



## PRODUCER COMPENSATION NOTICE

You can review and obtain information on The Hartford's producer compensation practices at [www.TheHartford.com](http://www.TheHartford.com) or at 1-800-592-5717.

10199

\*1100284BY64710109



71 This **Spectrum Policy** consists of the Declarations, Coverage Forms, Common Policy Conditions and any  
64 other Forms and Endorsements issued to be a part of the Policy. This insurance is provided by the stock  
BY insurance company of The Hartford Insurance Group shown below.

SBM

**INSURER:** HARTFORD CASUALTY INSURANCE COMPANY  
HARTFORD PLAZA, HARTFORD, CT 06115  
COMPANY CODE: 3

**Policy Number:** 84 SBM BY6471 DV



**SPECTRUM POLICY DECLARATIONS**

ORIGINAL

**Named Insured and Mailing Address:** ADVANTAGE SOLUTIONS INC  
(No., Street, Town, State, Zip Code)

105 N. KETCH DRIVE  
FORT LAUDERDALE FL 33326

**Policy Period:** From 02/28/08 To 02/28/09 1 YEAR  
12:01 a.m., Standard time at your mailing address shown above. **Exception:** 12 noon in New Hampshire.

**Name of Agent/Broker:** STUCKEY & COMPANY/PHS  
**Code:** 539645

**Previous Policy Number:** 84 SBM BY6471

**Named Insured is:** CORPORATION

**Audit Period:** ANNUAL

**Type of Property Coverage:** NONE

**Insurance Provided:** In return for the payment of the premium and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy.

**TOTAL ANNUAL PREMIUM IS:** \$421

FLORIDA FC SURCHARGE:	\$	.40	FL FIGA EMG:	\$	8.42
FL EMERG MGMT SURCH:	\$	4.00			
FHCF ASSESS CL:	\$	4.00			
FL FIGA REG:	\$	8.42			

Countersigned by

*Margie K. Ape*

Authorized Representative

01/03/08  
Date

**SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER:** 84 SBM BY6471

Location(s), Building(s), Business of Named Insured and Schedule of Coverages for Premises as designated by Number below.

**Location:** 001      **Building:** 001.

105 N. KETCH DRIVE  
FORT LAUDERDALE FL 33326

**Description of Business:**  
COMPUTER SYSTEMS INTEGRATION SERVICES

**Deductible:** NO COVERAGE

**BUILDING AND BUSINESS PERSONAL PROPERTY LIMITS OF INSURANCE**

**BUILDING**

NO COVERAGE

**BUSINESS PERSONAL PROPERTY**

**REPLACEMENT COST**      NO COVERAGE

**PERSONAL PROPERTY OF OTHERS**

**REPLACEMENT COST**      NO COVERAGE

**MONEY AND SECURITIES**

**INSIDE THE PREMISES**      NO COVERAGE  
**OUTSIDE THE PREMISES**      NO COVERAGE

**SPECTRUM POLICY DECLARATIONS (Continued)**

POLICY NUMBER: 84 SBM BY6471

BUSINESS LIABILITY	LIMITS OF INSURANCE
LIABILITY AND MEDICAL EXPENSES	\$1,000,000
MEDICAL EXPENSES - ANY ONE PERSON	\$ 10,000
PERSONAL AND ADVERTISING INJURY	\$1,000,000
DAMAGES TO PREMISES RENTED TO YOU ANY ONE PREMISES	\$ 300,000
AGGREGATE LIMITS	
PRODUCTS-COMPLETED OPERATIONS	\$2,000,000
GENERAL AGGREGATE	\$2,000,000
EMPLOYMENT PRACTICES LIABILITY COVERAGE: FORM SS 09 01	
EACH CLAIM LIMIT	\$ 5,000
DEDUCTIBLE - EACH CLAIM LIMIT NOT APPLICABLE	
AGGREGATE LIMIT	\$ 5,000
RETROACTIVE DATE: 02282006	

This **Employment Practices Liability Coverage** contains claims made coverage. Except as may be otherwise provided herein, specified coverages of this insurance are limited generally to liability for injuries for which claims are first made against the insured while the insurance is in force. Please read and review the insurance carefully and discuss the coverage with your Hartford Agent or Broker.

The Limits of Insurance stated in this Declarations will be reduced, and may be completely exhausted, by the payment of "defense expense" and, in such event, The Company will not be obligated to pay any further "defense expense" or sums which the insured is or may become legally obligated to pay as "damages".

**BUSINESS LIABILITY OPTIONAL  
COVERAGES**

HIRED/NON-OWNED AUTO LIABILITY \$1,000,000  
FORM: SS 04 38

TECHNOLOGY SERVICES COVERAGE  
FORM SS 40 58

10203  
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# **SPECTRUM POLICY DECLARATIONS (Continued)**

**POLICY NUMBER: 84 SBM BY6471**

## **Form Numbers of Forms and Endorsements that apply:**

SS 00 01 04 93	SS 00 05 12 06	SS 00 08 04 05	SS 00 38 04 04
SS 01 58 12 07	SS 04 38 06 01	SS 05 18 07 92	SS 05 47 09 01
SS 09 01 09 00	SS 09 42 07 99	SS 40 58 04 05	SS 50 30 06 03
SS 83 76 02 06			

# Spectrum Supplemental Schedule of Auditable Coverages



This schedule reflects only those locations that have classes and/or coverages that are subject to audit.

**Policy Number:** 84 SBM BY6471

Entries herein, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.

LOC/BLDG NO: 001/001 TERR: 006  
LOCATION: 105 N. KETCH DRIVE  
FORT LAUDERDALE FL 33326

CLASSIFICATION CODE NUMBER 11081  
DESCRIPTION:  
COMPUTER SYSTEMS INTEGRATION SERVICES

COVERAGE DESCRIPTION: BUSINESS LIABILITY  
REFER TO: BUSINESS LIABILITY COVERAGE PART FORM SS 00 08  
RATING BASIS: SALES PER 1000  
EXPOSURE: 109,202  
FINAL RATE: 1.945  
ADVANCE PREMIUM: \$212.00

COVERAGE DESCRIPTION: TECHNOLOGY SERVICES COVERAGE  
REFER TO: TECHNOLOGY SERVICES COVERAGE FORM SS 40 58  
RATING BASIS: PERCENTAGE OF BUSINESS LIABILITY PREMIUM  
EXPOSURE: 212  
FINAL RATE: 0.10  
ADVANCE PREMIUM: \$21.00

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TOTAL ADVANCE PREMIUM \$233.00 DOES NOT INCLUDE TERRORISM OR  
FOR AUDITABLE COVERAGES ANY APPLICABLE STATE SURCHARGES OR FEES  
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\*1100284BY64710109 10204



\*1100284BY64710109 10205

## COMMON POLICY CONDITIONS

## **QUICK REFERENCE - SPECTRUM POLICY**

### **DECLARATIONS and COMMON POLICY CONDITIONS**

#### **I. DECLARATIONS**

Named Insured and Mailing Address

Policy Period

Description and Business Location

Coverages and Limits of Insurance

#### **II. COMMON POLICY CONDITIONS**

#### **Beginning on Page**

<b>A. Cancellation</b>	<b>1</b>
<b>B. Changes</b>	<b>1</b>
<b>C. Concealment, Misrepresentation Or Fraud</b>	<b>2</b>
<b>D. Examination Of Your Books And Records</b>	<b>2</b>
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<b>F. Insurance Under Two Or More Coverages</b>	<b>2</b>
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<b>J. Transfer Of Rights Of Recovery Against Others To Us</b>	<b>2</b>
<b>K. Transfer Of Your Rights And Duties Under This Policy</b>	<b>3</b>
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# COMMON POLICY CONDITIONS

All coverages of 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. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:

- (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

- (a) Seasonal unoccupancy; or

- (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- (2) After damage by a Covered Cause of Loss, permanent repairs to the building:

- (a) Have not started; and

- (b) Have not been contracted for, within 30 days of initial payment of loss.

- (3) The building has:

- (a) An outstanding order to vacate;

- (b) An outstanding demolition order; or

- (c) Been declared unsafe by governmental authority.

- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

- c. 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 canceled, we will send the first Named Insured any premium refund due. Such refund will be 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.

7. If the first Named Insured cancels this policy, we will retain no less than \$100 of the premium.

## 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.

## COMMON POLICY CONDITIONS

### C. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

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

### D. Examination Of Your Books And Records

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

### E. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations 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 any person. And we do not represent or warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

### F. 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.

### G. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

### H. Other Insurance - Property Coverage

If there is other insurance covering the same loss or damage, 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.

### I. Premiums

#### 1. The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

#### 2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. If applicable, 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.

#### 3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- a. Paid to us prior to the anniversary date; and
- b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

#### 4. Changes in exposures or changes in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

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

Applicable to Property Coverage:

If any person or organization to or for whom we make payment under this policy 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;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or

## c. Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

**K. 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.

**L. Premium Audit**

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. The premium amount shown in the Declarations is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Any additional premium found to be due as a result of the audit are due and payable on notice to the first Named Insured. If the deposit premium paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must maintain all records related to the coverage provided by this policy and necessary to finalize the premium audit, and send us copies of the same upon our request.

Our President and Secretary have signed this policy. Where required by law, the Declarations page has also been countersigned by our duly authorized representative.

  
Richard G. Costello, Secretary

  
David Zwiener, President



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

## **FLORIDA CHANGES**

This endorsement modifies insurance provided under the following:

**COMMON POLICY CONDITIONS  
STANDARD PROPERTY COVERAGE FORM  
SPECIAL PROPERTY COVERAGE FORM**

**I. The following changes apply to the Common Policy Conditions Form.**

**A. Cancellation**

**1. Paragraph 2. of the Cancellation Condition is deleted and replaced by the following:**

**2. Cancellation For Policies In Effect 90 Days Or Less**

**a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:**

**(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or**

**(2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:**

**(a) A material misstatement or misrepresentation; or**

**(b) A failure to comply with underwriting requirements established by the insurer.**

**b. We may not cancel:**

**(1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action**

**reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or**

**(2) On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:**

**(a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or**

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

**(3) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent future similar occurrence of damage to the insured property.**

**2. Paragraph A.5. Cancellation is deleted and replaced by the following:**

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. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect, unless this is an audit policy.

If this is an audit policy, then, subject to your full cooperation with us or our agent in securing the necessary data for audit, we will return any premium refund due within 90 days of the date cancellation takes effect. If our audit is not completed within this time limitation, then we shall accept your own audit, and any premium refund due shall be mailed within 10 working days of receipt of your audit.

The cancellation will be effective even if we have not made or offered a refund.

3. The following is added to the Paragraph A. Cancellation:

8. Cancellation For Policies In Effect For More Than 90 Days

- a. If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:
- (1) Nonpayment of premium;
  - (2) The policy was obtained by a material misstatement;
  - (3) There has been a failure to comply with underwriting requirements established by the insurer within 90 days of the effective date of coverage;
  - (4) There has been a substantial change in the risk covered by the policy;
  - (5) The cancellation is for all insureds under such policies for a given class of insureds;

- (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;

- (7) On the basis of filing of claims for partial loss caused by sinkhole damage, or on the basis of the risk associated with the occurrence of such a claim, if:

(a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or

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

- (8) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

- b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or

(2) 45 days before the effective date of cancellation if:

(a) Cancellation is for one or more of the reasons stated in paragraphs 8.a.(2) through 8.a.(8) above; and

(b) This policy does not cover a residential structure or its contents; or

(3) 100 days before the effective date of cancellation if:

(a) Cancellation is for one or more of the reasons stated in paragraph 8.a.(2) through 8.a.(8) above; and,

(b) This policy covers a residential structure or its contents.

However, if the cancellation will become effective between June 1st and November 30th, then we will mail or deliver to the first Named Insured written notice of cancellation at least 100 days prior to the effective date of cancellation or by June 1st, whichever is earlier. Therefore, when cancellation is to become effective between September 9 and November 30, we will mail or deliver to the first Named Insured written notice of cancellation by June 1st.

#### **B. Nonrenewal**

1. The following Common Policy Condition is added and supersedes any provision to the contrary:

#### **M. NONRENEWAL**

1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:
  - a. 45 days prior to the expiration date of the policy if this policy does not cover a residential structure or its contents; or
  - b. 100 days prior to the expiration of this policy if this policy

covers a residential structure or its contents, unless subparagraph c. applies.

c. If this policy covers a residential structure or its contents and nonrenewal is to become effective between June 1 and November 30, we will mail or deliver to the first Named Insured written notice of nonrenewal at least 100 days prior to the effective date of the nonrenewal or by June 1, whichever is earlier. Therefore, when nonrenewal is to become effective between September 9 and November 30, we will mail or deliver to the first Named Insured written notice of nonrenewal by June 1. If nonrenewal is due to a revision to this policy's coverage for sinkhole losses or catastrophic ground cover collapse pursuant to the 2007 changes in the Florida Insurance Laws concerning such coverage, then this subsection, c. does not apply.

2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. We may not refuse to renew this policy:
  - (a) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
  - (b) On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been



the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may refuse to renew this policy if:

- (1) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
- (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
- (c) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

**N. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss - Residential Property**

1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:
  - a. Except as provided in paragraph N.1.b. below, we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure or its contents have been substantially completed so that it is restored to the

extent that it is insurable by another insurer writing policies in Florida. If we elect to not renew the policy, we will provide at least 100 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.

- b. We may cancel or nonrenew the policy prior to restoration of the structure or its contents, for any of the following reasons:

- (1) Nonpayment of premium;
- (2) Material misstatement or fraud related to the claim;
- (3) We determine that you have unreasonably caused a delay in the repair of the structure; or
- (4) We have paid the policy limits.

If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel or nonrenew for a reason listed in paragraphs 1.b.(2), 1.b.(3) or 1.b.(4), we will give you 45 days' notice.

2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium for the period of time for which the policy period is extended.
3. With respect to paragraph N.2. above, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane

occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

**II. The following changes apply to the Standard Property or Special Property Coverage Form.**

**A. Legal Action Against Us**

Paragraph E.4.b. Legal Action Against Us is deleted and replaced by the following:

- b. The legal action against us involving direct physical loss or physical damage to property must be brought within 5 years from the date the loss occurs.

**B. Loss Payment**

Paragraph E.5.g. Loss Payment is deleted and replaced by the following:

- g. Provided you have complied with all the terms of this Policy, we will pay for covered loss or damage:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2) Within 30 days after we receive the sworn proof of loss and:
  - (a) There is entry of a final judgment; or
  - (b) There is a filing of an appraisal award with us; or,
- (3) Within 90 days of receiving notice of claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 90-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;
- (b) A claim for building or contents coverage if the insured structure is

10,000 square feet or less and the policy covers only locations in Florida; or

- (c) A claim for contents coverage under a tenant's policy if the rented premises are 10,000 square feet or less and the policy covers only locations in Florida.

**C. Windstorm Exterior Paint or Waterproofing Exclusion**

If windstorm is a Covered Cause of Loss, and Covered Property is located in:

1. Broward County;
2. Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; or
6. All the areas east of the west bank of the Intra-Coastal Waterway in the counties of:
  - a. Indian River; or
  - b. St. Lucie,

the following applies:

If physical loss or physical damage to Covered Property is caused by or results from Windstorm, the following exclusion applies:

**WINDSTORM EXTERIOR PAINT OR WATERPROOFING EXCLUSION**

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of Buildings unless the Building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. However, such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or
- b. The value of Covered Property.



#### **D. Catastrophic Ground Cover Collapse and Sinkhole Loss**

1. Paragraph B.1.a.(4) Exclusions is deleted and replaced by the following:

- (4) Earth sinking (other than "catastrophic ground cover collapse" or "sinkhole loss"), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil, and the action of water under the ground surface;

2. Policy Definitions

Paragraph A.3.j. Covered Causes of Loss of the Standard Property Coverage Form and Paragraph G.19.a., Policy Definitions of the Special Property Coverage Form is deleted and replaced by the following:

- a. "Catastrophic Ground Cover Collapse" means a loss or damage to Covered Property when structural damage to the Building, including the foundation, is caused by a geological activity that results in an abrupt collapse of the ground cover that produces a ground cover depression which is clearly visible to the naked eye. The Covered Property must be condemned and ordered to be vacated by a governmental agency authorized by law to issue such an order for that structure. Structural damage consisting merely of settling or cracking of a foundation, structure, or building does not constitute a loss resulting from a catastrophic ground cover collapse. The most we will pay for the total of all Catastrophic Ground Cover Collapse is the Limit of Insurance shown on the Declarations of the affected location.
- b. Throughout the policy references to "Sinkhole Collapse" means "Sinkhole Loss". The definition of "Sinkhole Collapse" is replaced by the following:  
"Sinkhole Loss" means a loss or damage to Covered Property when structural damage to the Building,

including the foundation, is caused by settlement or systematic weakening results from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

Coverage for Sinkhole Loss includes stabilization of the Building (including land stabilization) and repair to the foundation provided such work is in accordance with the requirements of Florida Insurance Law and in accordance with the recommendation of a professional engineer and in consultation with you. The professional engineer must be selected or approved by us. However, until you enter into a contract for performance of building stabilization or foundation repair:

- (1) We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the Building; and
- (2) Our payment for Sinkhole Loss to Covered Property may be limited to the actual cash value of the loss to such property.

After you have entered into a contract for performance of building stabilization or foundation repair, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. If repair has begun and the aforementioned professional engineer determines that the repairs will exceed the applicable Limit of Insurance, we will pay only the remaining portion of the applicable Limit of Insurance upon such determination. The most we will pay for the total of all Sinkhole Loss, including building, business personal property, land stabilization and foundation repair, is the applicable Limit of Insurance on the affected building and business personal property.

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- c. Even if loss or damage qualifies under, or includes, both Catastrophic Ground Cover Collapse and Sinkhole Loss, only one limit of insurance will apply to such loss or damage.
- d. Catastrophic Ground Cover Collapse and Sinkhole Loss do not include sinking or collapse of land into man-made underground cavities.

### 3. Claim Provision

With respect to a claim for alleged Sinkhole Loss, the following provision is added:

Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land stabilization and repair of property, or if we deny your claim, we will notify you of your right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department). For alleged Sinkhole Loss to commercial residential properties,

this program applies instead of the Mediation procedure set forth elsewhere in this policy.

You or we may file a request with the Department for neutral evaluation; the other party must comply with such request. We will pay the costs associated with the neutral evaluation, regardless of which party makes the request. The neutral evaluator will be selected from a list maintained by the Department. The recommendation of the neutral evaluator will not be binding on you or us.

The Appraisal Property Loss Condition will not apply to a claim that has been submitted to neutral evaluation. Participation in the neutral evaluation program does not change your right to file suit against us in accordance with the Legal Action Against Us Property Loss Condition in this policy; except that the time for filing suit is extended in accordance with the provisions of Section 627.7074 (4) of the Florida Statutes.