

CALENDAR YEAR HURRICANE PERCENTAGE DEDUCTIBLE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

This endorsement provides the terms of coverage if coverage is selected on the Declarations Page.

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.

Currently under your Small Commercial Property policy, a *Catastrophe* Deductible applies to each loss to Covered Property every time a hurricane occurs during a calendar year. This endorsement replaces the *Catastrophe* Deductible with a Calendar Year Hurricane Percentage Deductible (CYHP Deductible). This CYHP Deductible will be applied in a calendar year until exhausted for losses to your Covered Property caused by one or more hurricanes that occur during a calendar year. However, it is important for you to know the following:

- A new CYHP Deductible applies each January 1st. If your policy period, as shown on your Declarations, does not coincide with the calendar year beginning January 1st, then a separate CYHP Deductible will apply to losses that occur during each calendar year in which your policy is in effect. For example, if your policy begins on July 1st of calendar year 1 and ends on June 30th of calendar year 2, one CYHP Deductible will apply from July 1st to December 31st of year 1 and another new CYHP Deductible will apply from January 1st to June 30th of year 2.
- Your CYHP Deductible applies to loss or damage to Covered Property caused by one or more hurricanes that occur during each calendar year. If more than one hurricane occurs during the calendar year, the deductible that will apply to any covered loss or damage resulting from any such hurricane, depends on whether or not the loss or damage from previous hurricanes in the year exhausted your policy's CYHP Deductible.
- If your CYHP Deductible was not exhausted when previous hurricanes occurred during the calendar year, the deductible that will apply to loss or damage resulting from the second and any subsequent hurricane(s), will either be the deductible that applies when loss is caused by All Other Wind and Hail or the remaining amount of the CYHP Deductible, whichever deductible is greater.
- When a hurricane results in loss or damage that exhausts the CYHP Deductible, then that CYHP Deductible will not apply to loss or damage from a subsequent hurricane in the same calendar year. In such case, the All Other Wind and Hail Deductible applies to loss or damage from each subsequent hurricane in that calendar year.
- When a *catastrophe* occurs that is not a hurricane, the All Other Wind and Hail Deductible shall apply.
- When we insure an item of your Covered Property under more than one policy, the CYHP Deductible that will apply to that item shall be the highest amount stated in any one of the policies.

- If we renew your policy or issue another policy to replace your prior policy and that renewal or replacement policy, if issued, takes effect on a date other than January 1st of a calendar year and the policy contains a lower CYHP Deductible, the lower CYHP Deductible will not take effect until the following year.
- If a renewal or replacement policy contains a higher CYHP Deductible, the higher CYHP Deductible will take effect on the effective date of your renewal or replacement policy.
- In addition to the CYHP Deductible endorsement, we have attached Calendar Year Hurricane Percentage Deductible Special Duties After Loss Policyholder Notice to your policy. This notice describes your responsibilities in the event that the loss you have incurred from a hurricane is below your CYHP Deductible. You must comply with the provisions outlined in this aforementioned endorsement.
- If you change insurers during the calendar year, you may incur a new CYHP Deductible when you change insurers during the calendar year, whether or not you have already satisfied a previous CYHP Deductible that same year.

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