



# Lloyd's Certificate

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**This Insurance** is effected with certain Underwriters at Lloyd's, London.

**This Certificate** is issued in accordance with the limited authorization granted by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them appear in the Schedule attached (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, their Executors and Administrators.

**The Assured** is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

All inquiries regarding this Certificate should be addressed to the following Correspondent:

Poulton Associates Inc  
3785 South 700 East, Salt Lake City, Salt Lake County, Utah 84106, United States

## CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Intermediary on the attached Declaration Page.
2. **Correspondent / Intermediary Not Insurer.** Neither the Correspondent nor the Intermediary is an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
3. **Cancellation.** If this Certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the firm or person named in the 'Service of Suit' item on the attached Declaration page, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The Service of Suit Designee named on the Declarations Page is authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.

5. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon by the Intermediary.
6. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.
7. **Claims.** All claims and other enquiries shall be addressed to the Correspondent.

8. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short Rate Cancellation Table For Term of One Year.

Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium
1	5%	66 - 69	29%	154 - 156	53%	256 - 260	77%
2	6	70 - 73	30	157 - 160	54	261 - 264	78
3 - 4	7	74 - 76	31	161 - 164	55	265 - 269	79
5 - 6	8	77 - 80	32	165 - 167	56	270 - 273 ( 9 mos )	80
7 - 8	9	81 - 83	33	168 - 171	57	274 - 278	81
9 - 10	10	84 - 87	34	172 - 175	58	279 - 282	82
11 - 12	11	88 - 91 ( 3 mos )	35	176 - 178	59	283 - 287	83
13 - 14	12	92 - 94	36	179 - 182 ( 6 mos )	60	288 - 291	84
15 - 16	13	95 - 98	37	183 - 187	61	292 - 296	85
17 - 18	14	99 - 102	38	188 - 191	62	297 - 301	86
19 - 20	15	103 - 105	39	192 - 196	63	302 - 305 ( 10 mos )	87
21 - 22	16	106 - 109	40	197 - 200	64	306 - 310	88
23 - 25	17	110 - 113	41	201 - 205	65	311 - 314	89
26 - 29	18	114 - 116	42	206 - 209	66	315 - 319	90
30 - 32 ( 1 mos )	19	117 - 120	43	210 - 214 ( 7 mos )	67	320 - 323	91
33 - 36	20	121 - 124 ( 4 mos )	44	215 - 218	68	324 - 328	92
37 - 40	21	125 - 127	45	219 - 223	69	329 - 332	93
41 - 43	22	128 - 131	46	224 - 228	70	333 - 337 ( 11 mos )	94
44 - 47	23	132 - 135	47	229 - 232	71	338 - 342	95
48 - 51	24	136 - 138	48	233 - 237	72	343 - 346	96
52 - 54	25	139 - 142	49	238 - 241	73	347 - 351	97
55 - 58	26	143 - 146	50	242 - 246 ( 8 mos )	74	352 - 355	98
59 - 62 ( 2 mos )	27	147 - 149	51	247 - 250	75	356 - 360	99
63 - 65	28	150 - 153 ( 5 mos )	52	251 - 255	76	361 - 365 ( 12 mos )	100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
  1. Determine full annual premium as for insurance written for a term of one year.
  2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
  3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

9. **Complaints:** All complaints must be referred in the first instance to the Correspondent.

**DECUS INSURANCE BROKERS LIMITED COMPLAINTS PROCEDURE**

**How to make a complaint:** Should you wish to make a complaint against Decus Insurance Brokers Limited [A complaint is any written communication where there is an expression of dissatisfaction with an insurance product or service], you may do so at any time by referring the matter to:

Decus Insurance Brokers Ltd  
The Scalpel, 18th Floor,  
52 Lime Street,  
London,  
EC3M 7AF,  
ENGLAND

Telephone Number: +44 203 006 6630  
Fax Number: +44 203 006 6631  
Email: [ttitley@decusbroskers.com](mailto:ttitley@decusbroskers.com)

**DECUS INSURANCE BROKERS LIMITED'S COMMITMENT TO CUSTOMERS**

Decus Insurance Brokers Limited are committed to handing all customers complaints received promptly, fairly and in line with regulatory guidelines.

In the event that you remain dissatisfied with the way your complaint has been handled, you may refer the matter to the Complaints team at Lloyd's. Their address is:

Complaints,  
Lloyd's  
One Lime Street,  
London, EC3M 7HA  
Tel No: +44 (0)20 7327 5693  
Fax No: +44 (0)20 7327 5225  
Email: [InternationalComplaints@lloyds.com](mailto:InternationalComplaints@lloyds.com)  
Website: <https://www.lloyds.com>

At any time if you are dissatisfied with the way your complaint has been handled, you may refer the matter to your State Department of Insurance

10. Lloyd's is Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

## COLORADO SURPLUS LINES NOTICE

This contract is delivered as a surplus line coverage under the “Nonadmitted Insurance Act”. The insurer issuing this contract is not licensed in Colorado but is an eligible nonadmitted insurer. There is no protection under the provisions of the “Colorado Insurance Guaranty Association Act”.

LMA9031

01 September 2013

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**This Declaration Page is attached to and forms part of Certificate provisions (Form SLC-3 USA NMA2868)**

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Previous No.	Authority Ref. No.	Certificate No.
B1180D210764/003	B1180D220764 - 100%	B1180D220764/002

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1. Name and address of the Assured:  
Wildwood Townhomes Association  
PO Box 2766, Crested Butte, CO 81224-2766, United States of America

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2. Effective from: 1<sup>st</sup> April 2022 to: 1<sup>st</sup> April 2023  
both days at 12:01 a.m. standard time at the location of the Insured Premises.

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3. Insurance is effective with certain UNDERWRITERS AT LLOYD'S, LONDON.  
Percentage: 100%

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4. COVERAGE PROVIDED: RESIDENTIAL CONDOMINIUM BUILDING ASSOCIATION FORM, as attached.

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5. Amount	Premium
USD 4,653,800 each and every occurrence sub-limited as per schedule attached, split as follows:	USD 23,600.00
	Annual
Buildings	USD 4,653,800
	Broker Fee: \$750
	CO SL Tax: \$730.50
Basis of Valuation: Replacement Cost Value	
Total Coverage Premium:	USD 23,600.00
	Annual

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6. Deductible: USD 25,000 per occurrence in respect of flood

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7. Forms attached hereto and special conditions:

PRIVATE FLOOD INSURANCE PROGRAM STANDARD FLOOD INSURANCE POLICY  
RESIDENTIAL CONDOMINIUM BUILDING ASSOCIATION FORM, LSW1001 (Insurance), LMA3100,  
Endorsement 1 amendments to Form, LSW1135B, NMA1191, NMA2340, NMA2918, NMA2962,  
LMA9031, LMA5018, LMA5019 (amended), LMA5020, LMA5021, LMA5062, LMA5401 Property  
Cyber and Data Exclusion, Minimum Earned Premium Definition Endorsement – 25%, Conformity  
Clause, 45 days Cancellation

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8. Service of Suit may be made upon:

Lloyd's America, Inc.,  
Attention: Legal Department,  
280 Park Avenue, East Tower, 25<sup>th</sup> Floor,  
New York,  
NY 10017  
U.S.A.

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9. In the event of a claim, please notify the following:

Poulton Associates Inc  
3785 South 700 East  
Salt Lake City  
Utah 84106  
United States of America

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10. Surplus Lines Details:

Craig Kidd Poulton  
Salt Lake City  
UT 84106  
United States of America

CO License: 39982

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11. Correspondent:

Poulton Associates Inc  
3785 700 East, Salt Lake City  
UT 84106  
United States of America

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12. The Intermediary negotiating this insurance on behalf of the Correspondent is

Decus Insurance Brokers Limited  
The Scalpel, 18<sup>th</sup> Floor  
52 Lime Street  
London  
EC3M 7AF

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In witness whereof this certificate has been signed in London this 6<sup>th</sup> day of April 2022

by



Authorized Signatory

for and behalf of the Intermediary.

**Insured: Wildwood Townhomes Association**

Loc#	Bldg #	Address	City	County	State	Zip	DTW (mi)	Yr. Built	Sq. Foot	Floors	No. Units	Construct.	Occ.	Flood	Updates	Bldg Interest	TIV
1	1	1312 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.51	1980	2,165.00	1	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm Elevation: 0.00 BldgDiag: 2		259,800.00	259,800
2	1	1314 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.49	1980	1,350.00	1	4	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 2		162,000.00	162,000
2	2	1314 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.49	1993	3,289.00	1	9	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 2		394,680.00	394,680
2	3	1314 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.49	1980	753.00	1	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 2		90,360.00	90,360
2	4	1314 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.49	1980	1,355.00	1	4	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 2		162,600.00	162,600
3	1	1310 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.5	2004	1,063.00	1	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 8		127,560.00	127,560
3	2	1310 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.5	2004	791.00	1	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 8		94,920.00	94,920
3	3	1310 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.5	2004	1,786.00	1	2	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 8		214,320.00	214,320
4	1	102 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	633.92	2007	852.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 9		102,240.00	102,240
5	1	104 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	619.17	2005	1,371.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 9		164,520.00	164,520
6	1	105 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	619.17	2005	1,292.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 2		250,000.00	250,000
7	1	106 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	619.17	2005	1,023.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 2		122,760.00	122,760
8	1	107 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	619.17	2005	791.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 2		94,920.00	94,920
9	1	108 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	619.17	2006	1,371.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 9		164,520.00	164,520
10	1	113 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	619.17	2006	1,371.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 9		164,520.00	164,520
11	1	115 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	619.17	2006	1,371.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 9		164,520.00	164,520
12	1	117 Wildrose Lane	Gunnison	Gunnison	Colorado	81230	619.17	2006	840.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 9		100,800.00	100,800
13	1	Granite Drive	Gunnison	Gunnison	Colorado	81230	618.54	2007	1,914.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 2		229,680.00	229,680



14	1	103 Wildrose Lane	Gunnison	Gunnison	Gunnison	Colorado	81230	618.17	2005	1,647.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: AE Firm: Post-firm BldgDiag: 1	197,640.00	197,640
15	1	Wildriver Lane	Gunnison	Gunnison	Colorado	81230	618.54	2004	1,278.00	2	1	Frame	Habitational - Condominium >80% owner occupancy	Zone: X Firm: Post-firm BldgDiag: 2	153,360.00	153,360	
16	1	1310 West Tomichi Avenue	Gunnison	Gunnison	Colorado	81230	618.5	2004	791.00	2		Frame	Habitational - Condominium >80% owner occupancy	Zone: X Firm: Post-firm BldgDiag: 2	94,920.00	94,920	
17	1	102 Granite Drive	Gunnison	Gunnison	Colorado	81230	618.53	2007	1,938.00	2		Frame	Habitational - Condominium >80% owner occupancy	Zone: X Firm: Post-firm BldgDiag: 2	250,000.00	250,000	
18	1	102 Wildriver Lane	Gunnison	Gunnison	Colorado	81230	618.55	2003	1,053.00	2		Frame	Habitational - Condominium >80% owner occupancy	Zone: X Firm: Post-firm BldgDiag: 2	126,360.00	126,360	
19	1	104 Wildriver Lane	Gunnison	Gunnison	Colorado	81230	618.5	2003	1,278.00	2		Frame	Habitational - Condominium >80% owner occupancy	Zone: X Firm: Post-firm BldgDiag: 2	153,360.00	153,360	
20	1	109 & 111 Wildriver Lane	Gunnison	Gunnison	Colorado	81230	618.54	2007	2,405.00	2		Frame	Habitational - Condominium >80% owner occupancy	Zone: X Firm: Post-firm BldgDiag: 2	298,320.00	298,320	
21	1	105 & 107 Wildriver Lane	Gunnison	Gunnison	Colorado	81230	618.53	2007	2,526.00	2		Frame	Habitational - Condominium >80% owner occupancy	Zone: X Firm: Post-firm BldgDiag: 2	315,120.00	315,120	
											44					4,653,800	4,653,800

## SCHEDULE

**Policy No:** B1180D220764/002

**1. Title of Assured:** Wildwood Townhomes Association

**2. Mailing Address of Assured:** PO Box 2766, Crested Butte, CO 81224-2766, USA

**3. Policy Period:**

**From:** 1st April 2022

**To:** 1st April 2023

Both days at 12.01 a.m. Standard Time at the location of the Insured Premises

**4. Peril Insured:**

Flood

**5. The Property or Interest:**

Buildings

**6. The Property is located or contained at:**

As Per Schedule

**7. Premium:**

USD 23,600.00 Annual Premium

**8. Limits:**

USD 4,653,800 each and every occurrence sub-limited as per schedule attached, split as follows:

Buildings: USD 4,653,800

**9. Notification of Claims to:**

Poulton Associates Inc  
3785 South 700 East  
Salt Lake City  
Utah 84106  
United States of America

**10. Choice of Law and Jurisdiction:**

This Insurance shall be governed by and construed in accordance with the law of the State of Colorado. Each party agrees to submit to the exclusive jurisdiction of any competent court within the United States of America.

**11. Service of Suit Nominee:**

Lloyd's America, Inc.,  
Attention: Legal Department,  
280 Park Avenue, East Tower, 25<sup>th</sup> Floor,  
New York,  
NY 10017  
U.S.A.

**Dated: 6<sup>th</sup> April 2022**

**PRIVATE FLOOD INSURANCE PROGRAM STANDARD FLOOD INSURANCE POLICY**  
**RESIDENTIAL CONDOMINIUM BUILDING ASSOCIATION FORM**

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**1. INSURING CLAUSE**

Subject to the limitations, terms and conditions contained in this Policy or added hereto, the Underwriters agree to indemnify the Assured named in the Schedule herein in respect of Direct Physical loss or damage to the property described in Item 5 of the Schedule while located or contained as described in item 6 of in the Schedule, occurring during the policy period stated in item 3 of the Schedule and caused by the peril as are set forth in Item 4 of the Schedule.

Underwriters agree that in no event would a loss be denied under this Private Flood Insurance Program Standard Flood Insurance Policy Residential Condominium Building Association Form that would have been settled under the FEMA National Flood Insurance program Standard Flood Insurance Policy Residential Condominium Building Association Form.

**2. LIMITS**

The limits of Underwriters Liability shall be those set forth in Item 8 of the Schedule under the designation "LIMITS" and the Underwriters shall be liable to pay the ultimate net loss up to the full amount of such "LIMITS".

**3. CANCELLATION AND NON-RENEWAL**

We may cancel or non-renew this certificate by providing not less than forty-five (45) days' advance written notice to both the insured and any mortgagee listed on the policy. If we cancel or non-renew this certificate, coverage provided for the described location(s) shall remain in force until the later of expiration, non-renewal or cancellation of coverage, provided you have paid the applicable premium.

In the case that this policy is not acceptable to the Mortgagee and the Mortgagee has confirmed this, in writing within 45 days of the policy effective date, Underwriters agree to cancel this policy flat from inception.

**4. APPLICATION OF RECOVERIES**

All salvages, recoveries or payments recovered or received subsequent to loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Assured and the Underwriters, provided always that nothing in this Policy shall be construed to mean that losses under this Policy are not recoverable until the Assured's ultimate net loss has been finally ascertained.

**5. NOTIFICATION OF CLAIMS**

The Assured upon knowledge of any occurrence likely to give rise to a claim hereunder shall give immediate written advice thereof to the person(s) or firm named for the purpose in Item 9 of the Schedule.

## **ADDITIONAL WORDINGS AND CLAUSES**

### **AVAILABILITY OF FLOOD INSURANCE COVERAGE UNDER THE NATIONAL FLOOD INSURANCE PROGRAM**

Similar coverage as contained in this policy is available from insurance agents representing the FEMA National Flood Insurance Program. You can locate an agent at [www.floodsmart.gov](http://www.floodsmart.gov).

### **SANCTION LIMITATION AND EXCLUSION CLAUSE**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10

LMA3100

### **SEVERAL LIABILITY NOTICE**

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

08/94

LSW1001 (Insurance)

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE -**  
**PHYSICAL DAMAGE - DIRECT (U.S.A.)**

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused \* NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

\* NOTE. - If Fire is not an insured peril under this Policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

7/5/59

NMA 1191

All other terms and conditions remain unaltered.

**BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

06/02/03

NMA2962

**U.S.A. & CANADA**

**LAND, WATER AND AIR EXCLUSION**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

**SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- (a) any loss, damage, cost or expense, or
- (b) any increase in insured loss, damage, cost or expense, or
- (c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- (a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- (b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

A.

B. **DEBRIS REMOVAL ENDORSEMENT**

THIS ENDORSEMENT CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Endorsement shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to

pay (hereinafter referred to as "Damage or Destruction"), this Policy also insures, within the Sum Insured, subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses;

- (a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and
  - (b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.
2. In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph 1. above):
- (a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of US\$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and
  - (b) the amount of such costs or expenses as limited in (a) above shall be added to:
    - (i) the amount of the Damage or Destruction; and
    - (ii) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and

the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.

24/11/88

NMA 2340

All other terms and conditions remain unaltered.



## **WAR AND TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01  
NMA2918

All other terms and conditions remain unchanged.

**CONFORMITY CLAUSE**

Notwithstanding anything to the contrary contained herein it is hereby noted and agreed the following Proviso's are applicable hereto:

Wherever the term "Company" appears herein the same shall be deemed to mean "Underwriters".

Wherever the term "Policy" appears herein the same shall be deemed to mean "Certificate".

Wherever the term "Named Insured" or "Assured" appear, these shall be deemed to mean and read the same.

Wherever "US\$", "\$" or "USD" appear herein the same shall be deemed to mean United States Dollars.

All other terms and conditions remain unaltered

**MINIMUM EARNED PREMIUM DEFINITION ENDORSEMENT**

Notwithstanding anything to the contrary contained herein, in the event that this Policy is cancelled by the Assured the Policy premium is subject to a minimum earned premium calculated in accordance with the minimum earned premium of 25% of the total premium, or the earned premium calculated in accordance with the Short Rate Cancellation Clause as set forth in the certificate provisions, whichever the greater.

## LLOYD'S PRIVACY POLICY STATEMENT

### UNDERWRITERS AT LLOYD'S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

### INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

### INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

### CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

### **RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION**

**You have a right to request access to or correction of your personal information that is in our possession.**

### CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

06/03

LSW1135B

## **PROPERTY CYBER AND DATA EXCLUSION**

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
  - 1.1 Cyber Loss;
  - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;  
regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

### **Definitions**

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 6 Cyber Incident means:
  - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7 Computer System means:
  - 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- 8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

LMA 5401

11 November 2019

### **MICROORGANISM EXCLUSION (ABSOLUTE)**

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

LMA5018

14/09/2005

## ASBESTOS ENDORSEMENT

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

~~fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment. Flood only~~

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
  2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
  3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
  4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
    - (i) any faults in the design, manufacture or installation of the asbestos;
    - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.
- B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

LMA5019(AMENDED)

14/09/2005

## FRAUDULENT CLAIM CLAUSE

If the (re)insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall become void and all claim hereunder shall be forfeited.

LMA5062

4 September 2006

**SERVICE OF SUIT CLAUSE (U.S.A.)**

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

Lloyd's America, Inc.,  
Attention: Legal Department,  
280 Park Avenue, East Tower, 25<sup>th</sup> Floor,  
New York,  
NY 10017  
U.S.A.

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision there for, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

14/09/2005  
LMA5020  
Form approved by Lloyd's Market Association

**APPLICABLE LAW (U.S.A.)**

This Insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit Clause (U.S.A.)

LMA5021

14/09/2005

## INFORMATION

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**THIS POLICY MEETS ALL OF THE PROVISIONS REQUIRED BY THE  
TITLE II—FLOOD INSURANCE  
Subtitle A—Flood Insurance Reform and Modernization**

**SEC. 100201. SHORT TITLE.**

**This subtitle may be cited as the “Biggert-Waters Flood Insurance Reform Act of 2012”.**

“(7) PRIVATE FLOOD INSURANCE DEFINED.—In this sub-section, the term ‘private flood insurance’ means an insurance policy that—

“(A) is issued by an insurance company that is—

“(i) licensed, admitted, or otherwise approved to engage in the business of insurance in the State or jurisdiction in which the insured building is located, by the insurance regulator of that State or jurisdiction;

or

“(ii) in the case of a policy of difference in conditions, multiple peril, all risk, or other blanket coverage insuring nonresidential commercial property, is recognized, or not disapproved, as a surplus lines insurer by the insurance regulator of the State or jurisdiction where the property to be insured is located;

“(B) provides flood insurance coverage which is at least as broad as the coverage provided under a standard flood insurance policy under the national flood insurance program, including when considering deductibles, exclusions, and conditions offered by the insurer;

“(C) includes—

“(i) a requirement for the insurer to give 45 days written notice of cancellation or non-renewal of flood

insurance coverage to—

“(I) the insured; and

“(II) the regulated lending institution or Federal agency lender;

“(ii) information about the availability of flood insurance coverage under the national flood insurance

program;

“(iii) a mortgage interest clause similar to the clause contained in a standard flood insurance policy under the national flood insurance program; and

“(iv) a provision requiring an insured to file suit not later than 1 year after date of a written denial of all or part of a claim under the policy; and

“(D) contains cancellation provisions that are as restrictive as the provisions contained in a standard flood insurance policy under the national flood insurance program.”.

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# ENDORSEMENT 1

## Private Flood Insurance Program

### Standard Flood Insurance Policy General Property Form

#### Summary of changes from the National Flood Insurance Program Standard Flood Insurance Policy General Property Form

- 1/ In respect of the Expense Constant charge as defined in Section II. Sub-section B.15. of the PFIP Flood Insurance Policy, the insured is not responsible for this charge.

As a note, Expense Constant has also been removed from the FEMA NFIP Standard Flood Insurance Policy. If you would like a copy of the Final Rule eliminating this coverage from the FEMA NFIP policy dated 4<sup>th</sup> April 2003, please request this from Poulton Associates Inc.

- 2/ In respect of the Federal Policy Fee as defined in Section II. Sub-section B.16. of the PFIP Flood Insurance Policy, the insured is not responsible for this fee.

- 3/ “**Policy Fee**” is added to Section II as Sub-section B.29. and is defined as follows:

**29. Policy Fee** means a flat charge you must pay on each new or renewal **policy**.

- 4/ “**PFIP**” is added to Section II as Sub-section B.30. and is defined as follows:

**30. Private Flood Insurance Policy (“PFIP”)** means this **policy**.

- 5/ In respect of Section III. D. 3. a. (1) (a), this is removed and replaced with the following:

(a) The structure is covered by a contract of flood insurance issued under the **PFIP**.

- 6/ In respect of Section III. D. 3. a. (1) (d), “**NFIP**” is removed and replaced with “**NFIP and, or PFIP**”.

- 7/ In respect of Section VII.B. 2., “**NFIP**” is removed and replaced with “**PFIP**”.

- 8/ In respect of Section VII.C., “**NFIP**” is removed and replaced with “**PFIP**”.

- 9/ In respect of Section VIII.B. 1. d., the final sentence “relating to this **policy** or any other **NFIP** insurance” is removed and replaced with the following:

relating to this **policy** or any other **PFIP** insurance.

- 10/ In respect of Section VIII. D, reference to the “Federal Insurance Administrator” is removed and replaced with “Underwriters”.

- 11/ In respect of Section VIII. T. 2. b. (2), the sentence “If any of these allowable structures are insurable buildings under the **NFIP** and are insured under the **NFIP**, they will not be eligible for the benefits of this paragraph **T.2.**” is removed and replaced with the following:

If any of these allowable structures are insurable buildings under the **NFIP** and are insured under the **PFIP**, they will not be eligible for the benefits of this paragraph **T.2.**

- 12/ In respect of Section VIII. T. 2. c., reference to “FEMA” is removed and replaced with “Underwriters”.
- 13/ In respect of Section VIII. T. 2. e. (2), reference to “FEMA” is removed and replaced with “FEMA and Underwriters”.
- 14/ In respect of Section VIII. T. 2. g, reference to “**NFIP**” is removed and replaced with “**NFIP** and/or **PFIP**”.
- 15/ In respect of Section VIII. U. 1.and U. 2., “**NFIP policy**” is removed and replaced with “**PFIP policy**”.
- 16/ In respect of Section IX. **WHAT LAW GOVERNS**, this is removed and replaced by Item 10 of the policy SCHEDULE.

*Private Flood Insurance Program*

# **Residential Condominium Building Association Form**

Standard Flood Insurance Policy

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## RESIDENTIAL CONDOMINIUM BUILDING ASSOCIATION FORM

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### I. AGREEMENT

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PLEASE READ THE POLICY CAREFULLY. THE FLOOD INSURANCE PROVIDED IS SUBJECT TO LIMITATIONS, RESTRICTIONS, AND EXCLUSIONS.

**This policy covers only a residential condominium building in a regular program community. If the community reverts to emergency program status during the policy term and remains as an emergency program community at time of renewal, this policy cannot be renewed.**

**We will pay you for *direct physical loss by or from flood* to your insured property if you:**

- 1. Have paid the correct premium;**
- 2. Comply with all terms and conditions of this *policy*; and**
- 3. Have furnished accurate information and statements.**

**We have the right to review the information you give us at any time and to revise your *policy* based on our review.**

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## II. DEFINITIONS

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- A. In this *policy*, "you" and "your" refer to the insured(s) shown on the *Declarations Page* of this *policy*. Insured(s) includes: Any mortgagee and loss payee named in the *Application* and *Declarations Page*, as well as any other mortgagee or loss payee determined to exist at the time of loss in the order of precedence. "We," "us," and "our" refer to the insurer.

Some definitions are complex because they are provided as they appear in the law or regulations, or result from court cases. The precise definitions are intended to protect you.

***Flood***, as used in this flood insurance *policy*, means:

1. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (one of which is your property) from:
  - a. Overflow of inland or tidal waters;
  - b. Unusual and rapid accumulation or runoff of surface waters from any source;
  - c. *Mudflow*.
2. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels which result in a *flood* as defined in A.1.a above.

B. The following are the other key definitions that we use in this *policy*:

1. ***Act***. The National Flood Insurance Act of 1968 and any amendments to it.
2. ***Actual Cash Value***. The cost to replace an insured item of property at the time of loss, less the value of its physical depreciation.
3. ***Application***. The statement made and signed by you or your agent in applying for this *policy*. The *application* gives information we use to determine the eligibility of the risk, the kind of *policy* to be

issued, and the correct premium payment. The *application* is part of this flood insurance *policy*. For us to issue you a *policy*, the correct premium payment must accompany the *application*.

4. **Base Flood.** A *flood* having a one percent chance of being equaled or exceeded in any given year.
5. **Basement.** Any area of the *building*, including any sunken room or sunken portion of a room, having its floor below ground level (subgrade) on all sides.
6. **Building.**
  - a. A structure with two or more outside rigid walls and a fully secured roof, that is affixed to a permanent site;
  - b. A manufactured home ("a manufactured home," also known as a mobile home, is a structure: built on a permanent chassis, transported to its site in one or more sections, and affixed to a permanent foundation); or
  - c. A travel trailer without wheels, built on a chassis and affixed to a permanent foundation, that is regulated under the community's floodplain management and building ordinances or laws.

*Building* does not mean a gas or liquid storage tank or a recreational vehicle, park trailer or other similar vehicle, except as described in *B.6.c.*, above.

7. **Cancellation.** The ending of the insurance coverage provided by this *policy* before the expiration date.
8. **Condominium.** That form of ownership of real property in which each *unit* owner has an undivided interest in common elements.
9. **Condominium Association.** The entity, formed by the *unit* owners, responsible for the maintenance and operation of:
  - a. Common elements owned in undivided shares by *unit* owners; and

- b. Other real property in which the *unit* owners have use rights; where membership in the entity is a required condition of *unit* ownership.
10. ***Declarations Page.*** A computer-generated summary of information you provided in the *application* for insurance. The *Declarations Page* also describes the term of the *policy*, limits of coverage, and displays the premium and our name. The *Declarations Page* is a part of this flood insurance *policy*.
11. ***Described Location.*** The location where the insured *building* or personal property is found. The *described location* is shown on the *Declarations Page*.
12. ***Direct Physical Loss By or From Flood.*** Loss or damage to insured property, directly caused by a *flood*. There must be evidence of physical changes to the property.
13. ***Elevated Building.*** A *building* that has no *basement* and that has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.
14. ***Emergency Program.*** The initial phase of a community's participation in the *National Flood Insurance Program*. During this phase, only limited amounts of insurance are available under the *Act*.
15. ***Expense Constant.*** The insured is not responsible for a flat charge on each new or renewal *policy* to defray the expenses of the Federal Government related to flood insurance.
16. ***Federal Policy Fee.*** The insured is not responsible for a flat charge on each new or renewal *policy* to defray certain administrative expenses incurred in carrying out the *National Flood Insurance Program*. This fee covers expenses not covered by the *expense constant*.
17. ***Improvements.*** Fixtures, alterations, installations, or additions comprising a part of the *residential condominium building*, including

*improvements in the units.*

18. ***Mudflow.*** A river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements, such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not mudflows.
19. ***National Flood Insurance Program (NFIP).*** The program of flood insurance coverage and floodplain management administered under the *Act* and applicable Federal regulations in Title 44 of the Code of Federal Regulations, Subchapter B.
20. ***Policy.*** The entire written contract between you and us. It includes:
  - a. This printed form;
  - b. The *application* and *Declarations Page*;
  - c. Any endorsement(s) that may be issued; and
  - d. Any renewal certificate indicating that coverage has been instituted for a new *policy* and new *policy* term.

Only one *building*, which you specifically described in the *application*, may be insured under this *policy*.

21. ***Pollutants.*** Substances that include, but are not limited to, any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed.
22. ***Post-FIRM Building.*** A *building* for which construction or substantial improvement occurred after December 31, 1974, or on or after the effective date of an initial Flood Insurance Rate Map (FIRM), whichever is later.
23. ***Probation Premium.*** A flat charge you must pay on each new or renewal *policy* issued covering property in a community that the NFIP has placed on probation under the provisions of 44 CFR 59.24.
24. ***Regular Program.*** The final phase of a community's participation in



the *National Flood Insurance Program*. In this phase, a Flood Insurance Rate Map is in effect and full limits of coverage are available under the Act.

25. ***Residential Condominium Building.*** A building, owned and administered as a *condominium*, containing one or more family *units* and in which at least 75% of the floor area is residential.
26. ***Special Flood Hazard Area.*** An area having special *flood* or *mudflow*, and/or *flood*-related erosion hazards, and shown on a Flood Hazard Boundary Map or Flood Insurance Rate Map as Zone A, AO, A1-A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V.
27. ***Unit.*** A single-family *unit* in a *residential condominium building*.
28. ***Valued Policy.*** A *policy* in which the insured and the insurer agree on the value of the property insured, that value being payable in the event of a total loss. The Standard Flood Insurance Policy is not a *valued policy*.
29. ***Policy Fee.*** A flat charge you must pay on each new or renewal policy.
30. ***Private Flood Insurance Policy (“PFIP”).*** This policy.

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### III. PROPERTY COVERED

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#### A. COVERAGE A—BUILDING PROPERTY

We insure against *direct physical loss by or from flood* to:

1. The *residential condominium building* described on the *Declarations Page* at the *described location*, including all *units* within the *building* and the *improvements* within the *units*.
2. We also insure such *building* property for a period of 45 days at another location, as set forth in *III.C.2.b.*, Property Removed to Safety.

3. Additions and extensions attached to and in contact with the *building* by means of a rigid exterior wall, a solid load-bearing interior wall, a stairway, an elevated walkway, or a roof. At your option, additions and extensions connected by any of these methods may be separately insured. Additions and extensions attached to and in contact with the *building* by means of a common interior wall that is not a solid load-bearing wall are always considered part of the *building* and cannot be separately insured.
4. The following fixtures, machinery and equipment, including its units, which are covered under Coverage A only:
  - a. Awnings and canopies;
  - b. Blinds;
  - c. Carpet permanently installed over unfinished flooring;
  - d. Central air conditioners;
  - e. Elevator equipment;
  - f. Fire extinguishing apparatus;
  - g. Fire sprinkler systems;
  - h. Walk-in freezers;
  - i. Furnaces;
  - j. Light fixtures;
  - k. Outdoor antennas and aerials fastened to *buildings*;
  - l. Permanently installed cupboards, bookcases, paneling, and wallpaper;
  - m. Pumps and machinery for operating pumps;
  - n. Ventilating equipment;
  - o. Wall mirrors, permanently installed; and
  - p. In the *units* within the *building*, installed:
    - (1) Built-in dishwashers;
    - (2) Built-in microwave ovens;
    - (3) Garbage disposal units;
    - (4) Hot water heaters, including solar water heaters;
    - (5) Kitchen cabinets;

- (6) Plumbing fixtures;
- (7) Radiators;
- (8) Ranges;
- (9) Refrigerators; and
- (10) Stoves.

- 5. Materials and supplies to be used for construction, alteration or repair of the insured *building* while the materials and supplies are stored in a fully enclosed *building* at the *described location* or on an adjacent property.
- 6. A *building* under construction, alteration or repair at the *described location*.
  - a. If the structure is not yet walled or roofed as described in the definition for *building* (see *II.B.6.a.*), then coverage applies:
    - (1) Only while such work is in progress; or
    - (2) If such work is halted, only for a period of up to 90 continuous days thereafter.
  - b. However, coverage does not apply until the *building* is walled and roofed if the lowest floor, including the *basement* floor, of a non-elevated *building* or the lowest elevated floor of an *elevated building* is:
    - (1) Below the *base flood* elevation in Zones AH, AE, A1-30, AR, AR/AE, AR/AH, AR/A1-30, AR/A, AR/AO; or
    - (2) Below the *base flood* elevation adjusted to include the effect of wave action in Zones VE or V1-30.

The lowest floor levels are based on the bottom of the lowest horizontal structural member of the floor in Zones VE or V1-V30 and the top of the floor in Zones AH, AE, A1-A30, AR, AR/AE, AR/AH, AR/A1-A30, AR/A, AR/AO.

- 7. A manufactured home or a travel trailer as described in the Definitions Section (See *II.B.b.* and *c.*).

If the manufactured home is in a *special flood hazard area*, it must be anchored in the following manner at the time of the loss:

- a. By over-the-top or frame ties to ground anchors; or
- b. In accordance with the manufacturer's specifications; or
- c. In compliance with the community's floodplain management requirements;

unless it has been continuously insured by the *NFIP* at the same *described location* since September 30, 1982.

8. Items of property in a *building* enclosure below the lowest elevated floor of an *elevated post-FIRM building* located in zones A1-A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1-A30, V1-V30, or VE, or in a *basement*, regardless of the zone. Coverage is limited to the following:

a. Any of the following items, if installed in their functioning locations and, if necessary for operation, connected to a power source:

- (1) Central air conditioners;
- (2) Cisterns and the water in them;
- (3) Drywall for walls and ceilings in a *basement* and the cost of labor to nail it, unfinished and unfloated and not taped, to the framing;
- (4) Electrical junction and circuit breaker boxes;
- (5) Electrical outlets and switches;
- (6) Elevators, dumbwaiters, and related equipment, except for related equipment installed below the *base flood* elevation after September 30, 1987;
- (7) Fuel tanks and the fuel in them;
- (8) Furnaces and hot water heaters;
- (9) Heat pumps;
- (10) Nonflammable insulation in a *basement*;
- (11) Pumps and tanks used in solar energy systems;
- (12) Stairways and staircases attached to the *building*, not separated from it by elevated walkways;
- (13) Sump pumps;
- (14) Water softeners and the chemicals in them, water filters and faucets installed as an integral part of the

- plumbing system;
- (15) Well water tanks and pumps;
- (16) Required utility connections for any item in this list;  
and
- (17) Footings, foundations, posts, pilings, piers, or other foundation walls and anchorage systems required to support a *building*.

b. Clean-up.

## **B. COVERAGE B—PERSONAL PROPERTY**

1. If you have purchased personal property coverage, we insure, subject to *B.2.* and *B.3.* below, against *direct physical loss by or from flood* to personal property that is inside the fully enclosed insured *building* and is:
  - a. Owned by the *unit* owners of the *condominium association* in common, meaning property in which each *unit* owner has an undivided ownership interest; or
  - b. Owned solely by the *condominium association* and used exclusively in the conduct of the business affairs of the *condominium association*.

We also insure such personal property for 45 days while stored at a temporary location, as set forth in *III.C.2.b.*, Property Removed to Safety.

2. Coverage for personal property includes the following property, subject to *B.1.* above, which is covered under Coverage *B* only:
  - a. Air conditioning units—portable or window type;
  - b. Carpet, not permanently installed, over unfinished flooring;
  - c. Carpets over finished flooring;
  - d. Clothes washers and dryers;
  - e. "Cook-out" grills;
  - f. Food freezers, other than walk-in, and the food in any freezer;
  - g. Outdoor equipment and furniture stored inside the

insured *building*;

- h. Ovens and the like; and
  - i. Portable microwave ovens and portable dishwashers.
3. Coverage for items of property in a *building* enclosure below the lowest elevated floor of an *elevated post-FIRM building* located in Zones A1-A30, AE, AH, AR, AR/A, AR/AE, AR/AH, AR/A1-A30, V1-V30, or VE, or in a *basement*, regardless of the zone, is limited to the following items, if installed in their functioning locations and, if necessary for operation, connected to a power source:
- a. Air conditioning units—portable or window type;
  - b. Clothes washers and dryers; and
  - c. Food freezers, other than walk-in, and food in any freezer.
4. Special Limits. We will pay no more than \$2,500 for any one loss to one or more of the following kinds of personal property:
- a. Artwork, photographs, collectibles, or memorabilia, including but not limited to, porcelain or other figures, and sports cards;
  - b. Rare books or autographed items;
  - c. Jewelry, watches, precious and semi-precious stones, or articles of gold, silver, or platinum;
  - d. Furs or any article containing fur which represents its principal value.
5. We will pay only for the functional value of antiques.

## **C. COVERAGE C—OTHER COVERAGES**

### **1. Debris Removal**

- a. We will pay the expense to remove non-owned debris that is on or in insured property and debris of insured property anywhere.
- b. If you or a member of your household perform the removal work, the value of your work will be based on the Federal

minimum wage.

- c. This coverage does not increase the Coverage A or Coverage B limit of liability.

## 2. Loss Avoidance Measures

### a. Sandbags, Supplies, and Labor

(1) We will pay up to \$1,000 for the costs you incur to protect the insured *building* from a *flood* or imminent danger of *flood*, for the following:

(a) Your reasonable expenses to buy:

(i) Sandbags, including sand to fill them;

(ii) Fill for temporary levees;

(iii) Pumps; and

(iv) Plastic sheeting and lumber used in connection with these items; and

(b) The value of work, at the Federal minimum wage, that you perform.

(2) This coverage for Sandbags, Supplies, and Labor applies only if damage to insured property by or from *flood* is imminent and the threat of *flood* damage is apparent enough to lead a person of common prudence to anticipate *flood* damage. One of the following must also occur:

(a) A general and temporary condition of flooding in the area near the *described location* must occur, even if the *flood* does not reach the insured *building*; or

(b) A legally authorized official must issue an evacuation order or other civil order for the community in which the insured *building* is located calling for measures to preserve life and property from the peril of *flood*.

This coverage does not increase the Coverage A or Coverage B limit of liability.



**b. Property Removed to Safety**

(1) We will pay up to \$1,000 for the reasonable expenses you incur to move insured property to a place other than the *described location* that contains the property in order to protect it from *flood* or the imminent danger of *flood*.

Reasonable expenses include the value of work, at the Federal minimum wage, that you perform.

(2) If you move insured property to a location other than the *described location* that contains the property, in order to protect it from *flood* or the imminent danger of *flood*, we will cover such property while at that location for a period of 45 consecutive days from the date you begin to move it there. The personal property that is moved must be placed in a fully enclosed *building*, or otherwise reasonably protected from the elements.

Any property removed, including a moveable home described in *II.6.b.* and *c.*, must be placed above ground level or outside of the *special flood hazard area*.

This coverage does not increase the Coverage A or Coverage B limit of liability.

**D. COVERAGE D—INCREASED COST OF COMPLIANCE**

**1. General.**

This *policy* pays you to comply with a State or local floodplain management law or ordinance affecting repair or reconstruction of a structure suffering *flood* damage. Compliance activities eligible for payment are: elevation, floodproofing, relocation, or demolition (or any combination of these activities) of your structure. Eligible floodproofing activities are limited to:

a. Non-residential structures.

b. Residential structures with *basements* that satisfy FEMA's standards published in the Code of Federal Regulations [44 CFR



60.6 (b) or (c)].

## 2. Limit of Liability.

We will pay you up to \$30,000 under this Coverage *D*—Increased Cost of Compliance, which only applies to *policies* with *building coverage* (Coverage *A*). Our payment of claims under Coverage *D* is in addition to the amount of coverage which you selected on the *application* and which appears on the *Declarations Page*. But the maximum you can collect under this *policy* for both Coverage *A*— Building Property and Coverage *D*—Increased Cost of Compliance cannot exceed the maximum permitted under the *Act*. We do not charge a separate deductible for a claim under Coverage *D*.

## 3. Eligibility.

a. A structure covered under Coverage *A*—Building Property sustaining a loss caused by a *flood* as defined by this *policy* must:

(1) Be a "repetitive loss structure." A "repetitive loss structure" is one that meets the following conditions:

(a) The structure is covered by a contract of flood insurance issued under the *PFIP*.

(b) The structure has suffered *flood* damage on 2 occasions during a 10-year period which ends on the date of the second loss.

(c) The cost to repair the *flood* damage, on average, equaled or exceeded 25% of the market value of the structure at the time of each *flood* loss.

(d) In addition to the current claim, the *NFIP* and/or *PFIP* must have paid the previous qualifying claim, and the State or community must have a cumulative, substantial damage provision or repetitive loss provision in its floodplain management law or ordinance being enforced against the structure; or

(2) Be a structure that has had *flood* damage in which the cost to

repair equals or exceeds 50% of the market value of the structure at the time of the *flood*. The State or community must have a substantial damage provision in its floodplain management law or ordinance being enforced against the structure.

b. This Coverage D pays you to comply with State or local floodplain management laws or ordinances that meet the minimum standards of the *National Flood Insurance Program* found in the Code of Federal Regulations at 44 CFR 60.3. We pay for compliance activities that exceed those standards under these conditions:

(1) *3.a.(1)* above.

(2) Elevation or floodproofing in any risk zone to preliminary or advisory *base flood* elevations provided by FEMA which the State or local government has adopted and is enforcing for *flood-damaged* structures in such areas. (This includes compliance activities in B, C, X, or D zones which are being changed to zones with *base flood* elevations. This also includes compliance activities in zones where *base flood* elevations are being increased, and a *flood-damaged* structure must comply with the higher advisory *base flood* elevation.) Increased Cost of Compliance coverage does not apply to situations in B, C, X, or D zones where the community has derived its own elevations and is enforcing elevation or floodproofing requirements for *flood-damaged* structures to elevations derived solely by the community.

(3) Elevation or floodproofing above the *base flood* elevation to meet State or local "freeboard" requirements, i.e., that a structure must be elevated above the *base flood* elevation.

c. Under the minimum *NFIP* criteria at 44 CFR 60.3 (b)(4), States and communities must require the elevation or floodproofing of structures in unnumbered A zones to the *base flood* elevation where elevation data is obtained from a Federal, State, or other

source. Such compliance activities are also eligible for Coverage *D*.

- d. This coverage will also pay for the incremental cost, after demolition or relocation, of elevating or floodproofing a structure during its rebuilding at the same or another site to meet State or local floodplain management laws or ordinances, subject to Exclusion *D.5.g.* below relating to improvements.
- e. This coverage will also pay to bring a *flood*-damaged structure into compliance with State or local floodplain management laws or ordinances even if the structure had received a variance before the present loss from the applicable floodplain management requirements.

#### 4. Conditions.

- a. When a structure covered under Coverage A—Building Property sustains a loss caused by a *flood*, our payment for the loss under this Coverage D will be for the increased cost to elevate, floodproof, relocate, or demolish (or any combination of these activities) caused by the enforcement of current State or local floodplain management ordinances or laws. Our payment for eligible demolition activities will be for the cost to demolish and clear the site of the *building* debris or a portion thereof caused by the enforcement of current State or local floodplain management ordinances or laws. Eligible activities for the cost of clearing the site will include those necessary to discontinue utility service to the site and ensure proper abandonment of on-site utilities.
- b. When the *building* is repaired or rebuilt, it must be intended for the same occupancy as the present building unless otherwise required by current floodplain management ordinances or laws.

#### 5. Exclusions.

Under this Coverage *D*—Increased Cost of Compliance, we will not pay for:

- a. The cost to comply with any floodplain management law or ordinance in communities participating in the *Emergency Program*.
- b. The cost associated with enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*.
- c. The loss in value to any insured *building* or other structure due to the requirements of any ordinance or law.
- d. The loss in residual value of the undamaged portion of a *building* demolished as a consequence of enforcement of any State or local floodplain management law or ordinance.
- e. Any Increased Cost of Compliance under this Coverage *D*:
  - (1) Until the *building* is elevated, floodproofed, demolished, or relocated on the same or to another premises; and
  - (2) Unless the *building* is elevated, floodproofed, demolished, or relocated as soon as reasonably possible after the loss, not to exceed two years.
- f. Any code upgrade requirements, e.g., plumbing or electrical wiring, not specifically related to the State or local floodplain management law or ordinance.
- g. Any compliance activities needed to bring additions or *improvements* made after the loss occurred into compliance with State or local floodplain management laws or ordinances.
- h. Loss due to any ordinance or law that you were required to comply with before the current loss.
- i. Any rebuilding activity to standards that do not meet the *NFIP's* minimum requirements. This includes any situation where the insured has received from the State or community a variance in connection with the current *flood* loss to rebuild the property to an elevation below the *base flood* elevation.
- j. Increased Cost of Compliance for a garage or carport.

- k. Any structure insured under an *NFIP* Group Flood Insurance Policy.
  - l. Assessments made by a condominium association on individual condominium unit owners to pay increased costs of repairing commonly owned buildings after a flood in compliance with State or local floodplain management ordinances or laws.
6. Other Provisions.
- a. Increased Cost of Compliance coverage will not be included in the calculation to determine whether coverage meets the coinsurance requirement for replacement cost coverage under VIII. General Conditions, V. Loss Settlement.
  - b. All other conditions and provisions of this *policy* apply.

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IV. PROPERTY NOT COVERED

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We do not cover any of the following:

- 1. Personal property not inside the fully enclosed *building*;
- 2. A *building*, and personal property in it, located entirely in, on, or over water or seaward of mean high tide, if constructed or substantially improved after September 30, 1982;
- 3. Open structures, including a *building* used as a boathouse or any structure or *building* into which boats are floated, and personal property located in, on, or over water;
- 4. Recreational vehicles other than travel trailers described in the Definitions Section (see *II.B.6.c.*) whether affixed to a permanent foundation or on wheels;
- 5. Self-propelled vehicles or machines, including their parts and equipment. However, we do cover self-propelled vehicles or machines, provided they are not licensed for use on public roads and are:
  - a. Used mainly to service the *described location*, or

- b. Designed and used to assist handicapped persons, while the vehicles or machines are inside a *building* at the *described location*;
6. Land, land values, lawns, trees, shrubs, plants, growing crops, or animals;
  7. Accounts, bills, coins, currency, deeds, evidences of debt, medals, money, scrip, stored value cards, postage stamps, securities, bullion, manuscripts, or other valuable papers;
  8. Underground structures and equipment, including wells, septic tanks, and septic systems;
  9. Those portions of walks, walkways, decks, driveways, patios, and other surfaces, all whether protected by a roof or not, located outside the perimeter, exterior walls of the insured *building*;
  10. Containers, including related equipment, such as, but not limited to, tanks containing gases or liquids;
  11. *Buildings* and all their contents if more than 49% of the *actual cash value* of the *building* is below ground, unless the lowest level is at or above the *base flood* elevation and is below ground by reason of earth having been used as insulation material in conjunction with energy efficient building techniques;
  12. Fences, retaining walls, seawalls, bulkheads, wharves, piers, bridges, and docks;
  13. Aircraft or watercraft, or their furnishings and equipment;
  14. Hot tubs and spas that are not bathroom fixtures, and swimming pools, and their equipment such as, but not limited to, heaters, filters, pumps, and pipes, wherever located;
  15. Property not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act and the Coastal Barrier Improvement Act of 1990 and amendments to these acts;



**16. Personal property used in connection with any incidental commercial occupancy or use of the *building*.**

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V. EXCLUSIONS

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- A. We only pay for *direct physical loss by or from flood*, which means that we do not pay you for:**
- 1. Loss of revenue or profits;**
  - 2. Loss of access to the insured property or *described location*;**
  - 3. Loss of use of the insured property or *described location*;**
  - 4. Loss from interruption of business or production;**
  - 5. Any additional living expenses incurred while the insured *building* is being repaired or is unable to be occupied for any reason;**
  - 6. The cost of complying with any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation, or repair of property, including removal of any resulting debris. This exclusion does not apply to any eligible activities that we describe in Coverage *D*—Increased Cost of Compliance; or**
  - 7. Any other economic loss.**
- B. We do not insure a loss directly or indirectly caused by a *flood* that is already in progress at the time and date:**
- 1. The *policy* term begins; or**
  - 2. Coverage is added at your request.**
- C. We do not insure for loss to property caused directly by earth movement even if the earth movement is caused by *flood*. Some examples of earth movement that we do not cover are:**
- 1. Earthquake;**
  - 2. Landslide;**

3. Land subsidence;
4. Sinkholes;
5. Destabilization or movement of land that results from accumulation of water in subsurface land areas; or
6. Gradual erosion.

We do, however, pay for losses from *mudflow* and land subsidence as a result of erosion that are specifically covered under our definition of *flood* (see *II.A.1.c.* and *II.A.2.*).

D. We do not insure for direct physical loss caused directly or indirectly by:

1. The pressure or weight of ice;
2. Freezing or thawing;
3. Rain, snow, sleet, hail, or water spray;
4. Water, moisture, mildew, or mold damage that results primarily from any condition:
  - a. Substantially confined to the insured *building*; or
  - b. That is within your control including, but not limited to:
    - (1) Design, structural, or mechanical defects;
    - (2) Failures, stoppages, or breakage of water or sewer lines, drains, pumps, fixtures, or equipment; or
    - (3) Failure to inspect and maintain the property after a *flood* recedes;
5. Water or water-borne material that:
  - a. Backs up through sewers or drains;
  - b. Discharges or overflows from a sump, sump pump, or related equipment; or
  - c. Seeps or leaks on or through insured property; unless there is a *flood* in the area and the *flood* is the proximate



cause of the sewer, drain, or sump pump discharge or overflow, or the seepage of water;

6. The pressure or weight of water unless there is a *flood* in the area and the *flood* is the proximate cause of the damage from the pressure or weight of water;
  7. Power, heating, or cooling failure unless the failure results from *direct physical loss by or from flood* to power, heating, or cooling equipment situated on the *described location*;
  8. Theft, fire, explosion, wind, or windstorm;
  9. Anything you or your agents do or conspire to do to cause loss by *flood* deliberately; or
  10. Alteration of the insured property that significantly increases the risk of flooding.
- E. We do not insure for loss to any *building* or personal property located on land leased from the Federal Government, arising from or incident to the flooding of the land by the Federal Government, where the lease expressly holds the Federal Government harmless under flood insurance issued under any Federal Government program.
- F. We do not pay for the testing for or monitoring of *pollutants* unless required by law or ordinance.

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#### VI. DEDUCTIBLES

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- A. When a loss is covered under this *policy*, we will pay only that part of the loss that exceeds the applicable deductible amount, subject to the limit of insurance that applies. The deductible amount is shown on the *Declarations Page*.

However, when a *building* under construction, alteration, or repair does not have at least two rigid exterior walls and a fully secured roof at the time of loss, your deductible amount will be two times

the deductible that would otherwise apply to a completed *building*.

- B. In each loss from *flood*, separate deductibles apply to the *building* and personal property insured by this *policy*.
- C. No deductible applies to:
  - 1. III.C.2. Loss Avoidance Measures; or
  - 2. III.D. Increased Cost of Compliance.

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VII. COINSURANCE

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- A. This Coinsurance Section applies only to coverage on the *building*.
- B. We will impose a penalty on loss payment unless the amount of insurance applicable to the damaged *building* is:
  - 1. At least 80% of its replacement cost; or
  - 2. The maximum amount of insurance available for that *building* under the *PFIP*,whichever is less.
- C. If the actual amount of insurance on the *building* is less than the required amount in accordance with the terms of *VII.B.* above, then loss payment is determined as follows (subject to all other relevant conditions in this *policy*, including those pertaining to valuation, adjustment, settlement, and payment of loss):
  - 1. Divide the actual amount of insurance carried on the *building* by the required amount of insurance.
  - 2. Multiply the amount of loss, before application of the deductible, by the figure determined in *C.1.* above.
  - 3. Subtract the deductible from the figure determined in *C.2.* above.

We will pay the amount determined in *C.3.* above, or the amount of insurance carried, whichever is less. The amount of insurance carried,

if in excess of the applicable maximum amount of insurance available under the *PFIP*, is reduced accordingly.

**Examples**

**Example #1 (Inadequate Insurance)**

Replacement value of the <b>building</b>	\$250,000
Required amount of insurance (80% of replacement value of \$250,000)	\$200,000
Actual amount of insurance carried	\$180,000
Amount of the loss	\$150,000
Deductible	\$500

**Step 1:**  $180,000 \div 200,000 = .90$

(90% of what should be carried.)

**Step 2:**  $150,000 \times .90 = 135,000$

**Step 3:**  $135,000 - 500 = 134,500$

We will pay no more than \$134,500. The remaining \$15,500 is not covered due to the coinsurance penalty (\$15,000) and application of the deductible (\$500).

**Example #2 (Adequate Insurance)**

Replacement value of the <b>building</b>	\$500,000
Required amount of insurance (80% of replacement value of \$500,000)	\$400,000
Actual amount of insurance carried	\$400,000
Amount of the loss	\$200,000
Deductible	\$500

In this example there is no coinsurance penalty, because the actual amount of insurance carried meets the required amount. We will pay no more than \$199,500 (\$200,000 amount of loss minus the \$500 deductible).

**D. In calculating the full replacement cost of a *building*:**

- 1. The replacement cost value of any covered *building* property will be included;**
- 2. The replacement cost value of any *building* property not covered under this *policy* will not be included; and**
- 3. Only the replacement cost value of *improvements* installed by the *condominium association* will be included.**

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VIII. GENERAL CONDITIONS

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**A. Pair and Set Clause.**

In case of loss to an article that is part of a pair or set, we will have the option of paying you:

- 1. An amount equal to the cost of replacing the lost, damaged, or destroyed article, less depreciation; or**

2. An amount which represents the fair proportion of the total value of the pair or set that the lost, damaged, or destroyed article bears to the pair or set.

**B. Concealment or Fraud and Policy Voidance.**

1. With respect to all insureds under this *policy*, this *policy*:

- a. Is void,
- b. Has no legal force or effect,
- c. Cannot be renewed, and
- d. Cannot be replaced by a new *NFIP policy*, if, before or after a loss, you or any other insured or your agent have at any time:
  - (1) Intentionally concealed or misrepresented any material fact or circumstance,
  - (2) Engaged in fraudulent conduct, or
  - (3) Made false statements,relating to this *policy* or any other *PFIP* insurance.

2. This *policy* will be void as of the date the wrongful acts described in *B.1.* above were committed.

3. Fines, civil penalties, and imprisonment under applicable Federal laws may also apply to the acts of fraud or concealment described above.

4. This *policy* is also void for reasons other than fraud, misrepresentation, or wrongful act. This *policy* is void from its inception and has no legal force under the following conditions:

- a. If the property is located in a community that was not participating in the *NFIP* on the *policy's* inception date and did not join or re-enter the program during the *policy* term and before the loss occurred; or
- b. If the property listed on the *application* is not otherwise eligible for coverage under the *NFIP*.

### **C. Other Insurance.**

- 1. If a loss covered by this *policy* is also covered by other insurance that includes *flood* coverage not issued under the *Act*, we will not pay more than the amount of insurance that you are entitled to for lost, damaged or destroyed property insured under this *policy* subject to the following:**
  - a. We will pay only the proportion of the loss that the amount of insurance that applies under this *policy* bears to the total amount of insurance covering the loss, unless *C.1.b.* or *c.* immediately below applies.**
  - b. If the other policy has a provision stating that it is excess insurance, this *policy* will be primary.**
  - c. This *policy* will be primary (but subject to its own deductible) up to the deductible in the other *flood* policy (except another policy as described in *C.1.b.* above). When the other deductible amount is reached, this *policy* will participate in the same proportion that the amount of insurance under this *policy* bears to the total amount of both policies, for the remainder of the loss.**
- 2. If there is a flood insurance policy in the name of a *unit* owner that covers the same loss as this *policy*, then this *policy* will be primary.**

### **D. Amendments, Waivers, Assignment.**

**This *policy* cannot be changed nor can any of its provisions be waived without the express written consent of the Underwriters. No action that we take under the terms of this *policy* constitutes a waiver of any of our rights. You may assign this *policy* in writing when you transfer title of your property to someone else except under these conditions:**

- 1. When this *policy* covers only personal property; or**
- 2. When this *policy* covers a structure during the course of construction.**

#### **E. Cancellation of Policy by You.**

- 1. You may cancel this *policy* in accordance with the applicable rules and regulations of the *NFIP*.**
- 2. If you cancel this *policy*, you may be entitled to a full or partial refund of premium also under the applicable rules and regulations of the *NFIP*.**

#### **F. Non-Renewal of the Policy by Us.**

**Your *policy* will not be renewed:**

- 1. If the community where your covered property is located stops participating in the *NFIP*, or**
- 2. Your *building* has been declared ineligible under Section 1316 of the *Act*.**

#### **G. Conditions Suspending or Restricting Insurance.**

**We are not liable for loss that occurs while there is a hazard that is increased by any means within your control or knowledge.**

#### **H. Requirements in Case of Loss.**

**In case of a *flood* loss to insured property, you must:**

- a. Give prompt written notice to us;**
- b. As soon as reasonably possible, separate the damaged and undamaged property, putting it in the best possible order so that we may examine it;**
- c. Prepare an inventory of damaged personal property showing the quantity, description, *actual cash value*, and amount of loss. Attach all bills, receipts and related documents;**
- d. Within 60 days after the loss, send us a proof of loss, which is your statement of the amount you are claiming**

under the *policy* signed and sworn to by you, and which furnishes us with the following information:

- i. The date and time of loss;
  - ii. A brief explanation of how the loss happened;
  - iii. Your interest (for example, "owner") and the interest, if any, of others in the damaged property;
  - iv. Details of any other insurance that may cover the loss;
  - v. Changes in title or occupancy of the insured property during the term of the *policy*;
  - vi. Specifications of damaged insured *buildings* and detailed repair estimates;
  - vii. Names of mortgagees or anyone else having a lien, charge, or claim against the insured property;
  - viii. Details about who occupied any insured *building* at the time of loss and for what purpose; and
  - ix. The inventory of damaged personal property described in *J.3.* above.
- e. In completing the proof of loss, you must use your own judgment concerning the amount of loss and justify that amount.
  - f. You must cooperate with the adjuster or representative in the investigation of the claim.
  - g. The insurance adjuster whom we hire to investigate your claim may furnish you with a proof of loss form, and she or he may help you complete it. However, this is a matter of courtesy only, and you must still send us a proof of loss within sixty days after the loss even if the adjuster does not furnish the form or help you complete it.
  - h. We have not authorized the adjuster to approve or disapprove claims or to tell you whether we will approve your claim.
  - i. At our option, we may accept the adjuster's report of the loss instead of your proof of loss. The adjuster's report will include



information about your loss and the damages you sustained. You must sign the adjuster's report. At our option, we may require you to swear to the report.

## **I. Our Options After a Loss.**

Options that we may, in our sole discretion, exercise after loss include the following:

- a. At such reasonable times and places that we may designate, you must:
  - i. Show us or our representative the damaged property;
  - ii. Submit to examination under oath, while not in the presence of another insured, and sign the same; and
  - iii. Permit us to examine and make extracts and copies of:
    1. Any policies of property insurance insuring you against loss and the deed establishing your ownership of the insured real property;
    2. *Condominium association* documents including the Declarations of the *condominium*, its Articles of Association or Incorporation, Bylaws, and rules and regulations; and
    3. All books of accounts, bills, invoices and other vouchers, or certified copies pertaining to the damaged property if the originals are lost.
- b. We may request, in writing, that you furnish us with a complete inventory of the lost, damaged, or destroyed property, including:
  - i. Quantities and costs;
  - ii. *Actual cash values* or replacement cost (whichever is appropriate);
  - iii. Amounts of loss claimed;
  - iv. Any written plans and specifications for repair of the



**damaged property that you can make reasonably available to us; and**

- v. Evidence that prior *flood* damage has been repaired.**
- c. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may:**
  - i. Repair, rebuild, or replace any part of the lost, damaged, or destroyed property with material or property of like kind and quality or its functional equivalent; and**
  - ii. Take all or any part of the damaged property at the value we agree upon or its appraised value.**

#### **J. No Benefit to Bailee.**

**No person or organization, other than you, having custody of covered property will benefit from this insurance.**

#### **K. Loss Payment.**

- a. We will adjust all losses with you. We will pay you unless some other person or entity is named in the *policy* or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss (or within 90 days after the insurance adjuster files an adjuster's report signed and sworn to by you in lieu of a proof of loss) and:**
  - i. We reach an agreement with you;**
  - ii. There is an entry of a final judgment; or**
  - iii. There is a filing of an appraisal award with us, as provided in *VIII.P.***
- b. If we reject your proof of loss in whole or in part you may:**
  - i. Accept such denial of your claim;**
  - ii. Exercise your rights under this *policy*; or**
  - iii. File an amended proof of loss as long as it is filed**

within 60 days of the date of the loss.

**L. Abandonment.**

You may not abandon damaged or undamaged insured property to us.

**M. Salvage.**

We may permit you to keep damaged insured property after a loss, and we will reduce the amount of the loss proceeds payable to you under the *policy* by the value of the salvage.

**N. Appraisal.**

If you and we fail to agree on the *actual cash value* or, if applicable, replacement cost of the damaged property so as to determine the amount of loss, then either may demand an appraisal of the loss. In this event, you and we will each choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the State where the insured property is located. The appraisers will separately state the *actual cash value*, the replacement cost, and the amount of loss to each item. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of 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, or if it applies, the replacement cost and loss.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

**O. Mortgage Clause.**

The word "mortgagee" includes trustee.

Any loss payable under Coverage A—Building will be paid to any mortgagee of whom we have actual notice, as well as any other mortgagee or loss payee determined to exist at the time of loss, and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in the ownership or occupancy, or substantial change in risk, of which the mortgagee is aware;
- b. Pays any premium due under this *policy* on demand if you have neglected to pay the premium; and
- c. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so.

All of the terms of this *policy* apply to the mortgagee.

The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the *building*.

If we decide to cancel or not renew this *policy*, it will continue in effect for the benefit of the mortgagee only for 30 days after we notify the mortgagee of the cancellation or non-renewal.

If we pay the mortgagee for any loss and deny payment to you, we are subrogated to all the rights of the mortgagee granted under the mortgage on the property. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

#### **P. Suit Against Us.**

You may not sue us to recover money under this *policy* unless you have complied with all the requirements of the *policy*. If you do sue, you must start the suit within one year of the date of the written denial of all or part of the claim and you must file the suit in the United States District Court of the district in which the insured property was located

at the time of loss. This requirement applies to any claim that you may have under this *policy* and to any dispute that you may have arising out of the handling of any claim under the *policy*.

#### **Q. Subrogation.**

Whenever we make a payment for a loss under this *policy*, we are subrogated to your right to recover for that loss from any other person. That means that your right to recover for a loss that was partly or totally caused by someone else is automatically transferred to us, to the extent that we have paid you for the loss. We may require you to acknowledge this transfer in writing. After the loss, you may not give up our right to recover this money or do anything that would prevent us from recovering it. If you make any claim against any person who caused your loss and recover any money, you must pay us back first before you may keep any of that money.

#### **R. Continuous Lake Flooding.**

- a. If an insured *building* has been flooded by rising lake waters continuously for 90 days or more and it appears reasonably certain that a continuation of this flooding will result in a covered loss to the insured *building* equal to or greater than the *building policy* limits plus the deductible or the maximum payable under the *policy* for any one *building* loss, we will pay you the lesser of these two amounts without waiting for the further damage to occur if you sign a release agreeing:
  - i. To make no further claim under this *policy*;
  - ii. Not to seek renewal of this *policy*;
  - iii. Not to apply for any flood insurance under the *Act* for property at the *described location*; and
  - iv. Not to seek a premium refund for current or prior terms.

If the *policy* term ends before the insured *building* has been flooded continuously for 90 days, the provisions of this paragraph *T.1.* will

apply as long as the insured *building* suffers a covered loss before the *policy* term ends.

b. If your insured *building* is subject to continuous lake flooding from a closed basin lake, you may elect to file a claim under either paragraph *T.1.* above or this paragraph *T.2.* (A "closed basin lake" is a natural lake from which water leaves primarily through evaporation and whose surface area now exceeds or has exceeded one square mile at any time in the recorded past. Most of the nation's closed basin lakes are in the western half of the United States, where annual evaporation exceeds annual precipitation and where lake levels and surface areas are subject to considerable fluctuation due to wide variations in the climate. These lakes may overtop their basins on rare occasions.) Under this paragraph *T.2.*, we will pay your claim as if the *building* is a total loss even though it has not been continuously inundated for 90 days, subject to the following conditions:

- i. Lake *flood* waters must damage or imminently threaten to damage your building.
- ii. Before approval of your claim, you must:
  1. Agree to a claim payment that reflects your buying back the salvage on a negotiated basis; and
  2. Grant the conservation easement contained in FEMA's "Policy Guidance for Closed Basin Lakes," to be recorded in the office of the local recorder of deeds. FEMA, in consultation with the community in which the property is located, will identify on a map an area or areas of special consideration (ASC) in which there is a potential for *flood* damage from continuous lake flooding. FEMA will give the community the agreed-upon map showing the ASC. This easement will only apply to that portion of the property in the ASC. It

will allow certain agricultural and recreational uses of the land. The only structures that it will allow on any portion of the property within the ASC are certain simple agricultural and recreational structures. If any of these allowable structures are insurable *buildings* under the *NFIP* and are insured under the *PFIP*, they will not be eligible for the benefits of this paragraph *T.2*. If a U.S. Army Corps of Engineers certified *flood* control project or otherwise certified *flood* control project later protects the property, FEMA will, upon request, amend the ASC to remove areas protected by those projects. The restrictions of the easement will then no longer apply to any portion of the property removed from the ASC; and

3. Comply with paragraphs *T.1.a.* through *T.1.d.* above.
  - iii. Within 90 days of approval of your claim, you must move your *building* to a new location outside the ASC. Underwriters will give you an additional 30 days to move if you show there is sufficient reason to extend the time.
  - iv. Before the final payment of your claim, you must acquire an elevation certificate and a floodplain development permit from the local floodplain administrator for the new location of your *building*.
  - v. Before the approval of your claim, the community having jurisdiction over your *building* must:
    1. Adopt a permanent land use ordinance, or a temporary moratorium for a period not to exceed 6 months to be followed immediately by a permanent land use ordinance, that is consistent with the provisions specified in the easement required in paragraph *T.2.b.* above;



2. Agree to declare and report any violations of this ordinance to FEMA and Underwriters so that under Sec. 1316 of the National Flood Insurance Act of 1968, as amended, *flood* insurance to the *building* can be denied; and

3. Agree to maintain as deed-restricted, for purposes compatible with open space or agricultural or recreational use only, any affected property the community acquires an interest in. These deed restrictions must be consistent with the provisions of paragraph *T.2.b.* above, except that, even if a certified project protects the property, the land use restrictions continue to apply if the property was acquired under the Hazard Mitigation Grant Program or the Flood

Mitigation Assistance Program. If a non-profit land trust organization receives the property as a donation, that organization must maintain the property as deed-restricted, consistent with the provisions of paragraph *T.2.b.* above.

- vi. Before the approval of your claim, the affected State must take all action set forth in FEMA's "Policy Guidance for Closed Basin Lakes."
- vii. You must have *NFIP* and/or *PFIP* flood insurance coverage continuously in effect from a date established by FEMA until you file a claim under this paragraph *T.2.* If a subsequent owner buys *NFIP* insurance that goes into effect within 60 days of the date of transfer of title, any gap in coverage during that 60-day period will not be a violation of this continuous coverage requirement. For the purpose of honoring a claim under this paragraph *T.2.*, we will not consider to be in effect any increased coverage that became effective after the date established by FEMA. The exception to this is any increased coverage in the amount suggested by

your insurer as an inflation adjustment.

viii. This paragraph *T.2.* will be in effect for a community when the FEMA Regional Director for the affected region provides to the community, in writing, the following:

1. Confirmation that the community and the State are in compliance with the conditions in paragraphs *T.2.e.* and *T.2.f.* above, and

2. The date by which you must have flood insurance in effect.

**S. Duplicate Policies Not Allowed.**

a. We will not insure your property under more than one *PFIP policy*.

If we find that the duplication was not knowingly created, we will give you written notice. The notice will advise you that you may choose one of several options under the following procedures:

- i. If you choose to keep in effect the *policy* with the earlier effective date, you may also choose to add the coverage limits of the later *policy* to the limits of the earlier *policy*. The change will become effective as of the effective date of the later *policy*.
- ii. If you choose to keep in effect the *policy* with the later effective date, you may also choose to add the coverage limits of the earlier *policy* to the limits of the later *policy*. The change will be effective as of the effective date of the later *policy*.

In either case, you must pay the pro rata premium for the increased coverage limits within 30 days of the written notice. In no event will the resulting coverage limits exceed the permissible limits of coverage under the *Act* or your insurable interest, whichever is less. We will make a refund to you, according to applicable *PFIP* rules, of the premium for the *policy* not being kept in effect.

b. The insured's option under this Condition *U. Duplicate*



Policies Not Allowed to elect which *NFIP policy* to keep in effect does not apply when duplicates have been knowingly created. Losses occurring under such circumstances will be adjusted according to the terms and conditions of the earlier *policy*. The *policy* with the later effective date must be canceled.

## T. Loss Settlement.

### a. Introduction

This *policy* provides three methods of settling losses: Replacement Cost, Special Loss Settlement, and *Actual Cash Value*. Each method is used for a different type of property, as explained in *a.-c.* below.

- i. Replacement Cost Loss Settlement described in *V.2.* below applies to *buildings* other than manufactured homes or travel trailers.
- ii. Special Loss Settlement described in *V.3.* below applies to a *residential condominium building* that is a travel trailer or a manufactured home.
- iii. *Actual Cash Value* loss settlement applies to all other property covered under this *policy*, as outlined in *V.4.* below.

### b. Replacement Cost Loss Settlement

- i. We will pay to repair or replace a damaged or destroyed *building*, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
  1. The amount of insurance in this *policy* that applies to the *building*;
  2. The replacement cost of that part of the *building* damaged, with materials of like kind and quality, and for like occupancy and use; or

3. The necessary amount actually spent to repair or replace the damaged part of the *building* for like occupancy and use.
- ii. We will not be liable for any loss on a Replacement Cost Coverage basis unless and until actual repair or replacement of the damaged *building* or parts thereof, is completed.
- iii. If a *building* is rebuilt at a location other than the *described location*, we will pay no more than it would have cost to repair or rebuild at the *described location*, subject to all other terms of Replacement Cost Loss Settlement.

c. **Special Loss Settlement**

- i. The following loss settlement conditions apply to a *residential condominium building* that is: (1) a manufactured home or a travel trailer, as defined in *II.B.6.b.* and *c.*, and (2) at least 16 feet wide when fully assembled and has at least 600 square feet within its perimeter walls when fully assembled.
- ii. If such a *building* is totally destroyed or damaged to such an extent that, in our judgment, it is not economically feasible to repair, at least to its pre-damaged condition, we will, at our discretion, pay the least of the following amounts:
  1. The lesser of the replacement cost of the manufactured home or travel trailer or 1.5 times the *actual cash value*; or
  2. The *Building* Limit of liability shown on your *Declarations Page*.
- iii. If such a manufactured home or travel trailer is partially damaged and, in our judgment, it is economically feasible to repair it to its pre-damaged

condition, we will settle the loss according to the Replacement Cost Loss Settlement conditions in V.2. above.

d. **Actual Cash Value Loss Settlement**

i. The types of property noted below are subject to *actual cash value* loss settlement:

1. Personal property;
2. Insured property abandoned after a loss and that remains as debris at the *described location*;
3. Outside antennas and aerials, awnings, and other outdoor equipment;
4. Carpeting and pads;
5. Appliances; and
6. A manufactured home or mobile home or a travel trailer as defined in *II.B.6.b.* or *c.* that does not meet the conditions for Special Loss Settlement in V.3. above.

ii. We will pay the least of the following amounts:

1. The applicable amount of insurance under this *policy*;
2. The *actual cash value* (as defined in *II.B.2.*); or
3. The amount it would cost to repair or replace the property with material of like kind and quality within a reasonable time after the loss.

**If we make a change that broadens your coverage under this edition of our *policy*, but does not require any additional premium, then that change will automatically apply to your insurance as of the date we implement the change, provided that this implementation date falls within 60 days before or during the *policy* term stated on the *Declarations Page*.**

Attaching to and forming part of Certificate Number: B1180D220764/002 (100%)

Authority Ref. B1180D220764 : Hereon 100%

100.0000%	2488	CGM
<b>100.0000%</b>		

**LLOYD'S**

One Lime Street London EC3M 7HA

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