants, consignees, contractors and agents are not considered to be "employees".
3. "Money" means:
  - (a) Currency, coins and bank notes in current use and have a face value; and
  - (b) Travelers checks, register checks and money orders held for sale to the public.
4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant. This includes, but is not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemical and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.
5. "Securities" means negotiable or nonnegotiable instruments or contracts representing either money or other properties and includes the following:
  - (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in meter) in current use; and
  - (b) Evidence of debt issued in connection with credit cards, which cards are not issued by you; but does not include "money".



# Loss Payable Provisions

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

**BUILDERS RISK AND INSTALLATION COVERAGE FORM  
BUILDERS RISK COVERAGE FORM  
MARINE MODEL HOME CONTENTS COVERAGE FORM  
MISCELLANEOUS PROPERTY COVERAGE FORM**

## SCHEDULE

For each item of property described, indicate which provision of this endorsement applies by entering "A" for the LOSS PAYABLE Provision, "B" for the LENDERS LOSS PAYABLE Provision or "C" for the CONTRACT OF SALE Provision.

Description of the Property	Loss Payee (Name and Address)	Provision of the Endorsement Which is Applicable
9064 HARLAND AVE WEST HOLLYWOOD, CA 90069	Arixa Enhanced Income Fund L.P. ISAOA 10960 Wilshire Blvd. Suite 1050 Los Angeles, CA 90024	B

### A. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interest may appear.

### B. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgage holder or trustee) with whom you have entered a financial agreement for the purchase of Covered Property. Interest in that Covered Property is established by such written contracts, including but not limited to:
  - a. Warehouse receipts;
  - b. A contract for deed;
  - c. Bills of lading; or
  - d. Financing statements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
  - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interest may appear.
  - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
  - c. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
    - 1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- 2) Submit a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- 3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of the Coverage Form, which applies to the property in which the Loss Payee has an interest, will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because you have failed to comply with the terms of this Coverage Part:
  - 1) The Loss Payee's rights in the Covered Property will be transferred to us to the extent of the amount we pay; and
  - 2) The Loss Payee's rights to recover from us the full amount of the Loss Payee's interest will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
  - a. 10 days before the effective date or cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect to not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

#### C. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization with whom you have entered a contract for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
  - a. Adjust losses with you; and
  - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interest may appear.
3. The following is added to the **Other Insurance** Loss Condition:

For Covered Property that is subject of a contract of sale, the word "you" includes the Loss Payee.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Insured Name:  
Policy Number:  
Effective Date:



**THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.**

## **DISCLOSURE OF IMPORTANT INFORMATION RELATING TO TERRORISM RISK INSURANCE ACT**

### **SCHEDULE\***

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

**\$0**

\*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

#### **A. Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

#### **B. Disclosure of Federal Participation in Payment of Terrorism Losses**

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, the United States Government may pay up to 80% of insured losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

#### **C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations**

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer 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 Treasury.

#### **D. Availability**

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

#### **E. Definition of Act of Terrorism under TRIA**

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.



## CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

Insureds Name	Policy Number	Effective Date	Endorsement Number

### **THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies your insurance:

#### COMMERCIAL INLAND MARINE COVERAGE PART

##### **A. Cap on Losses From Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

If aggregate insured losses attributable to one or more "certified acts of terrorism" exceed \$100 billion in a calendar year (January 1 through December 31) 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 Treasury.

##### **B. Application of Other Exclusions**

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

# COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

## LOSS CONDITIONS

### A. Abandonment

There can be no abandonment of any property to us.

### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

#### F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### G. Pair, Sets Or Parts

##### 1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### 2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

#### J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and

must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

#### GENERAL CONDITIONS

##### A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

##### B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

##### C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

##### D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

##### E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

##### F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART – LIVESTOCK COVERAGE FORM

FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM  
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

- B. The Concealment, Misrepresentation Or Fraud Condition** is replaced by the following with respect to loss ("loss") or damage caused by fire:

We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

1. This Coverage Part;
2. The Covered Property;
3. That insured's ("insured's") interest in the Covered Property; or
4. A claim under this Coverage Part or Coverage Form.

- C. The Concealment, Misrepresentation Or Fraud Condition** is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:

This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

1. This Coverage Part;

2. The Covered Property;

3. An insured's ("insured's") interest in the Covered Property; or

4. A claim under this Coverage Part or Coverage Form.

- D.** Except as provided in **E.**, the **Appraisal Condition** is replaced by the following:

If we and you disagree on the value of the property or the actual cash value or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). In this event, each party will select a competent and impartial appraiser. However, in the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and actual cash value and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of actual cash value and loss ("loss") and will be binding. Each party will:

1. Pay its chosen appraiser; and

- 2.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**E. The Appraisal Condition in:**

- 1.** Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
- 2.** Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a.** Pay its chosen appraiser; and

- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALIFORNIA CHANGES – ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

With respect to an "open policy", the following are added to any provision which uses the term actual cash value:

**A.** In the event of a partial or total loss to a building or structure, actual cash value is calculated as the lesser of the following:

1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
2. The Limit of Insurance applicable to the property.

**B.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:

1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
  2. The Limit of Insurance applicable to the property.
- C.** An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.

# COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

## A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

## C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

## D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

## E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

**F. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Paragraphs 2. and 3. of the **Cancellation** Common Policy Condition are replaced by the following:**

**2. All Policies In Effect For 60 Days Or Less**

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for:
  - (1) Nonpayment of premium; or
  - (2) Discovery of fraud by:
    - (a) Any insured or his or her representative in obtaining this insurance; or
    - (b) You or your representative in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

**3. All Policies In Effect For More Than 60 Days**

- a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
  - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
  - (2) Discovery of fraud or material misrepresentation by:
    - (a) Any insured or his or her representative in obtaining this insurance; or
    - (b) You or your representative in pursuing a claim under this policy.
  - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
  - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
  - (6) A determination by the Commissioner of Insurance that the:
    - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
    - (b) Continuation of the policy coverage would:
      - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
      - (ii) Threaten our solvency.
  - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

- B. The following provision is added to the **Cancellation Common Policy Condition**:

#### **7. Residential Property**

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel this policy solely because the first Named Insured has:
  - (1) Accepted an offer of earthquake coverage; or
  - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.
- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
  - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
  - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

**d.** If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not cancel this policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred. However, we may cancel:

- (1) When you have not paid the premium, at any time by letting you know at least 10 days before the date cancellation takes effect;
- (2) If willful or grossly negligent acts or omissions by the Named Insured, or his or her representatives, are discovered that materially increase any of the risks insured against; or
- (3) If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

**C.** The following is added and supersedes any provisions to the contrary:

#### **Nonrenewal**

1. Subject to the provisions of Paragraphs **C.2.** and **C.3.** below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

#### **2. Residential Property**

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part  
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

**a.** If this policy provides coverage as described in the preceding paragraph, and we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at the mailing address shown in the policy, at least 75 days, but not more than 120 days, before the expiration or anniversary date.

If we fail to give the first Named Insured shown in the Declarations notice of nonrenewal at least 75 days prior to the policy expiration, as required in the paragraph above, this policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to the Named Insured. A notice to this effect shall be provided by us to the first Named Insured with the notice of nonrenewal.

**b.** We may elect not to renew such coverage for any reason, except as provided in Paragraphs **c.**, **d.** and **e.** below.

**c.** We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

(1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- d. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.
- e. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (e.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
  - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
  - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.
- f. If a state of emergency under California Law is declared and the residential property is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may nonrenew:

- (1) If willful or grossly negligent acts or omissions by the Named Insured, or his or her representatives, are discovered that materially increase any of the risks insured against;
  - (2) If losses unrelated to the postdisaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or
  - (3) If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.
3. We are not required to send notice of nonrenewal in the following situations:
- a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.
  - b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
  - c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
  - d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
  - e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
  - f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.



## Non-Renewal Notice

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

**Builders Risk And Installation Coverage Form  
Builders Risk Coverage Form  
Marine Model Home Contents Coverage Form  
Miscellaneous Property Coverage Form**

Due to the specialized nature of the risk insured and the limited term of the coverage provided under this policy, it is agreed that this policy expires on date specified. A nonrenewal notice will not be sent to you. Any requests to extend the policy period must be made in writing prior to the expiration date. However, we have no obligation to extend the policy period.

All other terms, conditions, provisions and exclusions of this policy remain the same.



## **SANCTIONS EXCLUSION ENDORSEMENT**

### **THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

The following exclusion is added to the policy to which it is attached and supersedes any existing sanctions language in the policy, whether included in an Exclusion Section or otherwise:

#### **SANCTIONS EXCLUSION**

Notwithstanding any other terms under this policy, we shall not provide coverage nor will we make any payments or provide any service or benefit to any insured, beneficiary, or third party who may have any rights under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

The term policy may be comprised of common policy terms and conditions, the declarations, notices, schedule, coverage parts, insuring agreement, application, enrollment form, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as insurer, underwriter, we, us, and our, or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as policyholder, named insured, covered person, additional insured or claimant, or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

**ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED**