

FLOOD COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

Words and phrases that appear in *italics* in the remainder of this form have special meaning. Refer to Section I. Definitions of the policy form and / or this endorsement.

B. Covered Causes of Loss

In addition to the Covered Causes of Loss in the policy, the following Causes of Loss are included:

1. Flood

All flooding in a continuous or protracted event will constitute a single *flood*. If the *flood* is due to the overflow of inland or tidal waters, then the *flood* is considered to begin when the water first overflows its banks.

D. Exclusions and Limitations

With respect to this endorsement only, the following is added to the Exclusions and Limitations section of the policy:

1. We will not pay for any loss or damage caused by or resulting from any *flood* that begins before or within 72 hours after the inception date of this endorsement. However, this limitation does not apply to a particular location if *flood* coverage was in effect for that location for at least 72 hours immediately prior to the inception date of this endorsement, under a policy issued by us or by another insurer, and this policy replaces the previous policy without a lapse in coverage. If you request and we provide an increase in the stated Limit of Insurance for *flood* during the term of this policy, with the exception of an increase at the time of renewal of the policy, the increase will not apply to loss or damage from any *flood* that begins before or within 72 hours after your request was made.
2. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
3. Under this policy to which this endorsement is attached, as set forth under Property Not Covered, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from *flood*. However, coverage under this endorsement includes damage to the covered portions of the building and to covered business personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause *flood*.
4. We do not cover loss or damage by *flood* to business personal property in the open.
5. Property Not Covered, in the policy to which this endorsement is attached, is amended and supplemented as follows with respect to *flood* coverage:

- a. Property Not Covered includes any building or other property that is not eligible for *flood* insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 *et seq.* and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 *et seq.*
 - b. Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
6. The following are removed from Property Not Covered and are therefore Covered Property:
- a. Foundations below the lowest basement floor or the subsurface of the ground; and
 - b. Underground pipes, flues and drains.
7. We will not pay for loss or damage caused by discharge of water or waterborne material from a sewer, drain or sump unless such discharge results from *flood* and occurs within 72 hours after the *flood* recedes.
8. With respect to *flood* coverage, the Debris Removal Additional Coverage (and any additional limit for Debris Removal under a Limit of Insurance clause or an endorsement) is not applicable and is replaced by the following:
- a. Debris Removal
 - 1) We will pay your expense to remove debris of Covered Property and other debris that is on the described building, when such debris is caused by or results from *flood*. However, we will not pay to remove deposits of mud or earth from the grounds of the described building.
 - 2) We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described building by *flood*.
 - 3) This coverage for Debris Removal, as set forth in 8.a.1. and 2. above, does not increase the applicable Limit of Insurance for *flood*. Therefore, the most we will pay for the total of debris removal and loss or damage to Covered Property is the Limit of Insurance for *flood* that applies to the Covered Property at the affected described building covered under this endorsement.
9. With respect to *flood* coverage, the Additional Coverage for Newly Acquired or Constructed Property is amended by adding the following:
- a. With respect to *flood* coverage, this Additional Coverage does not apply to any building or structure that is not fully enclosed by walls and roof.
 - b. With respect to a building or structure covered under this Additional Coverage, the amounts of coverage stated in the Additional Coverage do not apply to *flood* coverage. Instead, the most we will pay for all loss or damage to property covered under this Additional Coverage is 10% of the total of all Limits of Insurance for *flood* coverage as provided under this endorsement. Such coverage does not increase the Limit of Insurance for *flood*.
10. With respect to any applicable Additional Coverages in the policy to which this endorsement is attached, other than those addressed in 8 and 9 above, amounts payable under such other provisions, as set forth therein, do not increase the Limit of Insurance for *flood*.

E. Limits of Insurance

The following is added to the Limits of Insurance section of the policy:

Flood coverage may be written at a Limit of Insurance that is equal to or less than the Limit of Insurance which applies to other Covered Causes of Loss (e.g., Fire) under this Commercial Property Policy.

The Limit of Insurance for *flood* is shown in the Declarations. If such Limit is not shown, then the Limit applicable to Wind and Hail also applies to *flood*.

The Limit of Insurance for *flood* is the most we will pay in a single *occurrence* of *flood* and in the annual aggregate during the term of this policy for loss or damage caused by the *flood*.

F. Deductible

The following is added to the Deductible section of the policy:

We will not pay that part of a loss that is attributable to any payments made from the National Flood Insurance Program.

If the amount paid by the National Flood Insurance Program for a covered loss is equal to or greater than the *Flood* or *Catastrophe* Deductible for this policy, no further deductible amount is required to be paid by you for the *catastrophe* or *flood* loss.

If the amount paid by the National Flood Insurance Program for a covered cause of loss is less than the *Flood* or *Catastrophe* Deductible for this policy, the amount paid by the National Flood Insurance Program can be used to reduce the *Flood* or *Catastrophe* Deductible in the event of a *catastrophe* or *flood* loss.

If covered damage from the same event results from a *catastrophe* and/or *flood* loss, only the applicable *Flood* or *Catastrophe* Deductible will apply as a percentage of each damaged building or structure (Coverage A, Coverage B, Coverage C and Coverage D.) The *Flood* or *Catastrophe* Deductible applies as an aggregate percentage of the total of all Coverages (A, B, C and D) at the damaged location, on a per occurrence basis.

The *Flood* or *Catastrophe* Deductible amount will be determined by multiplying the percentage in the Declarations by the aggregate sum of Coverage A, Coverage B, Coverage C and Coverage D values for each location as defined in the Building Details in the Declaration and applying the policy percentage for the *Flood* or *Catastrophe* Deductible to that amount to determine the applicable deductible.

If two or more locations are indicated in the Declarations, then the applicable *Flood* or *Catastrophe* Deductible will be applied separately at each location against the sum of all losses or damages incurred at each location on a per *occurrence* basis.

G. Policy Conditions

The following is added to the Policy Conditions section of the policy:

The Other Insurance / Excess Insurance / Underlying Insurance Commercial Property Policy Condition is replaced by the following with respect to the coverage provided under this endorsement:

If the loss is also covered under a National Flood Insurance Program (NFIP) policy, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under that policy. We will not, under any circumstances, pay more than the applicable Limit of Insurance for *flood* as stated in the Declarations of this policy.

All other terms and conditions, insured coverage, and exclusions of this insurance policy remain unchanged, including applicable limits, sublimits, and deductibles, and apply in full force and effect to the coverage provided by this policy.