

INSTALLATION FLOATER COVERAGE FORM BROAD FORM

I. AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of this Installation Floater Coverage Form. This coverage is also subject to the "Schedule of Coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "Schedule of Coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

II. DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the Declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Earth movement" means:
 - a. Earthquake, including land shockwaves or tremors before, during or after a volcanic eruption;
 - b. Landslide, mudslide or mudflow;
 - c. Mine subsidence whether or not the non-natural mine is currently in use;
 - d. Any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that causes cracking, settling, or shifting of foundations, buildings, or structures; or
 - e. Eruption, explosion, or effusion of a volcano.
4. "Flood" means an overflowing or inundation by water of an area that was previously and normally dry or not covered by water, whether caused artificially or naturally, by human or animal forces or by an act of nature.

"Flood" includes, but is not limited to:
 - a. Overflow of inland or tidal waters, waves, tidal waves or tsunamis, or spray that results from any of these, all whether driven by wind or not, including but not limited to storm surge;
 - b. Unusual and rapid accumulation or runoff of surface waters from any source whether natural or man-made; or
 - c. Mudslides or mudflows if caused by:
 - (1) Unusual and rapid accumulation or runoff of surface waters or waves; or
 - (2) Currents of water exceeding anticipated cyclical levels.
5. "Fungus" means:
 - a. A fungus, including but not limited to mildew and mold;
 - b. A protist, including but not limited to algae and slime mold;
 - c. Wet rot and dry rot;
 - d. A bacterium; or
 - e. A chemical, matter, or compound produced or released by a fungus, a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.
6. "Installation project" means an installation or construction project including, but not limited to, a repair or maintenance project that involves the installation, construction, or rigging of materials, supplies, fixtures, machinery, or equipment.

COMMERCIAL INLAND MARINE

7. "Jobsite" means any location, project, or work site where "you" are involved in the installation, construction, or rigging of materials, supplies, fixtures, machinery, or equipment.
8. "Limit" means the amount of coverage that applies.
9. "Pollutant" means:
 - a. Any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste; and
 - b. Electrical or magnetic emissions, whether visible or invisible, and sound emissions.

Waste includes materials to be recycled, reclaimed, or reconditioned as well as disposed of.
10. "Schedule of Coverages" means:
 - a. All pages labeled Schedule of Coverages or Schedules which pertain to this coverage; and
 - b. Declarations or Supplemental Declarations which pertain to this coverage.
11. "Sinkhole Collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
12. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vehicles; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

 - a. Personal property in the open; or
 - b. The interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.
13. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

III. PROPERTY COVERED

"We" cover only the following property unless the property is excluded or subject to limitations.

1. Coverage

"We" cover direct physical loss or damage caused by a covered peril to:

- a. "Your" materials, supplies, fixtures, machinery, or equipment; and
- b. Similar property of others that is in "your" care, custody, or control while at "your" "jobsite" and that "you" are installing, constructing, or rigging as part of an "installation project".

2. Coverage Limitation

- a. "We" only cover materials, supplies, machinery, fixtures, and equipment that will become a permanent part of "your" completed "installation project".
- b. If Scheduled Locations Coverage is indicated on the "Schedule of Coverages", "we" only cover an "installation project" at a "jobsite" that is described on the "Schedule of Coverages".

3. We Do Not Cover

"We" do not cover materials, supplies, fixtures, machinery, or equipment that "you" are not or will not be installing, constructing, or rigging.

4. We Do Not Pay

"We" do not pay for any penalties for:

- a. Noncompletion or late completion of an "installation project" in accordance with the provisions or conditions in the installation or construction contract; or
- b. Noncompliance with any provisions or conditions in the installation or construction contract.

5. Limit

- a. If Blanket Coverage is indicated on the "Schedule of Coverages", the most "we" pay in any one occurrence for direct physical loss or damage to materials, supplies, machinery, fixtures, and equipment at any one "jobsite" is the Jobsite Limit indicated on the "Schedule of Coverages".
- b. If Scheduled Locations Coverage is indicated on the "Schedule of Coverages", the most "we" pay in any one occurrence for direct physical loss or damage to materials, supplies, machinery, fixtures, and equipment is the "Limit" indicated on the "Schedule of Coverages" for that "jobsite".

IV. PROPERTY NOT COVERED

1. Airborne Property

"We" do not cover property while airborne except while in transit on a regularly scheduled airline flight.

2. Buildings, Structures, and Land

"We" do not cover buildings, structures, or land.

3. Contraband

"We" do not cover contraband or property in the course of illegal transportation or trade.

4. Machinery, Tools, or Equipment

"We" do not cover machinery, tools, equipment, or similar property that will not become a permanent part of "your" "installation project".

5. Trees, Shrubs, and Plants

"We" do not cover trees, shrubs, plants, or lawns.

6. Vehicles

"We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use.

7. Waterborne Property

"We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

8. Property Underground, In Caissons or Underwater

"We" do not cover property while underground, in caissons or underwater.

V. COVERAGE EXTENSIONS

The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "Schedule of Coverages".

If a different "limit" is indicated on the "Schedule of Coverages", that "limit" will apply instead of the "limit" shown below.

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under section III., Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

1. Debris Removal

a. Coverage

"We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.

b. We Do Not Cover

This coverage does not include costs to:

- (1) Extract "pollutants" from land or water; or
- (2) Remove, restore, or replace polluted land or water.

c. Limit

"We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss or damage to covered property and debris removal combined than the "limit" for the damaged covered property.

d. Additional Limit

"We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or damage, or when the loss to covered property and debris removal combined exceeds the "limit" for the damaged covered property.

e. You Must Report Your Expenses

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

2. Emergency Removal**a. Coverage**

"We" cover any direct physical loss or damage to covered property while it is being moved or being stored to prevent a loss caused by a covered peril.

b. Time Limitation

This coverage applies for up to ten days after the covered property is first moved. Also, this coverage does not extend past the date on which this policy expires.

VI. SUPPLEMENTAL COVERAGES

The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "Schedule of Coverages".

If a different "limit" is indicated on the "Schedule of Coverages", that "limit" will apply instead of the "limit" shown below.

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under section III., Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. Is the only "limit" available for the described coverage; and
- b. Is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

1. Recharge of Fire Extinguishing Equipment**a. Coverage**

"We" cover "your" incurred expenses to recharge automatic fire extinguishing equipment or handheld fire extinguishing equipment that is located at your "jobsite".

b. Coverage Limitation

"We" only cover "your" recharge expenses:

- (1) For extinguishing equipment that is mounted or installed on covered property; and
- (2) When the extinguishing equipment is discharged during the "installation project" to protect covered property from a fire.

c. Limit

The most "we" pay in any one occurrence for "your" recharge expenses is \$500.

2. Rewards

a. Coverage

- (1) "We" pay a reward to an eligible person for information leading to the arrest and conviction of any person or persons committing arson, theft, or vandalism to covered property.
- (2) "We" pay a reward to an eligible person for the return of stolen covered property.

An eligible person under this Supplemental Coverage means the first person to voluntarily provide the applicable law enforcement agency the necessary information or return the stolen covered property.

An eligible person cannot be:

- (1) "You" or any family member;
- (2) "Your" employee or any of his or her family members;
- (3) An employee of the applicable law enforcement agency;
- (4) Any person who had custody of the covered property at the time the property was stolen; or
- (5) Any person involved in the crime.

b. Coverage Limitation

There will be no reward payment unless and until the person(s) committing the crime is (are) convicted or the covered property is returned.

c. Limit

The most "we" pay in any one occurrence under this Supplemental Coverage is \$1,000.

The amount "we" pay is not increased by the number of persons involved in providing the information.

3. Temporary Storage Locations

a. Coverage

While temporarily in storage at a location "you" own, rent, or lease, away from "your" "jobsite", "we" cover direct physical loss or damage caused by a covered peril to covered property if that covered property is specifically allocated to "your" "installation project"

b. We Do Not Cover

"We" do not cover property while in a temporary storage location away from "your" "jobsite" if the property has not been specifically allocated to or otherwise identified with a covered "installation project".

c. Limit

The most "we" pay in any one occurrence for direct physical loss or damage from a covered peril to covered property at a temporary storage location that "you" own, rent, or lease is \$5,000.

4. Transit

a. Coverage

"We" cover direct physical loss or damage caused by a covered peril to covered property while in transit, if the covered property will become a permanent part of a covered "installation project".

b. Limit

The most "we" pay in any one occurrence for direct physical loss or damage to covered property in transit is \$5,000.

VII. PERILS COVERED

"We" insure covered property for external direct physical damage or loss unless the loss is limited or caused by a peril that is excluded.

VIII. PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

a. Civil Authority

"We" do not pay for loss or damage caused by or resulting from an order of any civil authority, including seizure, confiscation, destruction, quarantine of property or customs regulation.

"We" do cover direct physical loss or damage resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

b. Nuclear Hazard

"We" do not pay for loss or damage caused by or resulting from a nuclear reaction, nuclear fission, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss or damage caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke.

Direct physical loss or damage by fire resulting from the nuclear hazard is covered.

c. Ordinance Or Law

"We" do not pay for loss or damage caused by or resulting from enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

"We" do not pay for loss or damage, or increased cost regardless if the loss or damage, or increased cost is caused by or results from the:

- (1) Enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or
- (2) Increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following direct physical loss or damage to the property.

d. Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface

"We" do not pay for loss or damage caused by or resulting from:

- (1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- (2) Water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a covered "installation project", sidewalk, driveway, foundation, swimming pool, or other structure.

This exclusion does not apply to covered property while in transit.

e. Strikes, Riots, and Civil Commotion

"We" do not pay for loss or damage caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotion or the acts of any person or persons taking part in any such occurrences or disorder.

f. War and Military Action

"We" do not pay for loss or damage caused by or resulting from:

- (1) War, including undeclared war or civil war; or
- (2) A warlike action, in time of peace or war, by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear fission, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

a. Breakage of Glass

"We" do not pay for loss or damage caused by or resulting from breakage of glass.

This exclusion does not apply if breakage of glass is caused by a "specified peril".

b. Contamination or Deterioration

"We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

c. Criminal, Fraudulent, Dishonest or Illegal Acts

"We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- (1) "You"
- (2) Others who have an interest in the property;
- (3) Others to whom "you" entrust the property;
- (4) "Your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
- (5) The employees or agents of (1), (2), (3), or (4) above, whether or not they are at work.

This exclusion does not apply to covered property in the custody of a carrier for hire.

d. Defect, Weakness, Or Inadequacy In Materials

"We" do not pay for loss or damage caused by or resulting from a defect, weakness, inadequacy, fault, or unsoundness in materials.

But if a defect, weakness, inadequacy, fault, or unsoundness as described above results in a covered peril, "we" do cover the direct physical loss or damage caused by that covered peril.

e. Defects, Errors, Or Omissions In Property

"We" do not pay for loss or damage caused by or resulting from inherent defects, errors, or omissions in covered property (whether negligent or not) relating to:

- (1) Design or specifications;
- (2) Workmanship or construction; or
- (3) Repair, renovation, or remodeling.

f. Delay In Completion and Increased Installation Costs

(1) "We" do not pay for loss or damage caused directly or indirectly by a:

- (a) Delay in the completion of installation, construction, or rigging of an "installation project" or any portion of a building or "installation project"; or
- (b) Change in the sequence of installation, construction, or rigging of an "installation project" or any portion of a building or "installation project"

regardless of the cause of the delay in completion or change in sequence.

(2) "We" also do not pay for increased installation or construction costs caused by or resulting from a delay in completion or change in sequence as described above under items f.(1) (a) and (b). Increased installation or construction costs include, but are not limited to:

- (a) General conditions;
- (b) Increased installation or construction costs and additional installation or construction expenses;
- (c) Increased overhead, increased material costs, and increased labor costs;
- (d) Soft costs; and
- (e) Loss of earnings and loss of rental income.

- (3) General conditions means general conditions and extended general conditions including, but not limited to, costs of additional:
- (a) Utility charges;
 - (b) Maintenance;
 - (c) Facilities;
 - (d) Communications; and
 - (e) Administrative personnel.
- g. Earth Movement**
"We" do not pay for loss or damage caused by, contributed to, aggravated by or resulting from any "earth movement".
- h. Electrical Currents**
"We" do not pay for loss or damage caused by or resulting from arcing or by electrical currents other than lightning.
But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the direct physical loss or damage caused by "specified peril".
- i. Flood**
"We" do not pay for loss or damage caused by, contributed to, aggravated by or resulting from "flood".
"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.
But if "flood" described above results in a fire or explosion, "we" will pay for that direct physical loss or damage caused by the fire or explosion.
- j. Freezing, Liquids, Powder or Molten Material**
"We" do not pay for loss or damage caused by or resulting from:
- (1) Freezing water;
 - (2) Other liquids;
 - (3) Powder; or
 - (4) Molten material
- That leaks or flows from plumbing, heating, air conditioning systems, or appliances other than fire protective systems.
- k. Loss Of Use And Consequential Loss**
"We" do not pay for loss or damage caused by or resulting from loss of use, delay, loss of market, loss of market value, interruption of business, or any consequential loss or damage of any nature.
- l. Mechanical Breakdown**
"We" do not pay for loss or damage caused by or resulting from:
- (1) Mechanical or electrical breakdown or malfunction including a breakdown or malfunction resulting from a mechanical process; or
 - (2) Rupturing or bursting of moving parts of machinery caused by centrifugal force.
- m. Missing Property**
"We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.
This exclusion does not apply to covered property in the custody of a carrier for hire.
- n. Pollutants**
"We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants", nor do "we" pay for the cost to remove, dispose, decontaminate or replace covered property which has been or may be contaminated by

“pollutants”, whether or not required by law or civil authority, to be restored, disposed of or decontaminated.

o. Rain, Snow, Ice or Sleet

“We” do not pay for loss or damage caused by or resulting from rain, snow, ice, or sleet to covered property in the open that is not part of the permanent building or structure.

This exclusion does not apply to direct physical loss or damage to covered property in the custody of carriers for hire.

p. Settling, Cracking, Shrinking, Bulging or Expanding

“We” do not pay for loss or damage caused by or resulting from settling, cracking, shrinking, bulging or expanding of pavements, foundations, walls, ceilings, glass or roofs.

q. Steam Boiler Explosion

“We” do not pay for loss or damage caused by or resulting from an explosion of steam boilers, steam pipes, steam turbines, or steam engines.

r. Temperature, Humidity

“We” do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

s. Insects, Birds, Rodents or Other Animals

“We” do not pay for loss or damage caused by or resulting from nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

t. Voluntary Parting

“We” do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

Voluntary parting includes unauthorized instructions to transfer property to any person or any place.

u. Wear and Tear

“We” do not pay for loss or damage caused by or resulting from wear and tear, pitting, oxidation of any form, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, “we” do cover the direct physical loss or damage caused by that covered peril.

v. Weight of Load

“We” do not pay for loss or damage caused by or resulting from the weight of a load in, on or lifted by the covered property exceeding the manufacturer’s registered capacity for the covered property.

w. Artificially Generated Electrical Current

“We” do not pay for loss or damage caused by or resulting from any of the following:

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

But if artificially generated electrical current results in fire or explosion, “we” will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

This exclusion only applies to loss or damage to that property in which the disturbance occurs.

IX. DUTIES IN THE EVENT OF LOSS OR DAMAGE**1. Notice**

In case of a loss or damage, "you" must:

- a. Give notice to the police when the act that causes the loss may be a crime; and
- b. Give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- c. Give "us" or "our" agent, as soon as possible, a description of how, when and where the loss or damage occurred.

2. You Must Protect Property

"You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further direct physical loss or damage.

a. Payment of Reasonable Costs

"We" do 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 direct physical loss or damage to covered property.

"You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".

b. We Do Not Pay

"We" do not pay for such repairs or emergency measures performed on covered property which has not been damaged by a covered peril.

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 of the covered property during the policy period; and
- e. Estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.

4. Our Right of Examination

"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 others.

5. Record Copies and Extracts

"You" must produce records, including but not limited to tax returns and bank documents relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.

6. Exhibit 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 those to protect-property from further damage.

8. Abandonment to Us

"You" may not abandon the covered property to "us" without "our" written consent.

Abandonment means "you" have left and deserted the covered property completely to "us" or it has been physically repossessed by the finance company or loss payee.

9. Cooperation with Us

"You" must cooperate with "us" in performing all acts required by this policy.

X. VALUATION

1. Cost to Repair, Replace, or Rebuild

a. If Property is Repaired, Replaced, or Rebuilt

If covered property is repaired, replaced, or rebuilt, the value of covered property will be based on the reasonable and necessary costs and expenses "you" incur to repair, replace, or rebuild the covered property with materials of like kind and quality.

The reasonable and necessary costs and expenses must be incurred.

b. If Property Is Not Repaired, Replaced, or Rebuilt

If covered property is not repaired, replaced, or rebuilt, the value of covered property will be based on the estimated reasonable and necessary costs that would have been incurred to repair, replace, or rebuild the covered property with material of like kind and quality.

However, the value of covered property does not include any unincurred or estimated costs.

c. Payment Limitation

In no event will "we" pay more than the "limit" indicated on the "Schedule of Coverages".

2. 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 or damage is not considered a total loss of the pair or set.

3. 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.

XI. HOW MUCH WE PAY

1. Insurable Interest

"We" do not cover more than "your" insurable interest in any covered property.

2. Deductible

"We" pay only that part of "your" direct physical loss or damage over the deductible amount indicated on the "Schedule of Coverages" in any one occurrence.

3. Loss Settlement Terms

Subject to paragraphs 1., 2., 4., 5., 6. and 7., under How Much We Pay, "we" pay the lesser of:

- a. The amount determined under section X., 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 the covered property.

4. Coinsurance

a. When Coinsurance Applies

"We" only pay a part of the loss or damage if the "limit" is less than the percentage of the value of the covered property that is indicated on the "Schedule of Coverages".

b. How We Determine Our Part of the Loss

"Our" part of the loss is determined using the following steps:

- (1) Multiply the percent indicated on the "Schedule of Coverages" by the value of the covered property at the time of loss or damage;

- (2) Divide the "limit" for covered property by the result determined in **b.(1)** above;
- (3) Multiply the total amount of loss or damage, after the application of any deductible, by the result determined in **b.(2)** above.

The most "we" pay is the amount determined in **b.(3)** above or the "limit", whichever is less. "We" do not pay any remaining part of the loss or damage.

c. If There is More Than One Limit

If there is more than one "limit" indicated on the "Schedule of Coverages" for this coverage part, this procedure applies separately to each "limit".

d. If There is Only One Limit

If there is only one "limit" indicated on the "Schedule of Coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

e. When Coinsurance Does Not Apply

Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "Schedule of Coverages".

5. Catastrophe Limit

The most "we" pay in any one occurrence is the Catastrophe Limit indicated on the "Schedule of Coverages" regardless if an occurrence or direct physical loss or damage involves:

- a. One or more "installation projects";
- b. One or more "jobsites"; or
- c. Any combination of "installation projects", "jobsites", or coverages described under Coverage Extensions or Supplemental Coverages.

6. Insurance Under More Than One Coverage

If more than one coverage of this policy insures the same direct physical loss or damage, "we" pay no more than the actual claim, loss, or damage sustained.

7. Insurance Under More Than One Policy

If there is another policy covering the same direct physical loss or damage "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" shown in the "Schedule of Coverages".

XII. LOSS PAYMENT

1. Loss Payment Options

a. Our Options

In the event of direct physical loss or damage covered by this coverage form, "we" have the following options:

- (1) Pay the value of the lost or damaged covered property;
- (2) Pay the cost of repairing or replacing the lost or damaged covered property;
- (3) Rebuild, repair, or replace the covered property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
- (4) Take all or any part of the covered property at the agreed or appraised value.

b. Notice of Our Intent to Rebuild, Repair, or Replace

"We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. Your Losses

a. Adjustment and Payment of Loss or Damage

"We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.

b. Conditions for Payment of Loss or Damage

An insured loss will be payable 30 days after:

- (1) A satisfactory proof of loss is received; and
- (2) The amount of the loss or damage has been established either by written agreement with "you" or the filing of an appraisal award with "us"; and
- (3) "You" have complied with all of the "terms" of this coverage form.

3. Property of Others**a. Adjustment and Payment of Loss or Damage to Property of Others**

Direct physical loss or damage to covered property of others may be adjusted with and paid to:

- (1) "You" on behalf of the owner; or
- (2) The owner.

b. We Do Not Have to Pay You if We Pay the Owner

If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

XIII. CONDITIONS**1. Appraisal**

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

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will 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 will then determine and state separately the amount of each loss.

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

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. No Benefit to Others

Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" covered property.

3. Conformity With Statute

When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

4. Misrepresentation or Concealment

"Your" coverage is voided if "you" or any other insured before or after loss or damage has concealed or misrepresented:

- a. A material fact or circumstance that relates to this insurance or the subject thereof; or
- b. "Your" interest herein.

5. Policy Period

"We" pay for direct physical loss or damage resulting from a covered peril that occurs during the policy period.

6. Recoveries

If "we" pay "you" for the loss or damage, and lost or damaged covered property is recovered, or payment is made by those responsible for the loss or damage, the following provisions apply:

- a. "You" must notify us promptly if "you" recover covered property or receive payment;
- b. "We" must notify "you" promptly if "we" recover covered property or receive payment;
- c. Any recovery expenses incurred by either are reimbursed first;
- d. "You" may keep the recovered covered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
- e. If the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro-rated between "you" and "us" based on "our" respective interest in the loss.

7. Restoration of Limits

Loss or damage that "we" pay under this coverage does not reduce the total applicable "limit".

8. Subrogation

If "we" pay for loss or damage, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for loss or damage if "you" impair this right to recover.

9. Suit Against Us

No one may bring a legal action against "us" under this coverage unless:

- a. All of the "terms" of this coverage have been complied with; and
- b. The suit has been brought twelve (12) months after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

10. Territorial Limits

"We" insure covered property located within the United States and the provinces of Canada.

11. Carriers For Hire

"You" may not accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the covered property.

XIV. ADDITIONAL COVERAGE LIMITATIONS**When Coverage Ceases**

Coverage ends when one of the following occurs:

1. This policy expires or is canceled;
2. The covered "installation project" is accepted by the purchaser;
3. "Your" insurable interest in the covered property ceases;
4. "You" abandon the "installation project" with no intent to complete it;
5. The "installation project" has been completed for more than 30 days; or
6. The covered property has been put to its intended use. However, this does not apply to roofs or walls.