

CONDOMINIUM UNIT COVERAGE PART

We cover direct physical loss to covered property at the premises described on the **declarations** caused by a covered peril.

PROPERTY COVERED

We cover the following types of property for which a **limit** is shown on the **declarations**.

BUSINESS PERSONAL PROPERTY

This means **your** business personal property in the buildings and structures described on the **declarations** or in the open (or in vehicles) on or within 100 feet of the described premises. Unless otherwise specified on the **declarations**, this includes:

1. fixtures, improvements, and alterations included with or added to **your** unit and owned by **you**;
2. your interest in personal property of others to the extent of your labor, material, and services;
3. leased personal property which you have a contractual responsibility to insure, unless otherwise insured by the Commercial Property Coverage under Personal Property of Others.

This does not include any property owned indivisibly by all unit-owners.

PERSONAL PROPERTY OF OTHERS

This means personal property of others:

1. that is in your care, custody, or control; and
2. located in the buildings and structures described on the declarations or in the open (or in vehicles) on or within 100 feet of the described premises.

However, **our** payment for loss to personal property of others is only for the benefit of the owners of the personal property.

PROPERTY EXCLUDED AND LIMITATIONS

1. **Animals -- We** do not cover animals, including birds and fish, unless owned by others and boarded by you. We do cover animals you own and hold for sale.

2. **Antennas, Awnings, Canopies, Fences, and Signs --** Except as provided under Supplemental Coverages, we do not cover outdoor:
 - a. radio, television, satellite, dish-type, or other antennas including their masts, towers, and lead-in wiring;
 - b. awnings or canopies of fabric or slat construction or their supports;
 - c. fences; or
 - d. signs, other than signs attached to buildings.
3. **Contraband --** We do not cover contraband or property in the course of illegal transportation or trade.
4. **Fixtures, Improvements, Alterations, and Appliances --** We do not cover the following property contained within a unit, regardless of ownership, if required by **your** Condominium Association Agreement to insure:
 - a. fixtures, improvements, and alterations that are a part of the building or structure; and
 - b. appliances for refrigerating, cooking, dishwashing, laundering, security, or housekeeping.
5. **Growing Crops, Lawns, or Water -- We** do not cover:
 - a. underground or surface water; or
 - b. growing crops or lawns.
6. **Money and Securities -- We** do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
7. **Property More Specifically Insured -- We** do not cover property which is more specifically insured in whole or in part by any other insurance. **We** do cover the amount in excess of the amount due from the more specific insurance.

8. **Trees, Shrubs, and Plants** -- Except as provided under Supplemental Coverages, **we** do not cover trees; shrubs; plants; and grain, hay, straw, or other crops, when outdoors. However, **we** do cover trees, shrubs, and plants **you** own and hold for sale.

9. **Valuable Papers and Records -- Research Cost** -- Except as provided under Supplemental Coverages, **we** do not cover the cost to research, replace, or restore the information on valuable papers and records, including those which exist on electronic or magnetic media.

10. **Vehicles, Aircraft, and Watercraft** -- We do not cover vehicles or self-propelled machines (including aircraft or watercraft and their motors, equipment, and accessories) that are:

- a. required to be licensed for use on public roads; or
- b. operated principally away from the described premises.

We do cover vehicles or self-propelled machines **you** manufacture, process, warehouse, or hold for sale. However, this does not include autos **you** hold for sale. **We** also cover rowboats or canoes out of water at the described premises.

ADDITIONAL COVERAGES

1. **Debris Removal** -- **We** cover the cost to remove the debris of covered property that is caused by a covered peril. This coverage does not include costs to:

- a. extract **pollutants** from land or water; or
- b. remove, restore, or replace polluted land or water.

We do not pay any more under this coverage than 25 percent of the amount **we** pay for the direct physical loss. **We** do not pay more for loss to property and debris removal combined than the **limit** for the damaged property.

However, **we** pay an additional amount of debris removal expense up to \$5,000 when the debris removal expense exceeds 25 percent of the amount **we** pay for direct physical loss or when the loss to property and debris removal combined exceeds the **limit** for the damaged property.

We do not pay any expenses unless they are reported to **us** in writing within 180 days from the date of direct physical loss to covered property.

2. **Emergency Removal** -- **We** cover loss to covered property while moved or being moved from the described premises for preservation from loss caused by a covered peril. **We** pay for any direct physical loss to that property. This coverage applies for up to 10 days after the property is first moved. This does not increase the **limit**.

3. **Fire Department Service Charges** -- **We** pay up to \$1,000 to cover **your** liability, assumed by contract or agreement prior to the loss, for fire department service charges.

This coverage is limited to charges incurred when the fire department is called to save or protect covered property from a covered peril.

No deductible applies.

This is an additional **limit**.

4. **Pollutant Clean Up and Removal** -- **We** pay **your** expense to extract **pollutants** from land or water at the described premises if the discharge, dispersal, seepage, migration, release, or escape of the **pollutants** is caused by a covered peril that occurs during the policy period.

We pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of **pollutants** only when the expense of extracting the **pollutants** is covered by this Additional Coverage.

The most **we** pay for each described premises is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12 month period of this policy. The expenses are paid only if they are reported to **us** in writing within 180 days from the date the covered peril occurs.

This is an additional **limit**.

PERILS COVERED

See the applicable Perils Part shown on the **declarations**.

SUPPLEMENTAL COVERAGES

If a Coinsurance percentage of 80% or more is shown on the **declarations**, **we** provide the following supplemental coverages.

Unless otherwise stated each supplemental coverage:

- a. applies for loss caused by a covered peril;
- b. applies to property in or on buildings or structures described on the **declarations** or in the open (or in vehicles) within 100 feet of the described premises;
- c. is an additional amount of coverage; and
- d. is not subject to and not considered in applying coinsurance.

1. **Antennas, Awnings, Canopies, Fences, and Signs** -- **We** pay up to \$1,000 for **your** outdoor:

- a. radio, television, satellite, dish-type, or other antennas including their masts, towers, and lead-in wiring;
- b. awnings or canopies of fabric or slat construction or their supports;
- c. fences; or
- d. signs.

We only cover direct physical loss caused by aircraft, civil commotion, explosion, fire, lightning, or riot, including debris removal expense.

2. **Extra Expenses** -- **We** pay up to \$1,000 for the necessary extra expenses that **you** incur in order to continue as nearly as practical **your** normal business following loss by a covered peril. This applies when the damage is to property in the described buildings or structures or in the open (or in vehicles) on or within 100 feet of the described premises.

We cover **your** extra expenses for the time it should reasonably take to resume **your** normal business, but not longer than the time it should reasonably take to rebuild, repair, or replace the property that has incurred the loss.

We do not cover the normal cost of repair, replacement, or restoration of property. **We** cover expenses in excess of normal that **you** necessarily incur to reduce loss, but only to the extent they reduce the loss under this coverage.

We do not cover the cost of research or other extra expense necessary to reproduce, replace, or restore lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media.

We cover expenses in excess of normal that **you** necessarily incur to reduce loss, but only to the extent that they reduce the loss under this coverage.

3. **Increased Costs -- Ordinance or Law** -- **We** pay up to \$5,000 for each described premises to cover the increased costs of a covered loss, including debris removal expense, resulting from the enforcement of any ordinance, law, or decree that regulates or requires:

- a. the construction, use, or repair of any property; or
- b. the demolition of any property, in part or in whole, not damaged by a covered peril.

The ordinance, law, or decree must be in force at the time of loss.

Under Perils Excluded, Ordinance or Law does not apply to this Supplemental Coverage.

4. **Personal Effects** -- **We** pay up to \$500, at each described premises, for personal effects owned by **you**, **your** officers, **your** partners, or **your** employees. This coverage is limited to \$100 on property owned by any one person.

5. **Personal Property -- Acquired Locations** -- **We** cover **your** business personal property at locations that **you** acquire, other than fairs or exhibitions.

This coverage applies for 30 days from the date **you** acquire the location or until **you** report the acquired location to **us**, whichever occurs first. This coverage does not extend beyond the end of the policy period.

You must pay any additional premium due from that date **you** acquire the location.

We pay up to 10 percent of the **limit** shown on the **declarations** for Business Personal Property but not exceeding \$100,000 for each location.

6. **Personal Property of Others** -- **We** pay up to \$2,500, at each described premises, for personal property of others in **your** care, custody, or control. This coverage is only for the benefit of the owners of the personal property.

7. **Property in Transit** -- **We** pay up to \$1,000 for covered business personal property (other than property in the care, custody, or control of **your** salesperson) in transit more than 100 feet from the described premises in vehicles **you** own, lease, or operate.

We only cover direct physical loss caused by civil commotion; collision with another vehicle or object, other than the road bed; explosion, fire; hail; lightning; overturn or upset of the vehicle; riot; vandalism; or windstorm.

This coverage also includes loss of an entire package, case, or bale from within a locked part of **your** vehicle caused by theft. Theft must be proven by visible marks of forced entry.

8. **Property Off Premises -- We** pay up to \$5,000 for covered property while temporarily at a location that **you** do not own, control, rent, or lease.

This coverage does not include property:

- a. in or on a vehicle;
 - b. in the care, custody, or control of your salesperson; or
 - c. at any fair or exhibition.
9. **Trees, Shrubs, and Plants -- We** pay up to \$1,000 for **your** outdoor trees, shrubs, and plants not held for sale. **We** only cover loss caused by aircraft, civil commotion, explosion, fire, lightning, or riot. This coverage is limited to \$250 on any one tree, shrub, or plant, including debris removal.

10. **Valuable Papers and Records -- Research Cost --** We pay up to \$1,000 for the cost of research or other expenses necessary to reproduce, replace, or restore lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice --** In case of a loss, you must:
 - a. give us or our agent prompt notice including a description of the property involved (we may request written notice);
 - b. give notice to the police when the act that causes the loss is a crime; and
 - c. give notice to the credit card company if the loss involves a credit card.
2. **Protect Property -- You** must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. **We** pay the reasonable costs incurred by **you** for necessary repairs or emergency measures performed solely to protect covered property from further damage by a

covered peril if a covered peril has already caused a loss to covered property. However, **we** do not pay for such repairs or emergency measures performed on property which has not been damaged by a covered peril. This does not increase **our limit**.

3. **Proof of Loss -- You** must send **us**, within 60 days after **our** request, a signed, sworn proof of loss. This must include the following information:
- a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. **your** interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title or occupancy of the covered property during the policy period;
 - e. detailed estimates for repair or replacement of covered property;
 - f. available plans and specifications of buildings or structures;
 - g. detailed estimates of any covered loss of income and expenses; and
 - h. an inventory of damaged and undamaged covered personal property showing in detail the quantity, description, cost, actual cash value, and amount of the loss. **You** must attach to the inventory copies of all bills, receipts, and related documents that substantiate the inventory. An inventory of undamaged personal property is not required if the total claim for a loss is less than \$10,000 and less than five percent of the total **limit**.

4. **Examination Under Oath -- You** must submit to examination under oath in matters connected with the loss as often as **we** reasonably request and give **us** sworn statements of the answers. If more than one person is examined, **we** have the right to examine and receive statements separately and not in the presence of the others.
5. **Records -- You** must produce records, including tax returns and bank microfilms of all cancelled checks, relating to value, loss, and expense and permit copies and extracts to be made of them as often as **we** reasonably request.
6. **Damaged Property -- You** must exhibit the damaged and undamaged property as often as **we** reasonably request and allow **us** to inspect or take samples of the property.

7. **Volunteer Payments -- You** must not, except at **your** own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment -- We** do not have to accept any abandonment of property.
9. **Cooperation -- You** must cooperate in performing all acts required by the Commercial Property Coverage.

VALUATION

1. **Actual Cash Value --** the value is based on the actual cash value at the time of the loss (with a deduction for depreciation), except as provided in paragraphs 2. through 6. below.
2. **Glass --** The value of glass is based on the cost of safety glazing material where required by code, ordinance, or law.
3. **Merchandise Sold --** The value of merchandise that **you** have sold but not delivered is based on the selling price less all discounts and unincurred expenses.
4. **Valuable Papers and Records --** The value of valuable papers and records, including those which exist on electronic or magnetic media (other than prepackaged software programs) is based on the cost of blank materials, and the labor to transcribe or copy the records when there is a duplicate.
5. **Pair or Set --** The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
6. **Loss to Parts --** The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

HOW MUCH WE PAY

1. **Insurable Interest -- We** do not cover more than **your** insurable interest in any property.
2. **Deductible -- We** pay only that part of **your** loss over the deductible amount stated on the **declarations** in any one occurrence. The deductible applies to the loss before application of any coinsurance or reporting provision.
3. **Loss Settlement Terms --** Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, **we** pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. the **limit** that applies to covered property.
4. **Coinsurance --** When a coinsurance percentage is shown on the **declarations**, **we** only pay a part of the loss if the **limit** is less than the value of the covered property at the time of the loss multiplied by the coinsurance percentage shown for it on the **declarations**. **Our** part of the loss is determined using the following steps:
 - a. Multiply the value of the covered property at the time of the loss by the coinsurance percentage;
 - b. Divide the **limit** for covered property by the figure determined in 4.a. above;
 - c. Multiply the total amount of loss, after the application of any deductible, by the figure determined in 4.b. above.

The most **we** pay is the amount determined in 4.c. above or the **limit**, whichever is less. **We** do not pay any remaining part of the loss.

If there is more than one **limit** shown on the **declarations** for this Coverage Part, this procedure applies separately to each **limit**.

If there is only one **limit** shown on the **declarations** for this Coverage Part, this procedure applies to the total of all covered property to which the **limit** applies.

Example -- Underinsurance

Value of covered property	\$100,000
Coinsurance	80%
Limit	\$60,000
Loss	\$21,000
Deductible	\$1,000

Step a.: $\$100,000 \times 80\% = \$80,000$ (minimum **limit** needed to meet coinsurance requirements)

Step b.: $\$60,000 \text{ } \textcircled{D} \text{ } \$80,000 = .75$

Step c.: $\$21,000 - \$1,000 = \$20,000$
 $\$20,000 \times .75 = \$15,000$

We pay no more than \$15,000. **We** do not pay the remaining \$6,000.

Example -- Sufficient Insurance

Value of covered property	\$100,000
Coinsurance	80%
Limit	\$80,000
Loss	\$21,000
Deductible	\$1,000

Step a.: $\$100,000 \times 80\% = \$80,000$ (minimum **limit** needed to meet coinsurance requirements)

Step b.: $\$80,000 \text{ } \textcircled{D} \text{ } \$80,000 = 1.00$

Step c.: $\$21,000 - \$1,000 = \$20,000$
 $\$20,000 \times 1.00 = \$20,000$

We pay no more than \$20,000 in excess of the deductible. No penalty applies.

Example -- Blanket Limit

Value of covered property	
Building at Location 1.	\$75,000
Building at Location 2.	\$75,000
Personal Property at Location 2.	\$50,000
Total Value of covered property	\$200,000
Coinsurance	80%
Limit	\$128,000
Loss	
Building at Location 2.	\$20,000
Personal Property at Location 2.	\$11,000
Total Loss	\$31,000
Deductible	\$1,000

Step a.: $\$200,000 \times 80\% = \$160,000$ (minimum

limit needed to meet coinsurance requirements)

Step b.: $\$128,000 \text{ } \textcircled{D} \text{ } \$160,000 = .80$

Step c.: $\$31,000 - \$1,000 = \$30,000$
 $\$30,000 \times .80 = \$24,000$

We pay no more than \$24,000. **We** do not pay the remaining \$7,000.

5. **Insurance Under More Than One Coverage --** If more than one coverage of this policy insures the same loss, **we** pay no more than the actual claim or loss sustained.

6. **Insurance Under More Than One Policy --** You may have another policy subject to the same plan, **terms**, conditions, and provisions as this policy. If **you** do, **we** pay **our** share of the covered loss. **Our** share is the proportion that the applicable **limit** under this policy bears to the **limit** of all policies covering on the same basis.

If there is another policy covering the same loss, other than that described above, **we** pay only for the amount of covered loss in excess of the amount due from that other policy, whether **you** can collect on it or not. But **we** do not pay more than the applicable **limit**.

7. **Condominium Association Insurance --** If the condominium association has insurance covering the same property as this policy, **our** policy shall be excess and not contributory with the condominium association's insurance.

LOSS PAYMENT

1. **Our Options -- We** may:

- a. pay the value of the loss;
- b. pay the cost of repairing or replacing the loss;
- c. rebuild, repair, or replace with property of equivalent kind and quality, to the extent practicable; or
- d. take all or any part of the damaged property at the agreed or appraised value.

We must give **you** notice of **our** intentions within 30 days after we have received a satisfactory proof of loss.

2. **Your Losses -- We** adjust all losses with **you**. Payment is made to **you** unless another loss payee is named in the policy. A covered loss is payable 30 days after a satisfactory proof of loss is received, and:

- a. the amount of the loss has been agreed to in writing;
- b. an appraisal award has been filed with **us**; or
- c. a final judgment has been entered.

3. **Property of Others --** Losses to property of others may be adjusted with and paid to:

- a. **you** on behalf of the owner; or
- b. the owner.

If **we** pay the owner, **we** do not have to pay **you**. **We** may also choose to defend any suits arising from the owners at **our** expense.

OTHER CONDITIONS

In addition to the policy **terms** which are contained in other sections of the Commercial Property Coverage, the following conditions apply.

1. **Appraisal --** If **you** and **we** do not agree on the amount of the loss or the actual cash value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each selects a competent, independent appraiser and notifies the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers then determine and state separately the amount of each loss.

The appraisers also determine the actual cash value of covered property items at the time of the loss, if requested.

A written agreement is binding on all parties. If the appraisers fail to agree within a reasonable time, they submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three is binding on all parties.

Each appraiser is paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire is paid equally by **you** and **us**.

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

2. **Recoveries --** If **we** pay **you** for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:

a. **You** must notify **us** promptly if **you** recover property or receive payment.

b. **We** must notify **you** promptly if **we** recover property, or receive payment.

c. Any recovery expenses incurred by either are reimbursed first.

d. **You** may keep the recovered property but **you** must refund to **us** the amount of the claim paid, or any lesser amount to which **we** agree.

e. If the claim paid is less than the agreed loss due to a deductible or other limiting **term** of this policy any recovery is pro rated between **you** and **us** based on **our** respective interest in the loss.

3. **Vacancy -- Unoccupancy --** We will not pay for any loss or damage if the building where loss or damage occurs has been "vacant" or "unoccupied" for more than:

(a) 30 consecutive days before that loss or damage if caused by Vandalism (if it is a Covered Cause of Loss); or

(b) 60 consecutive days before that loss or damage if caused by any other Covered Cause of Loss:

whether or not such vacancy or unoccupancy begins before the inception of this policy.

But we will pay if the building is "unoccupied" due to circumstances that are usual or incidental to the described occupancy.

Unoccupied means that the customary activities or operations of the described occupancy are suspended, but business personal property has not been removed. The building or structure shall be considered vacant and not unoccupied when the occupants have moved, leaving the building or structure empty or containing only limited business personal property. Buildings or structures under construction are not considered vacant or unoccupied.