

COMMERCIAL PROPERTY COVERAGE OUTLINE – Excluding Sinkhole

SINKHOLE / EARTH MOVEMENT COVERAGE EXCLUDED: This policy excludes damages caused by sinkholes, settling or cracking of a foundation, structure or building. Coverage is included for Catastrophic Ground Cover Collapse which is geological activity that must result in all of the following: (a) The abrupt collapse of the ground cover; (b) A depression in the ground cover clearly visible to the naked eye; (c) Structural damage to the building, including the foundation; and (d) The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

PROPERTY VALUES: The property values illustrated are estimates only based upon the information you have furnished. Greg Roe Insurance and Roe Insurance assumes no responsibility for the accuracy of these values. If you are not sure of the accuracy of the values stated, a property appraisal should be obtained from a qualified, licensed real estate appraiser.

BUILDING: Meaning the building or structure described in the Declarations of your policy, and includes: completed additions, fixtures, permanently installed machinery and equipment, floor coverings and appliances used for refrigerating, ventilating, cooking, dish washing or laundering.

YOUR BUSINESS PERSONAL PROPERTY: Owned by the insured and used in the insured's business is covered for direct loss or damage. The coverage includes furniture and fixtures, machinery and equipment, stock, and several other similar business property items when not specifically excluded from coverage.

CAUSES OF LOSS: The broadest coverage is the Special form. Special form covers risk of direct physical loss, except those specifically excluded from coverage. Broad form only covers fire, lightning, explosion, windstorm, hail, smoke, aircraft or vehicle damage, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, water damage, weight of snow, ice or sleet, breakage of glass, and coverage for falling objects. Basic form provides the Broad form coverage's excluding water damage, weight of snow, ice or sleet, breakage of glass, and coverage for falling objects.

REPLACEMENT COST Vs ACTUAL CASH VALUE: Owned property can be valued in several different ways. Insurance companies commonly offer two approaches to determine value, which also determines how a loss will be paid: Replacement Cost of a property item is the cost to replace it with new property of like kind. Actual Cash Value is replacement cost minus the accumulated depreciation. Personal Property of Others can only be valued on an Actual Cash Value basis.

CO-INSURANCE Most building and business personal property policies have a co-insurance clause which requires the insured to carry insurance at least equal to a specified percentage of the property value. If a loss occurs, and it is determined that the amount of insurance carried is less than the amount required, a penalty could be placed on the insured.

This is only a summary of insurance coverage's and does not constitute a policy, contract or legal evidence of insurance. For complete policy terms, conditions, limitations and exclusions refer to the policy.

Initials _____

Date _____

Edition 12/17/2010 PR-PRO01

COMMERCIAL PROPERTY RECOMMENDATIONS

Please
quote

- **Building Ordinance Coverage:** This coverage will protect you against loss due to the enforcement of building or zoning laws in effect at time of loss that results in additional costs to demolish and rebuild. Coverage A for the loss in value of the undamaged portion of the building; Coverage B for the cost of demolition of undamaged building, and Coverage C for the increased cost of construction to bring the whole building up to current building codes.
- **Business Interruption Coverage:** This coverage insures against loss of income (including continuing normal operating expenses) that you experience because of a suspension of your business when insured property has been damaged by a covered peril. Under this form, coverage begins 72 hours after loss (can be reduced to 24 hours), extra expenses are included and rental values can be added as an option. An extended period of indemnity provision can also be included to provide overage after you resume operations until your business returns to its normal level of activities.
- **Flood coverage is excluded from all property policies.** Property insurance excludes damage by flooding to your building and contents. If you wish a quote on flood insurance please check this box.
- **Wind Deductible Buy Back:** High wind deductibles today are common place. If you would like a quote to purchase coverage to buy back (eliminate) your wind deductible please check this box.
- **Sign Coverage:** This insurance is used to provide coverage for scheduled neon, fluorescent, automatic or mechanical electrical signs or lamps listed in the policy.
- **Fence/Wall Coverage:** These items are not automatically covered in your property policy. Check here for a quote.
- **Glass Coverage:** This coverage will provide extended protection for premise glass. Limited protection is provided in your Property policy (\$100 per pane, \$500 per claim).
- **Computer Coverage:** The advantage of this form is that it covers such equipment for electrical breakdown and power surge. It can also be extended to include coverage for loss of media and additional expense to re-impute data.
- **Earthquake or Any Earth Movement Coverage:** Coverage can be added by endorsement to your exiting coverages.
- **Higher Property Values:** The property values reflected in this proposal are determined by you. It is very important that those values reflect current replacement costs so that you are properly insured at the time of a loss. We recommend you obtain a true replacement value from a general contractor to assure you are insuring to value.
- **Debris Removal** (additional limits): We recommend you increase this valuable coverage which pays your expense to remove debris of Covered Property caused by a Covered Cause of Loss.
- **Vacancy:** If the building is vacant (when 70% or more of its square footage is not rented or not used to conduct customary operations) for more than 60 consecutive days then vandalism, sprinkler leakage, glass breakage, water damage and theft are not covered and all other covered losses are reduced by 15%.
- **Leasehold Interest:** This valuable option will pay for loss of Covered Leasehold Interest you sustain due to the cancellation of your lease. Coverage includes increased cost of rent and loss of Improvements and Betterment's you made when loss due to a covered cause of loss.
- **Legal Liability Coverage:** If you lease property, and are not contractually liability for damage to that property, but could become liable for damages if found negligent in causing those damages; you should either have a waiver for damages clause in the lease or purchase "Legal Liability" to provide coverage in event of a claim.

This is only a summary of insurance coverage's and does not constitute a policy, contract or legal evidence of insurance. For complete policy terms, conditions, limitations and exclusions refer to the policy.

Initials _____ Date _____

Edition 12/17/2010 PR-PRO01

IMPORTANT NOTICE - FLORIDA CHANGES CP 01 25

This endorsement modifies your insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

E. Sinkhole Collapse Coverage Removed

Sinkhole Collapse coverage is removed as indicated in Paragraphs E.1. through E.4.; and coverage for Catastrophic Ground Cover Collapse is added instead as set forth in Paragraph F.

1. In the Causes of Loss – Basic Form and in the Standard Property Policy, Sinkhole Collapse is deleted from the Covered Causes of Loss and sinkhole collapse is no longer an exception to the Earth Movement exclusion.

2. In the Causes of Loss – Broad Form, Sinkhole Collapse is deleted from the Covered Causes of Loss and from the Additional Coverage – Collapse; and sinkhole collapse is no longer an exception to the Earth Movement exclusion.

3. In the Causes of Loss – Special Form, sinkhole collapse is deleted from the "specified causes of loss" and is no longer an exception to the Earth Movement exclusion.

4. In the Mortgageholders Errors And Omissions Coverage Form, sinkhole collapse is deleted from the Covered Causes of Loss under Coverage B and from the "specified causes of loss", and is no longer an exception to the Earth Movement exclusion.

Further, this Coverage Part does not insure against Sinkhole Loss as defined in Florida law unless an endorsement for Sinkhole Loss is made part of this policy. However, if Sinkhole Loss causes Catastrophic Ground Cover Collapse, coverage is provided for the resulting Catastrophic Ground Cover Collapse even if an endorsement for Sinkhole Loss is not made part of this policy.

- F. The following is added to this Coverage Part as a Covered Cause Of Loss. In the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, the following is also added as a "specified cause of loss". However, as a "specified cause of loss", the following does not apply to the Additional Coverage – Collapse.

CATASTROPHIC GROUND COVER COLLAPSE

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, **meaning geological activity that results in all of the following:**

(a) The abrupt collapse of the ground cover;

(b) A depression in the ground cover clearly visible to the naked eye;

(c) Structural damage to the building, including the foundation; and

(d) The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, structural damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The Earth Movement exclusion and the Collapse exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Coverage Part), only one Limit of Insurance will apply to such loss or damage.

Accepted by: _____

Print Name: _____

Date: _____

This is only a summary of insurance coverage's and does not constitute a policy, contract or legal evidence of insurance. For complete policy terms, conditions, limitations and exclusions refer to the policy.

Initials _____

Date _____

Edition 12/17/2010 PR-PRO01