

**SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION**

P.O. Box 407  
Columbia, South Carolina 29202

**APPLICATION FOR INSURANCE**  
**THIS APPLICATION IS NOT A BINDER OF INSURANCE**

Policy Number: SCWHUA File #: \_\_\_\_\_ Desired Effective Date: \_\_\_\_\_

Policy Form Requested: ☐ Dwelling ☐ Mobile Home ☐ Modular Home ☐ Condo Unit Owner ☐ Townhouse

☐ Commercial \_\_\_\_\_  
Describe Occupancy

Applicant's Name: Mailing Address:	Name of Producer's Firm: Mailing Address: Phone & Fax:
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1st Mortgagee Name: Address: Loan Number:	2nd Mortgagee Name: Address: Loan Number:
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Flood Carrier:	Flood Policy Number:
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Property Location: Street	City	County	Zip
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<b>Amount of Coverage Requested</b> _____ _____ _____ _____ <input type="checkbox"/> 1/3 <input type="checkbox"/> 1/4 <input type="checkbox"/> 1/6 Monthly Limitation (Required for Loss of Business Income) _____ Increased Cost of Construction (Dwelling Only)	<b># of Families/Units in Building</b> <input type="checkbox"/> One <input type="checkbox"/> Two-Four <input type="checkbox"/> More than Four	<b>Construction</b> <input type="checkbox"/> Frame <input type="checkbox"/> Masonry <input type="checkbox"/> Skeleton <input type="checkbox"/> Semi-wind resistive <input type="checkbox"/> Wind Resistive	<b>Deductible</b> <input type="checkbox"/> 1% <input type="checkbox"/> 2% <input type="checkbox"/> 3% <input type="checkbox"/> 4% <input type="checkbox"/> 5% <input type="checkbox"/> 10%
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**Other Structures – Description & Limit** \_\_\_\_\_

<b>Actual Cash Value</b> <b>Coinurance</b> _____ _____ Building Contents	<b>Replacement Cost Value</b> _____ Building	<b>Replacement Cost</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Commercial</b> <input type="checkbox"/> 80% <input type="checkbox"/> 90% <input type="checkbox"/> 100%
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<b>Occupancy</b> <input type="checkbox"/> Primary, permanent residence by <input type="checkbox"/> owner <input type="checkbox"/> tenant. <input type="checkbox"/> Seasonal occupancy, secondary residence <input type="checkbox"/> Under construction	<b>Year of Construction</b> _____ <b>Square Footage</b> Total Floor Area _____ square feet.
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Fire Insurance Company	Fire Policy Building Limit	Fire Policy Contents Limit
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Is this a "Fortified... For Safer Living" home built to IBHS standards? ☐ Yes ☐ No. If yes, provide a copy of the IBHS certification letter.

I hereby certify that the information on this application is true and correct to the best of my knowledge. I further understand and agree to the terms as set forth on page 2.

\_\_\_\_\_  
Signature of Applicant/Representative and Date (Required)

\_\_\_\_\_  
Signature of Producer of Record and Date (Required)

\_\_\_\_\_  
SC Producer License Number (Required)

## **APPLICANT CERTIFICATION**

This application is made with the understanding that an inspection may be made of this property. I understand that this application does not bind any company to provide insurance on the described property. The inspection (and any report of the inspection) is for insurance underwriting purposes. Regardless of whether a policy is issued, the South Carolina Wind and Hail Underwriting Association, nor any company represented by the Association, will be liable for any injury or damage claimed to arise from the inspection. Nothing contained in or omitted from the inspection report shall be construed to infer or imply that any hazardous physical conditions (noted or omitted) constitute all such conditions existing on the property at the time of inspection. Permission is granted to submit copies of any inspection or report to the South Carolina Department of Insurance and my producer or representative.

By signing this application, I certify that I have an insurable interest in the property and that all statements are, to the best of my knowledge, true. I further certify there are no unpaid fire premiums due for insurance on this property and that I have been unable to obtain wind and hail insurance in the normal market. I further certify that the structure for which insurance is desired (or contains contents for which insurance is desired) and which building construction commenced on or after September 15, 1971, essentially complies with the Southern Building Code and complies with any construction and zoning requirements of the National Flood Insurance Program.

## **NOTICE TO APPLICANT**

This application is not a binder of insurance. The Association has no insurance agents. This application must be approved in writing by the Association in its Columbia office. No insurance producer has authority either, (a) to approve wind insurance coverage or contract for wind insurance coverage or to make any representations or promises about wind insurance coverage that will bind the Association, or (b) to waive any requirements of this application or the wind insurance policy which the Association may issue.

**NO INSURANCE PRODUCER HAS THE POWER TO MAKE THE POLICY EFFECTIVE. RECEIPT OF PREMIUMS BY PRODUCERS IS NOT RECEIPT BY THE ASSOCIATION AND DOES NOT MAKE THE POLICY EFFECTIVE. APPLICANTS MUST NOT RELY ON REPRESENTATIONS OF ANY PARTY OTHER THAN THE ASSOCIATION IN ITS COLUMBIA OFFICE.**

## **PRODUCER CERTIFICATION**

I hereby attest that I am a licensed South Carolina producer. In the event a policy is issued and then canceled or terminated, or a change is made resulting in a return premium due, I agree to return my proportionate share of the commission to the insured.

## **EFFECTIVE DATE OF COVERAGE - NEW BUSINESS**

An application does not bind coverage. Effective dates are upon approval of the Association. Coverage will be made effective by the Association at 12:01 a.m. Eastern Standard Time of the sixteenth (16th) day following receipt (or later date requested), subject to:

1. The application is properly completed; and
2. Meets underwriting approval; and
3. Is received with full premium payment; and
4. Is received with original photographs, if required. All new submissions require photos of the front and rear of the building.

## **EFFECTIVE DATE OF COVERAGE - REWRITES**

An application does not bind coverage. Effective dates are upon approval of the Association. Coverage will be made effective by the Association at 12:01 a.m. Eastern Standard Time of the expiring policy, subject to:

1. Receipt of the application and full premium payment by the fifth business day following expiration; and
2. The application is properly completed; and
3. Meets underwriting approval.

# MORTGAGE CLOSING / PROPERTY TRANSFER BINDER

## SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION

Fax this form to 803.779.0324. We will fax back a signed, completed form acknowledging the binder request. If you do not receive the form within 30 minutes of transmission, call 803.779.8373 extension 10.

Name of Broker's Firm

Broker City

Broker Signature & Fax Number

Named Insured

Property Address

Property City

Is the mortgage at least 50% of the insurance amount? Y / N

Is the mortgage for a term of at least 10 years? (Refinancing agreements, builder's risk and construction draws are not eligible for binding) Y / N

Closing Date (Only future closings are available for binding. If the closing is today's date, a binder will be issued effective the next day.)

Mortgagee Name

Mortgagee City / State

Dwelling / Commercial / Mobile Home D / C / M

(If this is a mobile home, attach supplemental MH Form 8)

Building Coverage Amount \$

Contents Coverage Amount \$

Loss of Use 20% - 10% - Not desired

Loss of Business Income Amount \$

Loss of Business Income Monthly Limitation 1/3 1/4 1/6

Deductible % 1% or 2%

Is this a primary residence? Y / N

Is replacement cost desired? Y / N

### FOR SCWHUA USE ONLY

Binder Number

Binder Effective Date 12:01 A.M.

Binder Expiration Date 12:01 A.M.

Approved by Date

A properly completed application, photos, signed closing papers, copy of this form and a broker check for the full net premium must be received on or before the SCWHUA binder expiration date. If all documents are not received, the binder is null and void and a 15 day waiting period will apply to the submission.

**If there are any changes to coverage, binder closing date, mortgagee, etc. after the issuance of this binder, it is your responsibility to notify the Association of any such changes. Failure to notify the Association of changes will jeopardize the binding of coverage.**

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**STANDARD WIND AND HAIL DWELLING POLICY**

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**AGREEMENT**

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

**DEFINITIONS**

In this policy “you” and “your” refer to the named insured shown in the Declarations and that person’s “family members.” “Family member” means a person who resides in your household and is related to you by blood, marriage or adoption. This includes a ward or a foster child. “We,” “us” and “our” refer to the Association providing this insurance.

**COVERAGES**

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Wind and Hail Insured Against for which a premium is stated.

We will pay only that part of the total of all losses payable under Coverages A, B and C that exceeds the windstorm or hail percentage deductible stated in the Declarations, and further described in Conditions – 23. on page 14 of this policy. The stated deductible applies separately to Coverage A, B and C. The dollar amount of the windstorm or hail deductible is determined by multiplying the Coverage A, B or C limit of liability shown in the Declarations by the percentage stated. A deductible clause applicable to Coverage D is also stated in the Declarations, and further described on page 4 of this policy.

**Coverage A - Dwelling**

We cover direct physical loss of or damage to:

- a. the dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes including structures not otherwise excluded attached to the dwelling;
- b. materials and supplies located on or next to the Described Location used to construct, alter, or repair the dwelling or other structures on the Described Location; and
- c. if not otherwise covered in this policy, fixtures and outdoor equipment permanently installed and building equipment used for the service of and located on the Described Location.

This coverage does not apply to land, including land on which the dwelling is located.

**Coverage B - Other Structures**

We cover direct physical loss of or damage to other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

- a. used in whole or in part for commercial, manufacturing, or farming purposes; or
- b. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

## Coverage C - Personal Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location and within an insured building. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location and within an insured building.

Property not covered. We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, lottery tickets and stamps;
2. animals, birds, or fish;
3. aircraft and their parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
4. motor vehicles or all other motorized land conveyances. This includes:
  - a. their equipment, accessories and parts; or
  - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
    - (1) accessories or antennas; or
    - (2) tapes, wires, records, discs or other media for use with any such device or instrument;

while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances all while contained within an enclosed structure on the Described Location not subject to motor vehicle registration which are:

- a. used to service the Described Location; or
- b. designed for assisting the handicapped;
5. watercraft, other than rowboats and canoes (including their furnishings, equipment and motors and any parts of the motor);
6. data, including data stored in:
  - a. books of account, card index systems, drawings or other paper records; or
  - b. electronic data processing tapes, wires, records, discs, cells, magnetic recording or other software media.

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;

7. personal property while in the open;
8. trailers and any of their parts;

9. credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds, counterfeit money, stored value cards, smart cards and scrip;
10. business property;
11. water or steam.

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

#### Special Limits on Certain Property

We cover up to the limit of liability shown for each category, but this does not increase the limit of liability, for Coverage C - Personal Property.

Limit of Liability	Category
\$2,500	Goldware, gold-platedware, silverware, silver-platedware, platinumware, and pewterware.
\$1,000	Coin collections and stamp collections.
\$1,000	Art, antiques and heirlooms, fine arts and collectibles, memorabilia, souvenirs, and trading cards.
\$1,000	Jewelry, watches, furs, precious and semi-precious stones.
\$ 500	Firearms and related equipment.
\$1,000	Golf equipment, other than golf carts.
\$ 500	Golf carts, if they are inside a structure insured by this policy.
\$1,000	Rowboats and canoes.
\$2,500	Personal property used for business purposes.
\$1,000	Computers and peripheral devices, including software packages available through the retail market.
\$1,000	Tools.
\$500	Food spoilage on the described location, if a power source on the described location is damaged by wind or hail.

#### Coverage D - Loss of Use

**If a premium for this coverage is indicated on the Declarations page of this policy, the limit of liability for Coverage D is the total limit for all the coverages that follow.**

Fair Rental Value. If a direct physical loss to property described in Coverage A by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover its:

Fair Rental Value, meaning the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in. Fair Rental Value will be based on the likely rental income if no physical loss or damage had occurred, but it does not include any potential increases in rental income due to favorable conditions caused by the impact of Covered Causes of Loss.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

Additional Living Expense. If a direct physical loss to property described in Coverage A by a Peril Insured Against under this policy makes the Described Location where you reside not fit to live in, we cover your,

Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

Deductible Clauses.

A Deductible Clause, as described in paragraphs 1. through 6. below, must be indicated in the Declarations.

We will not pay for loss or damage in any one occurrence until the period of loss exceeds the deductible period, as shown on the Declarations. We will then pay the amount of loss or damage following the deductible period up to the applicable Limit of insurance on the Declarations for Coverage D - Loss of Use.

1. 10 Day Deductible - We will not pay for losses incurred in the 10 Day period starting the day after the loss.
2. 15 Day Deductible - We will not pay for losses incurred in the 15 Day period starting the day after the loss.
3. 20 Day Deductible – We will not pay for losses incurred in the 20 Day period starting the day after the loss.
4. 25 Day Deductible – We will not pay for losses incurred in the 25 Day period starting the day after the loss.
5. 30 Day Deductible - We will not pay for losses incurred in the 30 Day period starting the day after the loss.
6. 55 Day Deductible - We will not pay for losses incurred in the 55 Day period starting the day after the loss.

Other coverages

1. Other Structures. You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B. Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

2. Debris Removal. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against causes the loss. Debris removal expense is included in the limit of liability applying to the damaged property.
3. Improvements, Alterations and Additions. If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid.

4. Reasonable Repairs. In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage if for the peril of wind or hail. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the limit of liability that applies to the covered property;
  - b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.
5. Property Removed. We insure covered personal property against direct loss from any cause while being removed from a premises endangered by the peril of wind or hail and for not more than 5 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

#### PERILS INSURED AGAINST

We insure against risk of direct loss to property described in Coverages A, B and C only if that loss is a physical loss to property caused by wind or hail as described and limited below unless the loss is excluded in General Exclusions.

The perils of wind or hail do not include:

- a. frost or cold weather;
- b. ice (other than hail), snow or sleet, whether driven by wind or not;
- c. accumulation of hail, ice, snow, sleet, water or any other form of precipitation. We will not pay for loss or damage to the interior of any dwelling or other structure, or the property contained inside the dwelling or other structure, caused by rain, snow, sand, or dust whether driven by wind or not, unless the direct force of wind or hail damages the dwelling or other structure causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

The perils of wind and hail do not include property damage:

- a. to the interior of a dwelling or the personal property contained in the dwelling caused by water from sprinkler equipment or other piping, unless the equipment or piping is first damaged as a direct result of wind or hail;
- b. to windmills, wind pumps, or their towers, metal smokestacks;



- c. to any structure, open on one or more sides and serving as a patio cover or carport, including the supports, with a rooflike covering of cloth, metal, fiberglass or plastic, whether or not the structure is attached to a building; including personal property contained therein;
- d. to screens, including their supports, around a pool, patio or other areas;
- e. to fences, property line and similar walls, including seawalls, revetments, and retaining walls;
- f. to greenhouses, hothouses, slathouses, trellises, pergolas, gazebos, cabanas, swimming pools, jacuzzis, hot tubs, tiki huts or similar structures, including their walkways and decks, whether or not attached to the building, and utility poles including light fixtures;
- g. to any structure, including the property in or on the structure, located in whole or in part in or over water;
- h. caused in any manner by wind to paint or waterproof material applied to the exterior of any building or structure;
- i. to the following property when outside of the building:
  - (1) awnings or canopies, including their supports, signs or radio or television antennas or aerials, satellite dish, including lead-in wiring, masts or towers;
  - (2) rowboats and canoes; or
  - (3) lawns, trees, shrubs, or plants;
- j. to outdoor equipment used to service the Described Location when outside of a building;
- k. to screens, including the supports, which are not part of the dwelling. However, screens and supports of a porch, which is a part of the dwelling, are covered;
- l. to land (including land on which the property is located), growing crops;
- m. to personal property while airborne, waterborne or in transit;
- n. to pilings, piers, wharves or docks, boathouses, bulkheads, underground pipes, flues, drains, bridges, boardwalks, trestles, catwalks, dunewalks or ramps;
- o. to all property (dwelling and personal property) located in a basement or below grade level;
- p. to sidewalks, driveways, and other paved or graveled surfaces; or
- q. to property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

#### GENERAL EXCLUSIONS

1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance or Law

Ordinance or Law means any ordinance or law:

- (1) requiring or regulating the use, construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris; or
- (2) the requirements of which result in a loss of value to property; or
- (3) requiring any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

This Exclusion a. applies whether or not the property has been physically damaged.

b. Earth Movement, meaning any loss caused by, resulting from, contributed to or aggravated by earthquake; landslide; mudflow; earth sinking, rising, or shifting; volcanic eruption, meaning the eruption, explosion or effusion of a volcano;

c. Water Damage, meaning:

- (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) water, water-borne material or sewage which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- (3) water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, basement or other structure caused by or resulting from human or animal forces or any act of nature;
- (4) mudslide, mudflow, shifting sand or sand flow; or
- (5) sinkhole, collapse.

d. Mold. Notwithstanding any other provision(s) of this policy, this insurance does not apply to any loss, damage, additional living expense, loss of business income, cost of decontamination, remediation, testing, debris removal or any other costs or expenses arising from or associated in any way with “mold”, whether or not directly or indirectly caused by or resulting from any peril insured against under this policy.

“Mold” means any mold, fungi (and any associated spores) or any other microorganisms of any type or nature that can cause or threaten to cause physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property or that can cause or threaten to cause harm of any type to any living organism. This includes, but is not limited to, any type of mold that is harmful or potentially harmful to the health or welfare of persons (such as *Stachybotrys* and others), and/or that is damaging or potentially damaging to tangible property (including wet or dry rot and others).

Remediation means to test, detect, measure, evaluate, treat, contain, remove, or dispose of mold. Remediation includes any testing to detect, measure, or evaluate mold, fungi (and any associated spores), or any other microorganisms, and any decontamination of the covered property.

e. Power Failure, meaning the failure of power or other utility service if the failure takes place off the Described Location. If a Peril Insured Against ensues on the Described Location, we will pay only for loss caused by the Peril of wind or hail.

- f. Neglect, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered by Peril of wind or hail.
  - g. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
  - h. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
  - i.
    - (1) wear and tear, marring, scratching, deterioration;
    - (2) inherent vice, latent defect, mechanical breakdown;
    - (3) smog, rust or other corrosion, mold, wet or dry rot;
    - (4) smoke from agricultural smudging or industrial operations;
    - (5) discharge, dispersal, seepage, migration, release or escape of "pollutants" at or from the described location.  
  
 "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
    - (6) settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
    - (7) birds, vermin, rodents, insects or domestic animals;
    - (8) fire, theft or explosion.
  - j. Intentional Loss, meaning any loss arising out of any act committed:
    - (1) by or at the direction of you or any person or organization named as an additional insured; and
    - (2) with the intent to cause a loss.
  - k. Contraband or property in the course of illegal transportation or trade.
  - l. Coastal construction control line.
2. We do not insure for loss to property described in Coverages A, B and C caused by any of the following.
- a. Acts or decisions, including the failure to act or decide, of any person, group, organization, public authority or governmental body resulting in the destruction, confiscation or seizure of the described property;
  - b. Faulty, inadequate or defective:
    - (1) planning, zoning, development, surveying, siting;
    - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) materials used in repair, construction, renovation or remodeling; or

(4) maintenance;

of part or all of any property whether on or off the Described Location.

#### CONDITIONS

1. POLICY PERIOD. This policy applies only to loss which occurs during the policy period.
2. INSURABLE INTEREST AND LIMIT OF LIABILITY. Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. for an amount greater than the interest of a person insured under this policy; or
- b. for more than the applicable limit of liability.

3. CONCEALMENT OR FRAUD.

With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

- a. intentionally concealed or misrepresented any material fact or circumstance; or
- b. engaged in fraudulent conduct; or
- c. made false statements;

relating to this insurance.

4. YOUR DUTIES AFTER LOSS. In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed by you, or your representative:
  - a. give prompt notice to us through your broker;
  - b.
    - (1) protect the property from further damage;
    - (2) make reasonable and necessary repairs to protect the property; and
    - (3) keep an accurate record of repair expenses;
  - c. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory and include photographs of the damaged items;
  - d. as often as we reasonably require:
    - (1) show the damaged property;
    - (2) provide us with records and documents we request and permit us to make copies; and
    - (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same.
  - e. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

- (1) the time and cause of loss;
  - (2) your interest and that of all others in the property involved and all liens on the property;
  - (3) other insurance which may cover the loss;
  - (4) changes in title or occupancy of the property during the term of the policy;
  - (5) specifications of damaged buildings and detailed repair estimates;
  - (6) the inventory of damaged personal property described in 4c;
  - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.
- f. The insurance adjuster we hire to investigate your claim may furnish you a proof of loss form and may help you to complete it. However, this is a matter of courtesy only, and you must still send us a proof of loss within 60 days after the loss even if the adjuster does not furnish the form or help you complete it. In completing the proof of loss, you must use your own judgment concerning the amount of loss and the justification for that amount; the adjuster is not authorized to approve or disapprove claims or to tell you whether your claim will be approved by us.
5. LOSS SETTLEMENT. Covered property losses are settled as follows:
  - a. Personal property under Coverage C at actual cash value at the time of loss but not more than the amount required to repair or replace.
  - b. Buildings under Coverage A or B are subject to the following:
    - (1) the actual cash value of that part of the dwelling or other structure damaged; or
    - (2) that proportion of the cost to repair or replace, with deduction for depreciation, of that part of the dwelling or other structure damaged.
6. LOSS TO A PAIR OR SET. In case of loss to a pair or set we may elect to:
  - a. repair or replace any part to restore the pair or set to its value before the loss; or
  - b. pay the difference between actual cash value of the property before and after the loss.
7. GLASS REPLACEMENT. Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
8. APPRAISAL. If you and we fail to agree on the actual cash value of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will first choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a judge of a court of record in the State of South Carolina select an umpire from a list supplied by the parties. The appraisers will then appraise the loss, stating separately the actual cash value of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the actual cash value of the loss. If the appraisers fail to agree, they will submit their differences only, to the umpire. A decision agreed to by any two of these three will set the actual cash value of the loss. Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Appraisal rights under this policy are not available, if coverage is in dispute, or if you have failed to comply with all policy conditions.

9. OTHER INSURANCE.

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this policy. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

10. SUBROGATION. You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

11. SUIT AGAINST US. No action can be brought unless the policy provisions have been complied with and the action is started within three years after the date of loss.

12. OUR OPTION. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

13. LOSS PAYMENT. We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. reach an agreement with you;
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

14. ABANDONMENT OF PROPERTY. We need not accept any property abandoned by you.

15. MORTGAGE CLAUSE.

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order or precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;

- b. pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel this policy, the mortgagee will be notified at least 10 days before the date cancellation takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

- 16. NO BENEFIT TO BAILEE. We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing, or moving property for a fee regardless of any other provision of this policy.

#### 17. CANCELLATION AND RENEWALS.

- a. The first Named Insured shown in the Declarations or the premium finance company as Power of Attorney may cancel this policy at any time by returning it to us or by letting us know in writing in advance of the date cancellation is to take effect. A request for cancellation by the premium finance company will be treated the same as a request for cancellation by the first Named Insured itself.
- b. We may cancel this policy by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice. We may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect. Reasons for which we may cancel the policy include but are not limited to:
  - 1. non-payment of premium; or
  - 2. misrepresentation of any material fact either before or after loss; or
  - 3. cause which would have been grounds for non-acceptance of the risk under the Plan of Operation had such cause been known at the time of acceptance; or
  - 4. cause arising subsequent to a review which would have been grounds for non-acceptance of the risk under this Plan of Operation had such cause existed at the time of acceptance; or
  - 5. substantial breach of contractual duties, conditions or warranties; or
  - 6. if we lose our reinsurance covering all or a significant portion of this policy, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of this state. Cancellation for these reasons is subject to the approval by the Director of Insurance; or

7. the risk has changed substantially since the policy was issued; or
8. if you or your representative;
  - a) conceal, omit, or misrepresent any material facts or circumstances; or
  - b) make a false or fraudulent claim; or
  - c) fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed.
- c. When you have not paid the premium, whether payable to us or to the broker or under any finance or credit plan, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- d. This association writes policies for a one-year period only and renewal may not be made unless an appropriate application is completed and furnished to the Association by the broker. There is no provision for term privileges or renewal plan since a rewrite can only be accomplished through use of the application. Unless the policy is rewritten before the expiration date through the application process, the policy will automatically terminate as of the expiration date.
- e. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- f. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.
18. **WAIVER OR CHANGE OF POLICY PROVISIONS.** A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.
19. **ASSIGNMENT.** Assignment of this policy will not be valid unless we give our written consent.
20. **DEATH.** If you die, we insure:
  - a. your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
  - b. with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.
21. **NUCLEAR HAZARD CLAUSE.**
  - a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
  - b. Loss caused by the nuclear hazard will not be considered loss caused by wind or hail or otherwise included within the Perils Insured Against.
  - c. This policy does not apply to loss caused directly or indirectly by nuclear hazard.
22. **INSPECTIONS AND SURVEYS.**

We have the right but are not obligated to:

  - a. make inspections and surveys at any time;



- b. give you reports on the conditions we find; and
- c. recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (1) are safe or healthful; or
- (2) comply with laws, regulations, codes or standards. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

## 23. DEDUCTIBLE CLAUSES.

### Deductible Clause No. 1

We cover only that part of any loss in excess of 1% of the Limit of Liability indicated on the declaration page of this policy. However, the deductible amount will not be less than \$250 nor more than \$25,000.

The deductible amount indicated above will be applied separately to: (1) each Dwelling; (2) each Other Structure; and (3) Personal Property in each Dwelling or Other Structure.

### Deductible Clause No. 2

We cover only that part of any loss in excess of 2% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$500 nor more than \$50,000.

The deductible amount indicated above will be applied separately to: (1) each Dwelling; (2) each Other Structure; and (3) Personal Property in each Dwelling or Other Structure.

### Deductible Clause No. 3

We cover only that part of any loss in excess of 3% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$1000 nor more than \$75,000.

The deductible amount indicated above will be applied separately to: (1) each Dwelling; (2) each Other Structure; and (3) Personal Property in each Dwelling or Other Structure.

### Deductible Clause No. 4

We cover only that part of any loss in excess of 4% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$2000 nor more than \$100,000.

The deductible amount indicated above will be applied separately to: (1) each Dwelling; (2) each Other Structure; and (3) Personal Property in each Dwelling or Other Structure.

### Deductible Clause No. 5

We cover only that part of any loss in excess of 5% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$2500 nor more than \$125,000.

The deductible amount indicated above will be applied separately to: (1) each Dwelling; (2) each Other Structure; and (3) Personal Property in each Dwelling or Other Structure.

Deductible Clause No. 6

We cover only that part of any loss in excess of 10% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$5000 nor more than \$250,000.

The deductible amount indicated above will be applied separately to: (1) each Dwelling; (2) each Other Structure; and (3) Personal Property in each Dwelling or Other Structure.

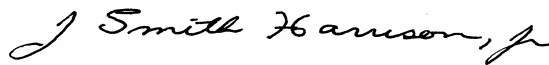
24. KNOWLEDGE OR CONTROL.

We will not pay for loss or damage while the chance of loss or damage is increased by any means within your knowledge or control.

25. SPECIAL PROVISIONS.

- a. Any notice, sworn statement or proof of loss which may be required by the provisions of this policy may be given to the South Carolina Wind and Hail Underwriting Association, and such notice, statement of proof of loss so given will be valid and binding as to all member companies.
- b. In any action or suit under or in any way related to this policy, such action or suit may be brought against the South Carolina Wind and Hail Underwriting Association as defendant, and service of process may be made on the South Carolina Wind and Hail Underwriting Association, and such service will be deemed valid and binding service on all member companies.
- c. The South Carolina Wind and Hail Underwriting Association is the agent of the member Companies with respect to all matters pertaining to the insurance. All notices, process or other communications required by or in connection with the policy will be given to such agent, at its office in Columbia, South Carolina, and such notice to the Association will be considered to constitute notice to the member Companies. Any requests, demands or agreements made by and any cancellation notice issued by such agent will be deemed to have been made or issued directly by the Companies.

**SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION**



Agent and  
Attorney-in-Fact for the members of the  
South Carolina Wind and Hail Underwriting Association

## **REPLACEMENT COST ENDORSEMENT PRINCIPAL RESIDENCE DWELLINGS ONLY**

These provisions shall apply only to a single family dwelling which is your principal residence and which is covered under this policy. Replacement Cost coverage is not provided for:

1. A unit in a condominium building, or
2. A townhouse, or
3. A manufactured or mobile home including any structures attached to it.

A single family dwelling qualifies as your principal residence provided that, at the time of loss, you or your spouse have lived in your building for either:

1. 80% of the calendar year immediately preceding the loss; or
2. 80% of the period of your ownership of the insured building, if less than one calendar year immediately preceding the loss.

For the premium charged for this policy, Policy Condition 5 - Loss Settlement is amended to read as follows:

5. Loss Settlement. Covered property losses are settled as follows:
  - a. Personal property and structures that are not buildings at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
  - b. Carpeting, domestic appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
  - c. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following;
    - (1) If at the time of loss the amount of insurance in this policy on the damaged building is 100% or more of the full replacement cost of the building immediately prior to the loss, we will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of the following amounts:
      - (a) the limit of liability under this policy applying to the building;
      - (b) the replacement cost of that part of the building damaged for equivalent construction and use on the same premises; or
      - (c) the amount actually and necessarily spent to repair or replace the damaged building, on the premises described in the policy.

- (2) If at the time of loss the amount of insurance in this policy on the damaged building is less than 100% of the full replacement cost of the building immediately prior to the loss, we will pay the larger of the following amounts, but not exceeding the limit of liability under this policy applying to the building:
  - (a) the actual cash value of that part of the building damaged; or
  - (b) that proportion of the cost to repair or replace, without deduction for depreciation, of that part of the building damaged, which the total amount of insurance bears to 100% of the replacement cost of the building.
- (3) In determining the amount of insurance required to equal 100% of the full replacement cost of the building immediately prior to the loss, you shall disregard the value of excavations, foundations, piers and other supports which are below the undersurface of the lowest basement floor or, where there is no basement, which are below the surface of the ground inside the foundation walls, and underground flues, pipes, wiring and drains.
- (4) When the cost to repair or replace the damage is more than \$1,000 or more than 5% of the amount of insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability on a replacement cost basis.

All other provisions of this policy, including General Exclusions 1. Ordinance or Law, are still applicable to the Dwelling and Other Structures. If this endorsement applies, "actual cash value of the loss" shall read "amount of the loss" in Condition 8. APPRAISAL, page 10, of the WHP1(10/04).

## **DWELLING PRIMARY LIABILITY (NON-CONTRIBUTING) COVERAGE**

In consideration of the premium for which this policy is written, it is understood and agreed that the policy is amended as follows:

Location \_\_\_\_\_, Coverage A - Dwelling, is not subject to CONDITION 9, OTHER INSURANCE in WHP1 (10-04).

**WHP51 (10-04)**

**PERSONAL PROPERTY PRIMARY LIABILITY (NON-CONTRIBUTING)  
COVERAGE**

In consideration of the premium for which this policy is written, it is understood and agreed that the policy is amended as follows:

Location \_\_\_\_\_, Coverage C - Personal Property, is not subject to CONDITION 9, OTHER INSURANCE in WHP1 (10-04).

**WHP52 (10-04)**

## **DWELLING UNDER CONSTRUCTION**

### **BUILDERS' RISK**

The insurance applies only to the dwelling or structure under Coverage A while under construction.

### **PREMIUM**

The premium is based on an average amount of insurance during construction.

### **AMOUNT OF INSURANCE**

The limit of liability stated in the declarations for Coverage A is provisional. The actual amount of insurance on any date while the policy is in force shall be a percentage of the provisional amount. The percentage shall be the proportion that the actual cash value of the property bears to the value at the date of completion.

### **OTHER COVERAGE**

You may use up to \$10,000 of the Coverage A Limit of Liability for loss by a Peril Insured Against to appliances located within the fully enclosed Described Location insured under Coverage A. Payment under this coverage reduces the Coverage A Limit of Liability by the amount paid for the same loss.

### **OCCUPANCY**

You shall advise us when construction is completed for our consent to occupy the dwelling and for adjustment of premium. Occupancy of the building under Coverage A as a dwelling is permitted for 30 days after completion.

### **POLICY PROVISIONS**

All other provisions of this policy apply.

SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION  
EXTENSION OF COVERAGE – INCREASED COST IN CONSTRUCTION

General Exclusion 1 a. Ordinance or Law contained in the policy to which this endorsement is attached is superceded to the extent coverage is provided by this endorsement.

In consideration of an additional premium shown on the declarations page, this policy is extended to provide the following coverage:

Subject to the limit of liability displayed on the declarations page, if the dwelling on the Described Location, used principally for dwelling purposes including structures not otherwise excluded attached to the dwelling is damaged by wind or hail, we will pay the increased cost in construction you incur due to the requirement to rebuild or repair the structure in accordance with the building code applicable to the specific area in which the structure is located.

We will not pay for the increased cost in construction:

- a. if the building or structure is not rebuilt or repaired;
- b. if the rebuilt or repaired building or structure is not intended for similar occupancy as the current building or structure;
- c. until the building or structure is actually repaired or rebuilt, at the same premises;  
or
- d. unless the rebuilding or repairs are made as soon as reasonably possible after the loss or damage, not to exceed 365 days after loss unless you request in writing that this time limit be extended for an additional 180 days.



**ILLUSTRATIVE DEDUCTIBLE EXAMPLES**  
**\*\*\* IMPORTANT NOTICE TO PERSONAL LINES POLICYHOLDERS \*\*\***

**NOTICE:** THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR NAMED STORM OR WIND/HAIL LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

If you have a 2% deductible and your property is insured for \$100,000, your deductible will be 2% of \$100,000 or \$2,000. The 2% deductible will be at least \$500, but not more than \$50,000.

If you have a 3% deductible and your property is insured for \$100,000, your deductible will be 3% of \$100,000 or \$3,000. The 3% deductible will be at least \$750, but not more than \$75,000.

You will receive a premium credit for electing to take higher deductibles.

Please note that the deductibles apply separately to each structure and to the contents in each structure. If you have elected to purchase the Loss of Use Coverage, an additional deductible will apply for that coverage.

These deductibles are wind / hail deductibles, all losses covered by this policy are subject to these deductibles.

A copy of the illustrative example has been furnished to me. I have read the example.

ILLUSTRATIVE DEDUCTIBLE EXAMPLES  
\*\*\* IMPORTANT NOTICE TO PERSONAL LINES POLICYHOLDERS \*\*\*

**NOTICE: THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR NAMED STORM OR WIND/HAIL LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.**

AVAILABLE OPTIONS

- ☐ If you have a 2% deductible and your property is insured at time of loss for \$100,000, your deductible will be 2% of \$100,000 or \$2,000. (This option is only available for properties located in Wind Zone Territory 2).
- ☐ If you have a 3% deductible and your property is insured at time of loss for \$100,000, your deductible will be 3% of \$100,000 or \$3,000.
- ☐ If you have a 4% deductible and your property is insured at time of loss for \$100,000, your deductible will be 4% of \$100,000 or \$4,000.
- ☐ If you have a 5% deductible and your property is insured at time of loss for \$100,000, your deductible will be 5% of \$100,000 or \$5,000.
- ☐ If you have a 10% deductible and your property is insured at time of loss for \$100,000, your deductible will be 10% of \$100,000 or \$10,000.

You will receive a premium credit for electing to take a higher deductible.

Deductibles apply separately to each structure and to the contents in each structure. If you have elected to purchase the Loss of Use Coverage, an additional deductible will apply for that coverage.

These deductibles are wind / hail deductibles, all losses covered by this policy are subject to these deductibles.

A copy of the illustrative example has been furnished to me. I have read the example.
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Insured Signature

Date

## PRIVACY STATEMENT

*We are committed to protect the privacy and security of the personal information that we collect about our customers. This notice is intended to help you understand how we collect, handle, and safeguard that information.*

*We treat the personal information of our customers in a confidential manner. We do not provide any information to unrelated companies for the purpose of marketing their products or services to our customers.*

*We do not disclose any nonpublic information about our customers or former customers to anyone, except as permitted by law.*

### INFORMATION COLLECTION:

Information we collect about you through applications, inspections, or investigations will not be given to anyone without your consent, except when necessary to conduct our business and when it is permitted by law.

### DISCLOSURE OF INFORMATION:

There are some disclosures, which may be made without your prior authorization. These include:

- Other insurance companies, producers, inspectors, and reinsurance companies as it may be needed in connection with any application, policy, or claim involving you.
- Adjusters, appraisers, investigators, and attorneys who need the information to investigate or settle a claim involving you.
- Insurance support organization which is established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims.

In addition, we may provide information to the state insurance department in connection with their regulatory authority and to other governmental or law enforcement authorities to protect our legal interest or in cases of suspected fraud or improper activities.

### SECURITY OF YOUR INFORMATION

We have established procedures to maintain physical, electronic, and procedural safeguards to maintain the confidentiality of the personal information of our customers. Appropriate measures are taken to ensure that access is available only to those individuals who need to know that information in order to provide our products and services.

You may request access to all personal information, which has been collected. Such requests should be sent to: Executive Director; South Carolina Wind and Hail Underwriting Association; P.O. Box 407; Columbia, SC 29202-0407. You may call us at 803/ 779 – 8373 between 8:30 am and 4:30 pm Monday through Friday. If you prefer, you may email us at [info@scwind.com](mailto:info@scwind.com). If we are unable to resolve your concerns or answer your questions, please contact the South Carolina Department of Insurance.

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**STANDARD WIND AND HAIL MANUFACTURED HOME POLICY**

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**AGREEMENT**

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

**DEFINITIONS**

In this policy “you” and “your” refer to the named insured shown in the Declarations and that person’s “family members.” “Family member” means a person who resides in your household and is related to you by blood, marriage or adoption. This includes a ward or a foster child. “We,” “us” and “our” refer to the Association providing this insurance. Manufactured home includes “mobile home”.

**COVERAGES**

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Wind and Hail Insured Against for which a premium is stated.

We will pay only that part of the total of all losses payable under Coverages A, B, and C that exceeds the windstorm or hail percentage deductible stated in the Declarations, and further described in Conditions – 23. on page 14 of this policy. The stated deductible applies separately to Coverage A, B, and C. The dollar amount of the windstorm or hail deductible is determined by multiplying the Coverage A, B, or C limit of liability shown in the Declarations by the percentage stated. A deductible clause applicable to Coverage D is also stated in the Declarations, and further described on page 4 of this policy.

**Coverage A - Mobile Home**

We cover direct physical loss of or damage to:

- a. the mobile home on the Described Location shown in the Declarations, its original parts and accessories furnished by the manufacturer, dealer or seller of the home when it was purchased new, and replacement of these items, used principally for dwelling purposes including structures, not otherwise excluded, attached to the mobile home;
- b. materials and supplies located on or next to the Described Location used to construct, alter, or repair the mobile home or other structures on the Described Location; and
- c. if not otherwise covered in this policy, building equipment used for the service of and located on the Described Location.

Mobile home coverage applies while your mobile home is located at the Described Location and is on blocks or a foundation and is tied down in accordance with the manufacturers recommendations and in accordance with the tie-down requirements of this Association and is occupied as a private residence on land you own or lease.

Mobile home coverage does not apply while the home is being moved.

This coverage does not apply to land, including land on which the mobile home is located.

**Coverage B - Other Structures**

We cover direct physical loss of or damage to other structures permanently installed on the Described Location, set apart from the mobile home by clear space. This includes structures connected to the mobile home by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

- a. used in whole or in part for commercial, manufacturing, or farming purposes; or
- b. rented or held for rental to any person not a tenant of the mobile home, unless used solely as a private garage.
- c. that are not listed on the Declaration of this policy.

Other structures coverage does not apply while the structures are being moved.

#### Coverage C - Personal Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location and within an insured building. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location and within an insured building.

Property not covered. We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, lottery tickets and stamps;
2. animals, birds, or fish;
3. aircraft and their parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
4. motor vehicles or all other motorized land conveyances. This includes:
  - a. their equipment, accessories and parts; or
  - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
    - (1) accessories or antennas; or
    - (2) tapes, wires, records, discs or other media for use with any such device or instrument;

while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances all while contained within an enclosed structure on the Described Location not subject to motor vehicle registration which are:

- a. used to service the Described Location; or
- b. designed for assisting the handicapped;
5. watercraft, other than rowboats and canoes (including their furnishings, equipment and motors and any parts of the motor);

6. data, including data stored in:
  - a. books of account, card index systems, drawings or other paper records; or
  - b. electronic data processing tapes, wires, records, discs, cells, magnetic recording or other software media.

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;

7. personal property while in the open;
8. trailers and any of their parts;
9. credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds, counterfeit money, stored value cards, smart cards and scrip;
10. business property;
11. water or steam.

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

Personal property coverage does not apply to personal property inside your mobile home while your mobile home is being moved.

#### Special Limits on Certain Property

We cover up to the limit of liability shown for each category, but this does not increase the limit of liability, for Coverage C - Personal Property.

Limit of Liability	Category
\$2,500	Goldware, gold-platedware silverware, silver-platedware, platinumware, and pewterware.
\$1,000	Coin collections and stamp collections.
\$1,000	Art, antiques and heirlooms, fine arts and collectibles, memorabilia, souvenirs and trading cards.
\$1,000	Jewelry, watches, furs, precious and semi-precious stones.
\$ 500	Firearms and related equipment.
\$1,000	Golf equipment, other than golf carts.
\$ 500	Golf carts, if they are inside a structure insured by this policy.
\$1,000	Rowboats and canoes.
\$2,500	Personal property used for business purposes.
\$1,000	Computers and peripheral devices, including software packages available through the retail market.

\$1,000

Tools.

\$500

Food spoilage on the described location, if a power source on the described location is damaged by wind or hail.

#### Coverage D - Loss of Use

**If a premium for this coverage is indicated on the Declarations page of this policy, the limit of liability for Coverage D is the total limit for all the coverages that follow.**

Fair Rental Value. If a direct physical loss to property described in Coverage A by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover its:

Fair Rental Value, meaning the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in. Fair Rental Value will be based on the likely rental income if no physical loss or damage had occurred, but it does not include any potential increases in rental income due to favorable conditions caused by the impact of Covered Causes of Loss.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

Additional Living Expense. If a direct physical loss to property described in Coverage A by a Peril Insured Against under this policy makes the Described Location where you reside not fit to live in, we cover your,

Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

#### Deductible Clauses.

A Deductible Clause, as described in paragraphs 1. through 6. below, must be indicated in the Declarations.

We will not pay for loss or damage in any one occurrence until the period of loss exceeds the deductible period, as shown on the Declarations. We will then pay the amount of loss or damage following the deductible period up to the applicable Limit of insurance on the Declarations for Coverage D - Loss of Use.

1. 10 Day Deductible – We will not pay for losses incurred in the 10 Day period starting the day after the loss.
2. 15 Day Deductible – We will not pay for losses incurred in the 15 Day period starting the day after the loss.
3. 20 Day Deductible – We will not pay for losses incurred in the 20 Day period starting the day after the loss.

4. 25 Day Deductible – We will not pay for losses incurred in the 25 Day period starting the day after the loss.
5. 30 Day Deductible – We will not pay for losses incurred in the 30 Day period starting the day after the loss.
6. 55 Day Deductible – We will not pay for losses incurred in the 55 Day period starting the day after the loss.

#### Other coverages

1. Debris Removal. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against causes the loss. Debris removal expense is included in the limit of liability applying to the damaged property.
2. Improvements, Alterations and Additions. If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid.

3. Reasonable Repairs. In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage if for the peril of wind or hail. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the limit of liability that applies to the covered property;
- b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.;
- c. does not apply to expenses incurred for the protection of property prior to the loss.
4. Property Removed. We insure covered personal property against direct loss from any cause while being removed from a premises endangered by the peril of wind or hail and for not more than 5 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

#### PERILS INSURED AGAINST

We insure against risk of direct loss to property described in Coverages A, B and C only if that loss is a physical loss to property caused by wind or hail as described and limited below unless the loss is excluded in General Exclusions.

The perils of wind or hail do not include:

- a. frost or cold weather;
- b. ice (other than hail), snow or sleet, whether driven by wind or not;
- c. accumulation of hail, ice, snow, sleet, water or any other form of precipitation;
- d. loss or damage to the interior of your mobile home or other structure, or the property contained inside the mobile home or other structure, caused by rain, snow, sand, or dust whether driven by wind or not, unless the direct force of wind or hail damages the mobile home or other structure causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.



The perils of wind and hail do not include property damage:

- a. to the interior of your mobile home or the personal property contained in your mobile home caused by water from sprinkler equipment or other piping, unless the equipment or piping is first damaged as a direct result of wind or hail;
- b. to windmills, wind pumps, or their towers, metal smokestacks;
- c. to any structure, open on one or more sides and serving as a patio cover or carport, including the supports, with a rooflike covering of cloth, metal, fiberglass or plastic, whether or not the structure is attached to a building; including personal property contained therein;
- d. to screens, including their supports, around a pool, patio or other areas;
- e. to fences, property line and similar walls, including seawalls, revetments, and retaining walls;
- f. to any greenhouses, hothouses, slathouses, trellises, pergolas, gazebos, cabanas, swimming pools, jacuzzis, hot tubs, tiki huts or similar structures, including their walkways and decks, whether or not attached to the building, and utility poles including light fixtures;
- g. to any structure, including the property in or on the structure, located in whole or in part in or over water;
- h. caused in any manner by wind to paint or waterproof material applied to the exterior of any building or structure;
- i. to the following property when outside of the building:
  - (1) awnings or canopies, including their supports, signs or radio or television antennas or aerials, satellite dish, including lead-in wiring, masts or towers;
  - (2) rowboats and canoes; or
  - (3) lawns, trees, shrubs, or plants;
- j. to outdoor equipment used to service the Described Location when outside of a building;
- k. to screens, including the supports, which are not part of the manufactured home. However, screens and supports of a porch, which is part of the manufactured home, are covered;
- l. to land (including land on which the property is located), growing crops;
- m. to personal property while airborne, waterborne or in transit;
- n. to pilings, piers, wharves or docks, boathouses, bulkheads, underground pipes, flues, drains, bridges, boardwalks, trestles, catwalks, dunewalks or ramps;
- o. to all property (manufactured home and personal property) located in a basement or below grade level;
- p. to sidewalks, driveways, and other paved or graveled surfaces; or
- q. to property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

## GENERAL EXCLUSIONS

1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

- a. Ordinance or Law

Ordinance or Law means any ordinance or law:

- (1) requiring or regulating the use, construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris; or
- (2) the requirements of which result in a loss of value to property; or
- (3) requiring any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, pollutants.

This Exclusion a. applies whether or not the property has been physically damaged.

- b. Earth Movement, meaning any loss caused by, resulting from, contributed to or aggravated by earthquake; landslide; mudflow; earth sinking, rising, or shifting, volcanic eruption, meaning the eruption, explosion or effusion of a volcano;

- c. Water Damage, meaning:

- (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) water, water-borne material or sewage which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- (3) water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, basement or other structure caused by or resulting from human or animal forces or any act of nature;
- (4) mudslide, mudflow, shifting sand or sand flow; or
- (5) sinkhole, collapse.

- d. Mold. Notwithstanding any other provision(s) of this policy, this insurance does not apply to any loss, damage, additional living expense, loss of business income, cost of decontamination, "remediation", testing, debris removal or any other costs or expenses arising from or associated in any way with "mold", whether or not directly or indirectly caused by or resulting from any peril insured against under this policy.

"Mold" means any mold, fungi (and any associated spores) or any other microorganisms of any type or nature that can cause or threaten to cause physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property or that can cause or threaten to cause harm of any type to any living organism. This includes, but is not limited to, any type of mold that is harmful or potentially harmful to the health or welfare of persons (such as *Stachybotrys* and others), and/or that is damaging or potentially damaging to tangible property (including wet or dry rot and others).

“Remediation” means to test, detect, measure, evaluate, treat, contain, remove, or dispose of mold. Remediation includes any testing to detect, measure, or evaluate mold, fungi (and any associated spores), or any other microorganisms, and any decontamination of the covered property.

- e. Power Failure, meaning the failure of power or other utility service if the failure takes place off the Described Location. If a Peril Insured Against ensues on the Described Location, we will pay only for loss caused by the Peril of wind or hail.
- f. Neglect, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered by Peril of wind or hail.
- g. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- h. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of the Conditions
- i.
  - (1) wear and tear, marring, scratching, deterioration;
  - (2) inherent vice, latent defect, mechanical breakdown;
  - (3) smog, rust or other corrosion, mold, wet or dry rot;
  - (4) smoke from agricultural smudging or industrial operations;
  - (5) discharge, dispersal, seepage, migration, release or escape of “pollutants” at or from the described location.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

  - (6) settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
  - (7) birds, vermin, rodents, insects or domestic animals; or
  - (8) fire, theft or explosion.
- j. Intentional Loss, meaning any loss arising out of any act committed:
  - (1) by or at the direction of you or any person or organization named as an additional insured; and
  - (2) with the intent to cause a loss.
- k. Contraband or property in the course of illegal transportation or trade.
- l. Coastal construction control line.

- 2. We do not insure for loss to property described in Coverages A, B and C caused by any of the following.
  - a. Acts or decisions, including the failure to act or decide, of any person, group, organization, public authority or governmental body resulting in the destruction, confiscation or seizure of the described property;

b. Faulty, inadequate or defective:

- (1) planning, zoning, development, surveying, siting;
- (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) materials used in repair, construction, renovation or remodeling; or
- (4) maintenance;

of part or all of any property whether on or off the Described Location.

#### CONDITIONS

1. **POLICY PERIOD.** This policy applies only to loss which occurs during the policy period.
2. **INSURABLE INTEREST AND LIMIT OF LIABILITY.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. for an amount greater than the interest of a person insured under this policy; or
- b. for more than the applicable limit of liability.

3. **CONCEALMENT OR FRAUD.**

With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

- a. intentionally concealed or misrepresented any material fact or circumstance; or
- b. engaged in fraudulent conduct; or
- c. made false statements;

relating to this insurance.

4. **YOUR DUTIES AFTER LOSS.** In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed by you, or your representative:

- a. give prompt notice to us through your broker;
- b.
  - (1) protect the property from further damage;
  - (2) make reasonable and necessary repairs to protect the property; and
  - (3) keep an accurate record of repair expenses;
- c. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory and include photographs of the damaged items;
- d. as often as we reasonably require:
  - (1) show the damaged property;
  - (2) provide us with records and documents we request and permit us to make copies; and

- (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same.
  - e. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
    - (1) the time and cause of loss;
    - (2) your interest and that of all others in the property involved and all liens on the property;
    - (3) other insurance which may cover the loss;
    - (4) changes in title or occupancy of the property during the term of the policy;
    - (5) specifications of damaged buildings and detailed repair estimates;
    - (6) the inventory of damaged personal property described in 4c;
    - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.
  - f. The insurance adjuster we hire to investigate your claim may furnish you a proof of loss form and may help you to complete it. However, this is a matter of courtesy only, and you must still send us a proof of loss within 60 days after the loss even if the adjuster does not furnish the form or help you complete it. In completing the proof of loss, you must use your own judgment concerning the amount of loss and the justification for that amount; the adjuster is not authorized to approve or disapprove claims or to tell you whether your claim will be approved by us.
- 5. LOSS SETTLEMENT. Covered property losses are settled as follows:
  - a. Personal property under Coverage C at actual cash value at the time of loss but not more than the amount required to repair or replace.
  - b. Buildings under Coverage A or B are subject to the following:
    - (1) the actual cash value of that part of the mobile home or other structure damaged; or
    - (2) that proportion of the cost to repair or replace, with deduction for depreciation, of that part of the mobile home or other structure damaged.
- 6. LOSS TO A PAIR OR SET. In case of loss to a pair or set we may elect to:
  - a. repair or replace any part to restore the pair or set to its value before the loss; or
  - b. pay the difference between actual cash value of the property before and after the loss.
- 7. GLASS REPLACEMENT. Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
- 8. APPRAISAL. If you and we fail to agree on the actual cash value of the loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will first choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a judge of a court of record in the State of South Carolina select an umpire from a list supplied by the parties. The appraisers will then appraise the loss, stating separately the actual cash value of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the actual cash value of the loss. If the appraisers fail to agree, they will submit their differences only, to the umpire. A decision agreed to by any two of these three will set the actual cash value of the loss. Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Appraisal rights under this policy are not available, if coverage is in dispute, or if you have failed to comply with all policy conditions.

9. OTHER INSURANCE.

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this policy. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

10. SUBROGATION. You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

11. SUIT AGAINST US. No action can be brought unless the policy provisions have been complied with and the action is started within three years after the date of loss.

12. OUR OPTION. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

13. LOSS PAYMENT. We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. reach an agreement with you; or
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

14. ABANDONMENT OF PROPERTY. We need not accept any property abandoned by you.

15. MORTGAGE CLAUSE.

The word "mortgagee" includes trustee or lienholder.

If a mortgagee is named in this policy, any loss under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order or precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. pays any premium due under this policy on demand if you have neglected to pay the premium; and

- c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel this policy, the mortgagee will be notified at least 10 days before the date cancellation takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

16. NO BENEFIT TO BAILEE. We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing, or moving property for a fee regardless of any other provision of this policy.

17. CANCELLATION AND RENEWALS.

- a. The first Named Insured shown in the Declarations or the premium finance company as Power of Attorney may cancel this policy at any time by returning it to us or by letting us know in writing in advance of the date cancellation is to take effect. A request for cancellation by the premium finance company will be treated the same as a request for cancellation by the first Named Insured itself.
- b. We may cancel this policy by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice. We may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect. Reasons for which we may cancel the policy include but are not limited to:
  - (1) non-payment of premium; or
  - (2) misrepresentation of any material fact either before or after loss; or
  - (3) cause which would have been grounds for non-acceptance of the risk under the Plan of Operation had such cause been known at the time of acceptance; or
  - (4) cause arising subsequent to a review which would have been grounds for non-acceptance of the risk under this Plan of Operation had such cause existed at the time of acceptance; or
  - (5) substantial breach of contractual duties, conditions or warranties; or
  - (6) if we lose our reinsurance covering all or a significant portion of this policy, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of this state. Cancellation for these reasons is subject to the approval by the Director of Insurance; or
  - (7) the risk has changed substantially since the policy was issued; or

(8) if you or your representative:

- (a) conceal, omit or misrepresentative any material facts or circumstances; or
- (b) make any false or fraudulent claim; or
- (c) fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed.

- c. When you have not paid the premium, whether payable to us or to the broker or under any finance or credit plan, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- d. This association writes policies for a one-year period only and renewal may not be made unless an appropriate application is completed and furnished to the Association by the broker. There is no provision for term privileges or renewal plan since a rewrite can only be accomplished through use of the application. Unless the policy is rewritten before the expiration date through the application process, the policy will automatically terminate as of the expiration date.
- e. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- f. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

18. **WAIVER OR CHANGE OF POLICY PROVISIONS.** A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

19. **ASSIGNMENT.** Assignment of this policy will not be valid unless we give our written consent.

20. **DEATH.** If you die, we insure:

- a. your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- b. with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

21. **NUCLEAR HAZARD CLAUSE.**

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by wind or hail or otherwise included within the Perils Insured Against.
- c. This policy does not apply to loss caused directly or indirectly by nuclear hazard.

22. **INSPECTIONS AND SURVEYS.**

We have the right but are not obligated to:

- a. make inspections and surveys at any time;
- b. give you reports on the conditions we find; and
- c. recommend changes.



Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (1) are safe or healthful; or
- (2) comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

## 23. DEDUCTIBLE CLAUSES.

### Deductible Clause No. 1

We cover only that part of any loss in excess of 1% of the Limit of Liability indicated on the declaration page of this policy. However, the deductible amount will not be less than \$250 nor more than \$25,000.

The deductible amount indicated above will be applied separately to: (1) your manufactured home; (2) each Other Structure; and (3) Personal Property in your mobile home or Other Structure.

### Deductible Clause No. 2

We cover only that part of any loss in excess of 2% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$500 nor more than \$50,000.

The deductible amount indicated above will be applied separately to: (1) your manufactured home; (2) each Other Structure; and (3) Personal Property in your mobile home or Other Structure.

### Deductible Clause No. 3

We cover only that part of any loss in excess of 3% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$1000 nor more than \$75,000.

The deductible amount indicated above will be applied separately to: (1) your manufactured home; (2) each Other Structure; and (3) Personal Property in your mobile home or Other Structure.

### Deductible Clause No. 4

We cover only that part of any loss in excess of 4% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$2000 nor more than \$100,000.

The deductible amount indicated above will be applied separately to: (1) your manufactured home; (2) each Other Structure; and (3) Personal Property in your mobile home or Other Structure.

### Deductible Clause No. 5

We cover only that part of any loss in excess of 5% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$2500 nor more than \$125,000.

The deductible amount indicated above will be applied separately to: (1) your manufactured home; (2) each Other Structure; and (3) Personal Property in your mobile home or Other Structure.

Deductible Clause No. 6

We cover only that part of any loss in excess of 10% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$5000 nor more than \$250,000.

The deductible amount indicated above will be applied separately to: (1) your manufactured home; (2) each Other Structure; and (3) Personal Property in your mobile home or Other Structure.

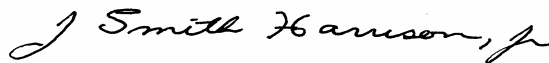
24. KNOWLEDGE OR CONTROL.

We will not pay for loss or damage while the chance of loss or damage is increased by any means within your knowledge or control.

25. SPECIAL PROVISIONS.

- a. Any notice, sworn statement or proof of loss which may be required by the provisions of this policy may be given to the South Carolina Wind and Hail Underwriting Association, and such notice, statement of proof of loss so given will be valid and binding as to all member companies.
- b. In any action or suit under or in any way related to this policy, such action or suit may be brought against the South Carolina Wind and Hail Underwriting Association as defendant, and service of process may be made on the South Carolina Wind and Hail Underwriting Association, and such service will be deemed valid and binding service on all member companies.
- c. The South Carolina Wind and Hail Underwriting Association is the agent of the member Companies with respect to all matters pertaining to the insurance. All notices, process or other communications required by or in connection with the policy will be given to such agent, at its office in Columbia, South Carolina, and such notice to the Association will be considered to constitute notice to the member Companies. Any requests, demands or agreements made by and any cancellation notice issued by such agent will be deemed to have been made or issued directly by the Companies.

SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION



Agent and  
Attorney-in-Fact for the members of the  
South Carolina Wind and Hail Underwriting Association

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**MOBILE/MODULAR HOME SUPPLEMENTAL APPLICATION – FORM 8**  
**SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION**

**CERTIFICATION OF MOBILE HOME TIE DOWN AND BLOCKING (PIER) REQUIREMENTS**

Applicants Name \_\_\_\_\_  
 Property Location \_\_\_\_\_  
 Size (Length x Width) \_\_\_\_\_  
 Date \_\_\_\_\_

**CIRCLE ANSWER BELOW**

1. Is the mobile home tied down?	Yes	No	
2. Is the mobile home equipped with factory installed "under the skin" tie down strapping?	Yes	No	
3. Type of straps/cables used.	1/4" steel cable	1 1/4" steel strap	
	1/2" cable	1 1/2" steel strap	
4. Is all strapping used in the tie down galvanized?	Yes	No	N/A
5. Is all strapping used in the tie downs without perforations?	Yes	No	N/A
6. If over the roof tie downs are visible, are corner blocks of wood or metal used under the strapping cable to prevent sharp bends?	Yes	No	N/A
7. Type of anchors used for the tie downs.	Dead Men	Screw auger	
8. If cable is used, are loose ends firmly clamped and secured?	Yes	No	N/A
9. If turnbuckles are used in the tie downs, are they forged steel?	Yes	No	N/A
a. Are turnbuckles ending with jaws properly secured?	Yes	No	N/A
b. If turnbuckles end with an open hook, are they closed with twine or wire?	Yes	No	N/A
10. Are all additions to the mobile home (i.e. carport, added rooms, etc.) tied down?	Yes	No	N/A
11. Is the mobile home properly blocked?	Yes	No	
12. How many properly secured straps or cables are over the roof?			
13. Facing either end of the mobile home, how many properly secured frame tie downs are present?	Right	Left	
14. Is the mobile home elevated on stilts?	Yes	No	
15. If Question 14 is yes, is the home <b>bolted</b> to the stilts with 6" galvanized screws?	Yes	No	

1. Number of tie downs required

Length of home	Frame ties per side	Anchors	Over the roof ties
Up to 40 feet	4	8	2
41 to 60 feet	6	12	3
61 to 82 feet	8	16	4

2. Anchor – A minimum anchor is an auger (steel screw) at least 6 inches in diameter on a rod that allows the auger to penetrate at least 4 feet into the ground while leaving the eye or tensioning head exposed.

3. Connectors

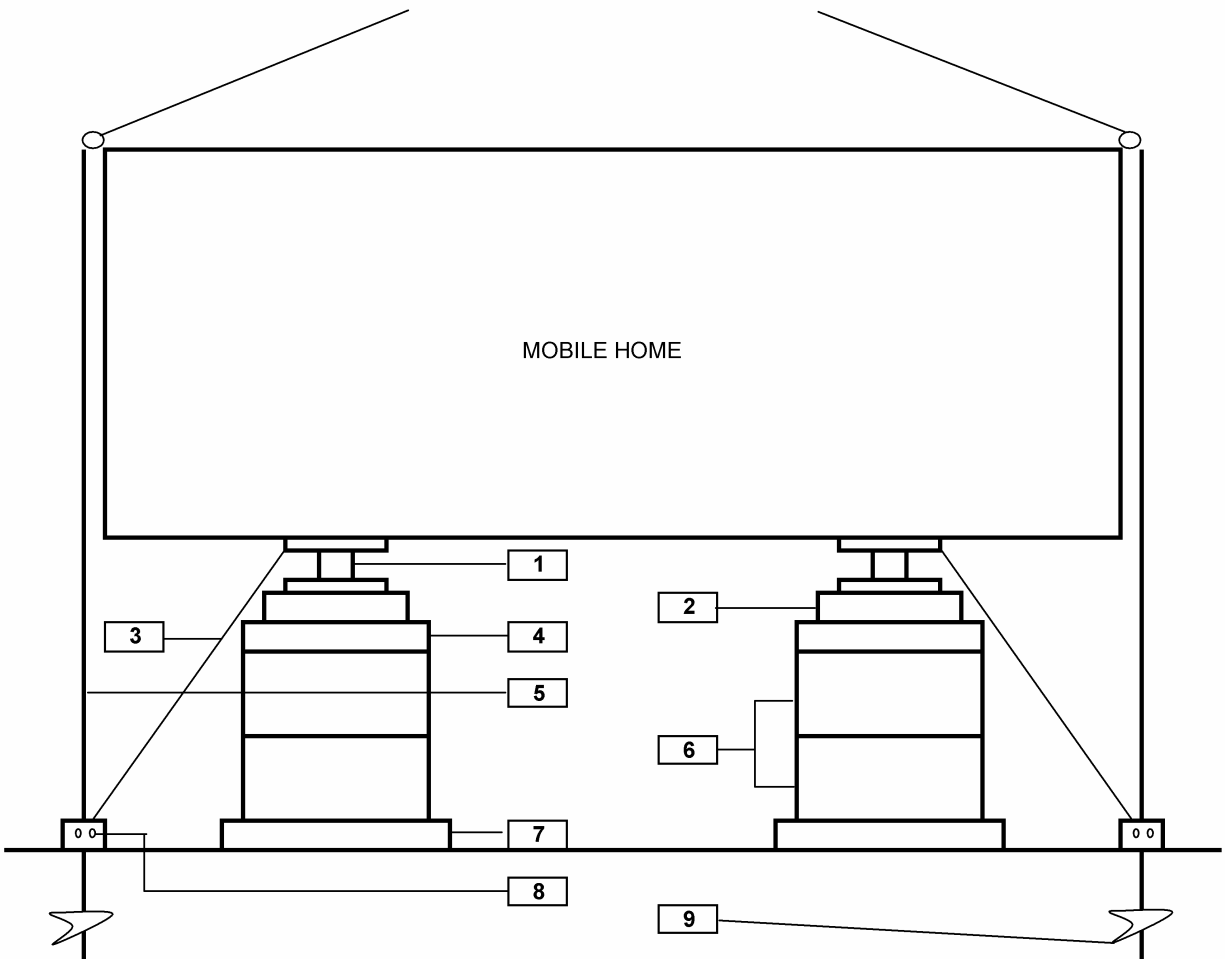
- Galvanized steel strap – 1 1/4" x .035" with tensioning device
- Galvanized or stainless steel cable – 3/8" (7 x 7 - 7 wires each)
- Galvanized aircraft cable 1/4" (7 x 19 – 7 strands of 19 wires each)
- Cable ends secured by 2 U-bolt clamps
- Steel rods – 5/8" with ends welded together
- Turnbuckles – 1/2" drop forged-close eyes

4. Blocking and Footings (Piers)

- Spaced at 10 foot intervals on both frame rails with end footings no further than 5 feet from the end of the home
- Footings of solid concrete 16" x 16" x 4"
- Blocking of 8" x 8" x 16" celled concrete block with cells placed vertically, topped with a solid 4" concrete cap
- Treated shims for leveling
- Perimeters of homes 14' wide and greater must be blocked adjacent to the over-the home ties

**THE UNDERSIGNED CERTIFIES THAT THE MOBILE HOME AND ITS TIE DOWN FACILITIES ARE CORRECT AS DESCRIBED ABOVE.**

Date \_\_\_\_\_ Signature of applicant/authorized representative \_\_\_\_\_



1. Steel I-beam frame of the home
2. Tight fitting shims
3. Frame ties
4. 4 inch solid concrete cap
5. Over the home ties (including built-in, under the skin ties)
6. 8 inch x 8 inch x 16 inch vertical concrete blocks
7. 16 inch x 16 inch x 4 inch solid concrete footings
8. Double head anchor
9. Auger

SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION  
P.O. BOX 407  
COLUMBIA, SOUTH CAROLINA 29202-0407

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**STANDARD WIND AND HAIL CONDOMINIUM UNIT-OWNERS POLICY**

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**AGREEMENT**

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

**DEFINITIONS**

In this policy “you” and “your” refer to the named insured shown in the Declarations and that person’s “family members.” “Family member” means a person who resides in your household and is related to you by blood, marriage or adoption. This includes a ward or a foster child. “We,” “us” and “our” refer to the Association providing this insurance

**COVERAGES**

This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Wind and Hail Insured Against for which a premium is stated.

We will pay only that part of the total of all losses payable under Coverages A and C that exceeds the windstorm or hail percentage deductible stated in the Declarations, and further described in Conditions – 23. on page 14 of this policy. The stated deductible applies separately to Coverage A and C. The dollar amount of the windstorm or hail deductible is determined by multiplying the Coverage A or C limit of liability shown in the Declarations by the percentage stated. A deductible clause applicable to Coverage D is also stated in the Declarations, and further described on page 4 of this policy.

**Coverage A - Condominium Unit**

We cover direct physical loss of or damage to:

- a. the alterations, appliances, fixtures and improvements which are part of the building contained within the condominium unit on the Described Location shown in the Declarations, used principally for dwelling purposes;
- b. items of real property which pertain exclusively to the condominium unit on the Described Location;
- c. property which is your insurance responsibility under a corporation or association of property owners agreement; or
- d. structures owned solely by you, other than the condominium unit, and not otherwise excluded, at the Described Location of the condominium unit shown in the Declarations.

This coverage does not apply to land, including land on which the condominium unit, real property or structures are located.

We do not cover:

- a. structures used in whole or in part for business purposes; or
- b. structures rented or held for rental to any person not a tenant of the condominium unit unless used solely as a private garage.

## Coverage C - Personal Property

We cover personal property, usual to the occupancy as a residence and owned or used by you or members of your family residing with you while it is within the condominium unit on the Described Location shown in the Declarations. After a loss and at your request, we will cover personal property owned by a guest or servant while the property is on the Described Location and within the condominium unit.

Property not covered. We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum other than platinumware, securities, silver other than silverware, tickets, lottery tickets, food stamps and stamps;
2. animals, birds, or fish;
3. aircraft and their parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
4. motor vehicles or all other motorized land conveyances. This includes:
  - a. their equipment, accessories and parts; or
  - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
    - (1) accessories or antennas; or
    - (2) tapes, wires, records, discs or other media for use with any such device or instrument;

while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances all while contained within an enclosed structure on the Described Location not subject to motor vehicle registration which are:

- a. used to service the Described Location; or
  - b. designed for assisting the handicapped;
5. watercraft, other than rowboats and canoes (including their furnishings, equipment and motors and any parts of the motor);
  6. data, including data stored in:
    - a. books of account, card index systems, drawings or other paper records; or
    - b. electronic data processing tapes, wires, records, discs, cells, magnetic recording or other software media.

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;

7. personal property while in the open;

8. trailers and any of their parts;
9. credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds, counterfeit money, stored value cards, smart cards and scrip;
10. business property;
11. water or steam.

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

#### Special Limits on Certain Property

We cover up to the limit of liability shown for each category, but this does not increase the limit of liability, for Coverage C - Personal Property.

Limit of Liability	Category
\$2,500	Goldware, gold-platedware, silverware, silver-plated ware, platinumware and pewterware.
\$1,000	Coin collections and stamp collections.
\$1,000	Art, antiques and heirlooms, fine arts and collectibles, memorabilia, souvenirs, and trading cards.
\$1,000	Jewelry, watches, furs, precious and semi-precious stones.
\$ 500	Firearms and related equipment.
\$1,000	Golf equipment, other than golf carts.
\$ 500	Golf carts, if they are inside a structure insured by this policy.
\$1,000	Rowboats and canoes.
\$2,500	Personal property used for business purposes.
\$1,000	Computers and peripheral devices, including software packages available through the retail market.
\$1,000	Tools.
\$500	Food spoilage on the described location, if a power source on the described location is damaged by wind or hail.

#### Coverage D - Loss of Use

**If a premium for this coverage is indicated on the Declarations page of this policy, the limit of liability for Coverage D is the total limit for all the coverages that follow.**

**Fair Rental Value.** If a direct physical loss to property described in Coverage C (or the condominium unit described in the Declarations) by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover its:

Fair Rental Value, meaning the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in. Fair Rental Value will be based on the likely rental income if no physical loss or damage had occurred, but it does not include any potential increases in rental income due to favorable conditions caused by the impact of Covered Causes of Loss.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

Additional Living Expense. If a direct physical loss to property described in Coverage C by a Peril Insured Against under this policy makes the Described Location where you reside not fit to live in, we cover your,

Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

Deductible Clauses.

A Deductible Clause, as described in paragraphs 1. through 6. below, must be indicated in the Declarations.

We will not pay for loss or damage in any one occurrence until the period of loss exceeds the deductible period, as shown on the Declarations. We will then pay the amount of loss or damage following the deductible period up to the applicable Limit of insurance on the Declarations for Coverage D - Loss of Use.

1. 10 Day Deductible - We will not pay for losses incurred in the 10 Day period starting the day after the loss.
2. 15 Day Deductible - We will not pay for losses incurred in the 15 Day period starting the day after the loss.
3. 20 Day Deductible - We will not pay for losses incurred in the 20 Day period starting the day after the loss.
4. 25 Day Deductible - We will not pay for losses incurred in the 25 Day period starting the day after the loss.
5. 30 Day Deductible - We will not pay for losses incurred in the 30 Day period starting the day after the loss.
6. 55 Day Deductible - We will not pay for losses incurred in the 55 Day period starting the day after the loss.



#### Other coverages

1. **Debris Removal.** We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against causes the loss. Debris removal expense is included in the limit of liability applying to the damaged property.
2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage if for the peril of wind or hail. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the limit of liability that applies to the covered property;
  - b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.;
  - c. does not apply to expenses incurred for the protection of property prior to the loss.
3. **Property Removed.** We insure covered personal property against direct loss from any cause while being removed from a premises endangered by the peril of wind or hail and for not more than 5 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

#### PERILS INSURED AGAINST

We insure against risk of direct loss to property described in Coverages A and C only if that loss is a physical loss to property caused by wind or hail as described and limited below unless the loss is excluded in General Exclusions.

The perils of wind or hail do not include:

- a. frost or cold weather;
- b. ice (other than hail), snow or sleet, whether driven by wind or not;
- c. accumulation of hail, ice, snow, sleet, water or any other form of precipitation;
- d. loss or damage to the interior of any condominium unit or other structure, or the property contained inside the condominium unit or other structure, caused by rain, snow, sand, or dust whether driven by wind or not, unless the direct force of wind or hail damages the condominium unit or other structure causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

The perils of wind and hail do not include property damage:

- a. to the interior of a condominium unit or the personal property contained in the condominium unit caused by water from sprinkler equipment or other piping, unless the equipment or piping is first damaged as a direct result of wind or hail;
- b. to windmills, wind pumps, or their towers, metal smokestacks;
- c. to any structure, open on one or more sides and serving as a patio cover or carport, including the supports, with a rooflike covering of cloth, metal, fiberglass or plastic, whether or not the structure is attached to a building; including personal property contained therein;
- d. to screens, including their supports, around a pool, patio or other areas;

- e. to fences, property line and similar walls, including seawalls, revetments, and retaining walls;
- f. to any greenhouses, hothouses, slathouses, trellises, pergolas, gazebos, cabanas, swimming pools, jacuzzis, hot tubs, tiki huts or similar structures, including their walkways and decks, whether or not attached to the building, and utility poles including light fixtures;
- g. to any structure, including the property in or on the structure, located in whole or in part in or over water;
- h. caused in any manner by wind to paint or waterproof material applied to the exterior of any building or structure;
- i. to the following property when outside of the building:
  - (1) awnings or canopies, including their supports, signs or radio or television antennas or aerials, satellite dish, including lead-in wiring, masts or towers;
  - (2) rowboats and canoes; or
  - (3) lawns, trees, shrubs, or plants;
- j. to outdoor equipment used to service the Described Location when outside of a building;
- k. to screens, including the supports, which are not part of the condominium unit. However, screens and supports of a porch, which is part of the condominium unit, are covered;
- l. to land (including land on which the property is located), growing crops;
- m. to personal property while airborne, waterborne or in transit;
- n. to pilings, piers, wharves or docks, boathouses, bulkheads, underground pipes, flues, drains, bridges, boardwalks, trestles, catwalks, dunewalks or ramps;
- o. to all property (condominium unit and personal property) located in a basement or below grade level;
- p. to sidewalks, driveways, and other paved or graveled surfaces; or
- q. to property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance.

#### GENERAL EXCLUSIONS

1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

##### Ordinance or Law

Ordinance or Law means any ordinance or law:

- (1) requiring or regulating the use, construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris; or

- (2) the requirements of which result in a loss of value to property; or
- (3) requiring any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

This exclusion a. applies whether or not the property has been physically damaged.

- b. Earth movement, meaning any loss caused by, resulting from, contributed to or aggravated by earthquake; landslide; mudflow; earth sinking, rising, or shifting; volcanic eruption, meaning the eruption, explosion or effusion of a volcano;
- c. Water Damage, meaning:
  - (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
  - (2) water, water-borne material or sewage which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
  - (3) water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, basement or other structure caused by or resulting from human or animal forces or any act of nature;
  - (4) mudslide, mudflow, shifting sand or sand flow; or
  - (5) sinkhole, collapse.
- d. Mold. Notwithstanding any other provision(s) of this policy, this insurance does not apply to any loss, damage, additional living expense, loss of business income, cost of decontamination, "remediation", testing, debris removal or any other costs or expenses arising from or associated in any way with "mold", whether or not directly or indirectly caused by or resulting from any peril insured against under this policy.
 

"Mold" means any mold, fungi (and any associated spores) or any other microorganisms of any type or nature that can cause or threaten to cause physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property or that can cause or threaten to cause harm of any type to any living organism. This includes, but is not limited to, any type of mold that is harmful or potentially harmful to the health or welfare of persons (such as *Stachybotrys* and others), and/or that is damaging or potentially damaging to tangible property (including wet or dry rot and others).

"Remediation" means to test, detect, measure, evaluate, treat, contain, remove, or dispose of mold. Remediation includes any testing to detect, measure, or evaluate mold, fungi (and any associated spores), or any other microorganisms, and any decontamination of the covered property.
- e. Power Failure, meaning the failure of power or other utility service if the failure takes place off the Described Location. If a Peril Insured Against ensues on the Described Location, we will pay only for loss caused by the Peril of wind or hail.
- f. Neglect, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered by Peril of wind or hail.
- g. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- h. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of the Conditions.

- i.
    - (1) wear and tear, marring, scratching, deterioration;
    - (2) inherent vice, latent defect, mechanical breakdown;
    - (3) smog, rust or other corrosion, mold, wet or dry rot;
    - (4) smoke from agricultural smudging or industrial operations;
    - (5) discharge, dispersal, seepage, migration, release or escape of “pollutants” at or from the described location.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

    - (6) settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
    - (7) birds, vermin, rodents, insects or domestic animals; or
    - (8) fire, theft or explosion.
  - j. Intentional Loss, meaning any loss arising out of any act committed:
    - (1) by or at the direction of you or any person or organization named as an additional insured; and
    - (2) with the intent to cause a loss.
  - k. Contraband or property in the course of illegal transportation or trade.
  - l. Coastal construction control line.
2. We do not insure for loss to property described in Coverage A and C caused by any of the following.
- a. Acts or decisions, including the failure to act or decide, of any person, group, organization, public authority or governmental body resulting in the destruction, confiscation or seizure of the described property;
  - b. Faulty, inadequate or defective:
    - (1) planning, zoning, development, surveying, siting;
    - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) materials used in repair, construction, renovation or remodeling; or
    - (4) maintenance;

of part or all of any property whether on or off the Described Location.

#### CONDITIONS

- 1. **POLICY PERIOD.** This policy applies only to loss which occurs during the policy period.

2. **INSURABLE INTEREST AND LIMIT OF LIABILITY.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. for an amount greater than the interest of a person insured under this policy; or
- b. for more than the applicable limit of liability.

3. **CONCEALMENT OR FRAUD.**

With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

- a. intentionally concealed or misrepresented any material fact or circumstance; or
  - b. engaged in fraudulent conduct; or
  - c. made false statements;
- relating to this insurance.

4. **YOUR DUTIES AFTER LOSS.** In case of a loss to covered property, you must see that the following duties are done:

- a. give prompt notice to us through your broker;
- b. (1) protect the property from further damage;  
(2) make reasonable and necessary repairs to protect the property; and  
(3) keep an accurate record of repair expenses;
- c. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory and include photographs of the damaged items;
- d. as often as we reasonably require:
  - (1) show the damaged property;
  - (2) provide us with records and documents we request and permit us to make copies; and
  - (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same.
- e. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - (1) the time and cause of loss;
  - (2) your interest and that of all others in the property involved and all liens on the property;
  - (3) other insurance which may cover the loss;
  - (4) changes in title or occupancy of the property during the term of the policy;
  - (5) specifications of damaged buildings and detailed repair estimates;

- (6) the inventory of damaged personal property described in 4c;
  - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.
  - f. The insurance adjuster we hire to investigate your claim may furnish you a proof of loss form and may help you to complete it. However, this is a matter of courtesy only, and you must still send us a proof of loss within 60 days after the loss even if the adjuster does not furnish the form or help you complete it. In completing the proof of loss, you must use your own judgment concerning the amount of loss and the justification for that amount; the adjuster is not authorized to approve or disapprove claims or to tell you whether your claim will be approved by us.
5. LOSS SETTLEMENT. Covered property losses are settled as follows:
- a. Personal property under Coverage C at actual cash value at the time of loss but not more than the amount required to repair or replace.
  - b. Building under Coverage A is subject to the following:
    - (1) the actual cash value of that part of the condominium unit or other structure damaged; or
    - (2) that proportion of the cost to repair or replace, with deduction for depreciation, of that part of the condominium unit or other structure damaged.
6. LOSS TO A PAIR OR SET. In case of loss to a pair or set we may elect to:
- a. repair or replace any part to restore the pair or set to its value before the loss; or
  - b. pay the difference between actual cash value of the property before and after the loss.
7. GLASS REPLACEMENT. Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
8. APPRAISAL. If you and we fail to agree on the actual cash value of the loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will first choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a judge of a court of record in the State of South Carolina select an umpire from a list supplied by the parties. The appraisers will then appraise the loss, stating separately the actual cash value of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the actual cash value of the loss. If the appraisers fail to agree, they will submit their differences only, to the umpire. A decision agreed to by any two of these three will set the actual cash value of the loss. Each party will:
- a. pay its own appraiser; and
  - b. bear the other expenses of the appraisal and umpire equally.
- Appraisal rights under this policy are not available, if coverage is in dispute, or if you have failed to comply with all policy conditions.
9. OTHER INSURANCE.
- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this policy. If you do (except insurance in the name of a corporation or association of property owners), we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis.

- b. If there is other insurance covering the same loss or damage (insurance in the name of a corporation or association of property owners), other than that described in a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
- 10. SUBROGATION. You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.
- 11. SUIT AGAINST US. No action can be brought unless the policy provisions have been complied with and the action is started within three years after the date of loss.
- 12. OUR OPTION. If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.
- 13. LOSS PAYMENT. We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:
  - a. reach an agreement with you;
  - b. there is an entry of a final judgment; or
  - c. there is a filing of an appraisal award with us.
- 14. ABANDONMENT OF PROPERTY. We need not accept any property abandoned by you.
- 15. MORTGAGE CLAUSE.

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss under Coverage A will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order or precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel this policy, the mortgagee will be notified at least 10 days before the date cancellation takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

16. NO BENEFIT TO BAILEE. We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing, or moving property for a fee regardless of any other provision of this policy.

17. CANCELLATION AND RENEWALS.

- a. The first Named Insured shown in the Declarations or the premium finance company as Power of Attorney may cancel this policy at any time by returning it to us or by letting us know in writing in advance of the date cancellation is to take effect. A request for cancellation by the premium finance company will be treated the same as a request for cancellation by the first Named Insured itself.
- b. We may cancel this policy by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice. We may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect. Reasons for which we may cancel the policy include but are not limited to:
  1. non-payment of premium; or
  2. misrepresentation of any material fact either before or after loss; or
  3. cause which would have been grounds for non-acceptance of the risk under the Plan of Operation had such cause been known at the time of acceptance; or
  4. cause arising subsequent to a review which would have been grounds for non-acceptance of the risk under this Plan of Operation had such cause existed at the time of acceptance; or
  5. substantial breach of contractual duties, conditions or warranties; or
  6. if we lose our reinsurance covering all or a significant portion of this policy, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of this state. Cancellation for these reasons is subject to the approval by the Director of Insurance, or
  7. the risk has changed substantially since the policy was issued, or
  8. if you or your representative;
    - (a) conceal, omit, or misrepresent any material facts or circumstances;
    - (b) make a false or fraudulent claim;
    - (c) fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed.
- c. When you have not paid the premium, whether payable to us or to the broker or under any finance or credit plan, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- d. This association writes policies for a one-year period only and renewal may not be made unless an appropriate application is completed and furnished to the Association by the broker. There is no provision for term privileges or renewal plan since a rewrite can only be accomplished through use of the application. Unless the policy is rewritten before the expiration date through the application process, the policy will automatically terminate as of the expiration date.



- e. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
  - f. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.
18. **WAIVER OR CHANGE OF POLICY PROVISIONS.** A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.
19. **ASSIGNMENT.** Assignment of this policy will not be valid unless we give our written consent.
20. **DEATH.** If you die, we insure:
- a. your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
  - b. with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.
21. **NUCLEAR HAZARD CLAUSE.**
- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
  - b. Loss caused by the nuclear hazard will not be considered loss caused by wind or hail or otherwise included within the Perils Insured Against.
  - c. This policy does not apply to loss caused directly or indirectly by nuclear hazard.
22. **INSPECTIONS AND SURVEYS.**
- We have the right but are not obligated to:
- a. make inspections and surveys at any time;
  - b. give you reports on the conditions we find; and
  - c. recommend changes.
- Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
- (1) are safe or healthful; or
  - (2) comply with laws, regulations, codes or standards. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

## 23. DEDUCTIBLE CLAUSES

### Deductible Clause No. 1

We cover only that part of any loss in excess of 1% of the Limit of Liability indicated on the declaration page of this policy. However, the deductible amount will not be less than \$250 nor more than \$25,000.

The deductible amount indicated above will be applied separately to: (1) each Condominium Unit; (2) each Other Structure; and (3) Personal Property in each Condominium Unit or Other Structure.

### Deductible Clause No. 2

We cover only that part of any loss in excess of 2% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$500 nor more than \$50,000.

The deductible amount indicated above will be applied separately to: (1) each Condominium Unit; (2) each Other Structure; and (3) Personal Property in each Condominium Unit or Other Structure.

### Deductible Clause No. 3

We cover only that part of any loss in excess of 3% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$1000 nor more than \$75,000.

The deductible amount indicated above will be applied separately to: (1) each Condominium Unit; (2) each Other Structure; and (3) Personal Property in each Condominium Unit or Other Structure.

### Deductible Clause No. 4

We cover only that part of any loss in excess of 4% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$2000 nor more than \$100,000.

The deductible amount indicated above will be applied separately to: (1) each Condominium Unit; (2) each Other Structure; and (3) Personal Property in each Condominium Unit or Other Structure.

### Deductible Clause No. 5

We cover only that part of any loss in excess of 5% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$2500 nor more than \$125,000.

The deductible amount indicated above will be applied separately to: (1) each Condominium Unit; (2) each Other Structure; and (3) Personal Property in each Condominium Unit or Other Structure.

### Deductible Clause No. 6

We cover only that part of any loss in excess of 10% of the Limit of Liability indicated on the declaration page of this policy. The deductible amount will not be less than \$5000 nor more than \$250,000.

The deductible amount indicated above will be applied separately to: (1) each Condominium Unit; (2) each Other Structure; and (3) Personal Property in each Condominium Unit or Other Structure.

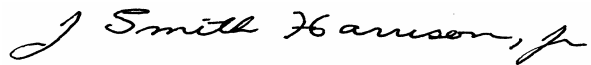
24. KNOWLEDGE OR CONTROL

We will not pay for loss or damage while the chance of loss or damage is increased by any means within your knowledge or control.

25. SPECIAL PROVISIONS

- a. Any notice, sworn statement or proof of loss which may be required by the provisions of this policy may be given to the South Carolina Wind and Hail Underwriting Association, and such notice, statement of proof of loss so given will be valid and binding as to all member companies.
- b. In any action or suit under or in any way related to this policy, such action or suit may be brought against the South Carolina Wind and Hail Underwriting Association as defendant, and service of process may be made on the South Carolina Wind and Hail Underwriting Association, and such service will be deemed valid and binding service on all member companies.
- c. The South Carolina Wind and Hail Underwriting Association is the agent of the member Companies with respect to all matters pertaining to the insurance. All notices, process or other communications required by or in connection with the policy will be given to such agent, at its office in Columbia, South Carolina, and such notice to the Association will be considered to constitute notice to the member Companies. Any requests, demands or agreements made by and any cancellation notice issued by such agent will be deemed to have been made or issued directly by the Companies.

**SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION**



Agent and  
Attorney-in-Fact for the members of the  
South Carolina Wind and Hail Underwriting Association

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## **CONDOMINIUM UNIT-OWNERS COVERAGE**

The following coverage is added for the limit of liability shown on the declarations.

### **UNIT-OWNERS BUILDING ITEMS**

We cover for direct loss caused by the perils of wind and hail:

- a. the alterations, appliances, fixtures and improvements which are part of the building contained within your unit;
- b. items of real property which pertain exclusively to your unit;
- c. property which is your insurance responsibility under the condominium association agreement; or
- d. structures owned by you, other than the Described Location, on the premises of the Described Location. However, we do not cover structures:
  - 1. used in whole or in part for commercial, manufacturing or farming purposes; or
  - 2. rented or held for rental to any person not a tenant of the Described Location, unless used solely as a private garage.

The following conditions apply only to the coverage provided by this endorsement:

### **OTHER INSURANCE**

If at the time of loss there is other insurance in the name of the condominium association covering the same property covered by this policy, this insurance shall be excess over the amount recoverable under such other insurance.

### **LOSS SETTLEMENT**

Unit-Owners Building Items losses are settled as follows:

- a. If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
- b. If the damage is not repaired or replaced within a reasonable time, at actual cash value but not exceeding the amount necessary to repair or replace.

All other provisions of this policy apply.

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**STANDARD WIND AND HAIL COMMERCIAL POLICY**

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Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we”, “us” and “our” refer to the Association providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H-DEFINITIONS.

**A. COVERAGE**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from Wind and Hail. If the Wind and Hail Insurance under the policy covers on two or more items, the following conditions shall apply to each item separately.

We will pay only that part of the total of all losses payable for damage to Covered Property that exceeds the windstorm or hail percentage deductible stated in the Declarations. This percentage deductible is described in detail in Section D. - Deductible on page 6 of this policy. The stated deductible applies separately to each type of Covered Property.

**1. COVERED PROPERTY**

Covered Property, as used in this policy, means the type of property described in this section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

- a. Building, meaning the building or structure described in the Declarations, including:
  - (1) Completed additions;
  - (2) Fixtures, excluding outdoor fixtures;
  - (3) Permanently installed:
    - (a) Machinery and
    - (b) Equipment;
  - (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
    - (a) Fire extinguishing equipment;
    - (b) Floor coverings; and
    - (c) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
  - (5) If not covered by other insurance:
    - (a) Additions under construction, alterations and repairs to the building or structure;

- (b) Materials, equipment, supplies and temporary structures while fully enclosed within an insured building, used for making additions, alterations or repairs to the building or structure.
- b. Your Business Personal Property located in the building described in the Declarations, consisting of the following unless otherwise specified in the Declarations.
  - (1) Furniture;
  - (2) Machinery and equipment;
  - (3) "Stock";
  - (4) All other personal property owned by you and used in your business;
  - (5) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
    - (a) Made a part of the building or structure you occupy but do not own; and
    - (b) You acquired or made at your own expense but cannot legally remove.
  - (6) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.
  - (7) After a loss and at your request, Personal Property of Others that is:
    - (a) In your care, custody or control; and
    - (b) Located in the building described in the Declarations.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes, securities, bullion or manuscripts;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles, boats, recreational vehicles, mobile homes, and aircraft held for sale;
- d. Bridges, boardwalks, trestles, catwalks, ramps, roadways, walks, decks, patios, sidewalks, driveways or any other paved or graveled surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;

- h. Land (including land on which the property is located), water, steam, growing crops or lawns, trees, shrubs or plants, only as “stock” while inside of buildings;
- i. Personal property while airborne, waterborne or in transit;
- j. Bulkheads, pilings, piers, wharves, boathouses or docks. Any structure over or partially over water;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Sea walls, property lines, similar lines, revetments, and retaining walls;
- m. Underground pipes, flues or drains;
- n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media except as provided in the Coverage Extensions;
- o. The following property while outside of buildings:
  - (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), utility poles including light fixtures and tiki huts or similar structures;
  - (3) Smokestacks, silos or their contents, windmills, windpumps, wind generators or their towers;
- p. Greenhouses, hothouses, slathouses, trellises, pergolas, gazebos, cabanas, and other outdoor equipment pertaining to the service of the premises;
- q. Awnings or canopies, including their supports;
- r. Screens and supports enclosing or partially enclosing pools, patios or other areas;
- s. Swimming pools, jacuzzis, hot tubs;
- t. Paint or waterproofing material applied to the exterior of the building(s) or structure(s);
- u. To all property (Building and Business Personal Property) located in a basement or below grade level.

### 3. COVERED CAUSES OF LOSS

Wind or Hail, but not including:

- a. Frost or cold weather; or
- b. Ice (other than hail), snow or sleet, whether driven by wind or not;
- c. Accumulation of hail, ice, snow, sleet, water, or any other form of precipitation.
- d. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.

#### 4. ADDITIONAL COVERAGES

##### a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause or Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is 25% of the amount we pay for the direct physical loss of or damage to Covered Property.
- (3) This Additional Coverage does not apply to costs to:
  - (a) Extract “pollutants” from land or water; or
  - (b) Remove, restore or replace polluted land or water.

##### b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage by peril of Wind or Hail to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

#### B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

##### a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property ; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris; or
- (3) The requirements of which result in a loss in value to covered property; or
- (4) Requiring any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, “pollutants”.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.



b. Governmental Action

Governmental Action means the seizure, confiscation, condemnation, or destruction of covered property by order of any governmental or public authority.

c. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

d. Utility Services

The failure of power or other utility service supplied to the described premises, however caused if the failure occurs away from the described premises.

e. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water or water-borne material that backs up or overflows or is discharged from a sewer, drain or sump, sump pump or related equipment; or
- (4) Water or water-borne material under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows, or other openings;

Caused by or resulting from human or animal forces or any act of nature;

- (5) Sprinkler leakage.

f. Mold

Notwithstanding any other provision(s) of this policy, this insurance does not apply to any loss, damage, additional living expense, loss of business income, cost of decontamination, "remediation", testing, debris removal or any other costs or expenses arising from or associated in any way with "mold", whether or not directly or indirectly caused by or resulting from any peril insured against under this policy.

"Mold" means any mold, fungi (and any associated spores) or any other microorganisms of any type or nature that can cause or threaten to cause physical damage, deterioration, loss of use, and/or loss of value or marketability, to any tangible property or that can cause or threaten to cause harm of any type to any living organism. This includes, but is not limited to, any type of mold that is harmful or potentially harmful to the health or welfare of persons (such as *Stachybotrys* and others), and/or that is damaging or potentially damaging to tangible property (including wet or dry rot and others).

"Remediation" means to test, detect, measure, evaluate, treat, contain, remove, or dispose of mold. Remediation includes any testing to detect, measure, or evaluate mold, fungi (and any associated spores), or any other microorganisms, and any decontamination of the covered property.

g. Consequential Losses including but not limited to rental value and business interruption.

- h. Fire, theft or explosion.
2. We do not insure for loss to property described in A. COVERAGE, 1. COVERED PROPERTY, a. Building, caused by any of the following:
- a. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body;
  - b. Faulty, inadequate or defective:
    - (1) planning, zoning, development, surveying, siting;
    - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) materials used in repair, construction, renovation or remodeling; or
    - (4) maintenance;of part or all of any property whether on or off the Described Location;
  - c.
    - (1) wear and tear, marring, scratching, deterioration;
    - (2) inherent vice, latent defect, mechanical breakdown;
    - (3) smog, rust or other corrosion;
    - (4) smoke from agricultural smudging or industrial operations;
    - (5) discharge, dispersal, seepage, migration, release or escape of “pollutants”.
    - (6) settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
    - (7) birds, vermin, rodents, insects or domestic animals.

#### C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- 1. Preservation of Property; or
- 2. Debris Removal

#### D. DEDUCTIBLE

If loss or damage to Covered Property is caused by or results from Wind or Hail, the following Deductible Clauses apply. A 1% through 10% Deductible Clause applies as described in paragraphs 1. through 6. below.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the selected Deductible, as shown on the Declarations Page. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance shown on the Declarations Page.

1. 1% Deductible Clause

- a. 1% of the actual cash value of the Covered Property up to \$1,000,000; plus
- b. 0.5% of the actual cash value of the Covered Property in excess of \$1,000,000 up to \$3,000,000; plus;
- c. 0.25% of the actual cash value of the Covered Property in excess of \$3,000,000.

But this Deductible will not be:

- a. Less than \$250; or
- b. More than \$25,000.

2. 2% Deductible Clause

- a. 2% of the actual cash value of the Covered Property up to \$1,000,000; plus
- b. 1% of the actual cash value of the Covered Property in excess of \$1,000,000 up to \$3,000,000; plus;
- c. 0.5% of the actual cash value of the Covered Property in excess of \$3,000,000.

But this Deductible will not be:

- a. Less than \$500; or
- b. More than \$50,000.

3. 3% Deductible Clause

- a. 3% of the actual cash value of the Covered Property up to \$1,000,000; plus
- b. 1.5% of the actual cash value of the Covered Property in excess of \$1,000,000 up to \$3,000,000; plus;
- c. .75% of the actual cash value of the Covered Property in excess of \$3,000,000.

But this Deductible will not be:

- a. Less than \$1000; or
- b. More than \$75,000.

4. 4% Deductible Clause

- a. 4% of the actual cash value of the Covered Property up to \$1,000,000; plus
- b. 2% of the actual cash value of the Covered Property in excess of \$1,000,000 up to \$3,000,000; plus;
- c. 1% of the actual cash value of the Covered Property in excess of \$3,000,000.

But this Deductible will not be:

- a. Less than \$2000; or
- b. More than \$100,000.

5. 5% Deductible Clause

- a. 5% of the actual cash value of the Covered Property up to \$1,000,000; plus
- b. 2.5% of the actual cash value of the Covered Property in excess of \$1,000,000 up to \$3,000,000; plus;
- c. 1.25% of the actual cash value of the Covered Property in excess of \$3,000,000.

But this Deductible will not be:

- a. Less than \$2500; or
- b. More than \$125,000.

6. 10% Deductible Clause

- a. 10% of the actual cash value of the Covered Property up to \$1,000,000; plus
- b. 5% of the actual cash value of the Covered Property in excess of \$1,000,000 up to \$3,000,000; plus;
- c. 2.5% of the actual cash value of the Covered Property in excess of \$3,000,000.

But this Deductible will not be:

- a. Less than \$5000; or
- b. More than \$250,000.

E. CONDITIONS

1. CANCELLATION AND RENEWALS

- a. The first Named Insured shown in the Declarations or the premium finance company as Power of Attorney may cancel this policy at any time by returning it to us or by letting us know in writing in advance of the date cancellation is to take effect. A request for cancellation by the premium finance company will be treated the same as a request for cancellation by the first Named Insured itself.
- b. We may cancel this policy by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice. We may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect. Reasons for which we may cancel the policy include, but are not limited to:
  - (1) non-payment of premium; or
  - (2) misrepresentation of any material fact either before or after loss; or
  - (3) cause which would have been grounds for non-acceptance of the risk under the Plan of Operation had such cause been known at the time of acceptance; or
  - (4) cause arising subsequent to a review which would have been grounds for non-acceptance of the risk under this Plan of Operation had such cause existed at the time of acceptance; or
  - (5) substantial breach of contractual duties, conditions or warranties; or

- (6) if we lose our reinsurance covering all or a significant portion of this policy, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of this state. Cancellation for these reasons is subject to the approval by the Director of Insurance.
- (7) the risk has changed substantially since the policy was issued; or
- (8) if you or your representative;
  - a) conceal, omit, or misrepresent any material facts or circumstances; or
  - b) make a false or fraudulent claim; or
  - c) fail or refuse to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed.
- c. When you have not paid the premium, whether payable to us or to the broker or under any finance or credit plan, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- d. This association writes policies for a one-year period only and renewal may not be made unless an appropriate application is completed and furnished to the Association by the broker. There is no provision for term privileges or renewal plan since a rewrite can only be accomplished through use of the application. Unless the policy is rewritten before the expiration date through the application process, the policy will automatically terminate as of the expiration date.
- e. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- f. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

## 2. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

## 3. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

## 4. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

## 5. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

## F. LOSS CONDITIONS

### 1. ABANDONMENT

There can be no abandonment of any property to us.

### 2. APPRAISAL

If you and we fail to agree on the actual cash value of the loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will first choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a judge of a court of record in the State of South Carolina select an umpire from a list supplied by the parties. The appraisers will then appraise the loss, stating separately the actual cash value of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the actual cash value of the loss. If the appraisers fail to agree, they will submit their differences only, to the umpire. A decision agreed to by any two of these three will set the actual cash value of the loss. Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Appraisal rights under this policy are not available, if coverage is in dispute, or if you have failed to comply with all policy conditions.

### 3. DUTIES IN THE EVENT OF LOSS OR DAMAGE

- a. In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed by you, or your representative.
  - (1) Give us prompt notice, through your broker, of the loss or damage. Include a description of the property involved.
  - (2) As soon as possible, give us a description of how, when and where the loss or damage occurred.

- (3) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. This does not apply to expenses incurred for the protection of property prior to the loss. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (4) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.
  - (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (7) The insurance adjuster whom we hire to investigate your claim may furnish you a proof of loss form, and she or he may help you to complete it. However, this is a matter of courtesy only, and you must still send us a proof of loss within 60 days after the loss even if the adjuster does not furnish the form or help you complete it. In completing the proof of loss, you must use your own judgment concerning the amount of loss and the justification for that amount; the adjuster is not authorized to approve or disapprove claims or to tell you whether your claim will be approved by us.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### 5. LOSS PAYMENT

- a. In the event of loss or damage covered by this Policy, at our option, we will either:
- (1) Pay the actual cash value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property subject to b. below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will not pay you more than your financial interest in the Covered Property.

- d. We may adjust losses with the owners of damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will give notice of our intentions within 60 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

#### 6. OTHER INSURANCE

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this policy. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### 7. RECOVERED PROPERTY

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### 8. VACANCY

##### a. Description of Terms

- (1) As used in this Vacancy Condition, the term building has the meanings set forth in (1)(a) and (1)(b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented to or leased to the tenant.
  - (b) When this policy is issued to the owner of a building, building means the entire building. Such building is "vacant" or "unoccupied" when 70% or more of its square footage is "vacant" or "unoccupied".
- (2) Buildings under construction or renovation are not considered "vacant" or "unoccupied".

##### b. Vacancy Provisions

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 60 consecutive days before that loss or damage if caused by any 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.



This condition does not apply if the Vacancy Permit endorsement is attached.

## 9. VALUATION

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. “Stock” you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- c. Glass at the cost of replacement with safety glazing material if required by law.
- d. Tenant’s Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (3) Nothing if others pay for repairs or replacement.
- e. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged programs), at the cost of:
  - (1) Blank materials for reproducing the records; and
  - (2) Prepackaged programs at the current retail price.

## G. ADDITIONAL CONDITIONS

### 1. COINSURANCE

If a coinsurance percentage is shown in the Declarations, the following condition applies.

The value of property not covered will not be considered in the determination of any coinsurance application.

We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- a. Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- b. Divide the Limit of Insurance of the property by the figure determined in step a.;
- c. Multiply the total amount of the covered loss, before the application of the deductible, by the figure determined in step b.

d. Subtract the deductible from the figure determined in step c.

We will pay the amount determined in step d. or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):

When: The actual cash value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$100,000
The Deductible is	\$2,500
The actual cash value of loss is	\$40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 / \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$2,500 = \$17,500$

We will pay no more than \$17,500. The remaining \$22,500 is not covered.

Example No. 2 (Adequate Insurance):

When: The actual cash value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$200,000
The Deductible is	\$2,500
The actual cash value of loss is	\$40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$200,000 / \$200,000 = 1.00$

Step (3):  $\$40,000 \times 1.00 = \$40,000$

We will pay  $\$40,000 - \$2,500 = \$37,500$ . No coinsurance penalty would apply.

## 2. CONCEALMENT, MISREPRESENTATION OR FRAUD

With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

- a. intentionally concealed or misrepresented any material fact or circumstance; or
- b. engaged in fraudulent conduct; or

c. made false statements;

relating to this insurance.

### 3. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Policy at any one or more locations will not affect coverage at any location where, at the time of loss, the breach or condition does not exist.

### 4. KNOWLEDGE OR CONTROL

We will not pay for loss or damage while the chance of loss or damage is increased by any means within your knowledge or control.

### 5. LEGAL ACTION AGAINST US

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

- a. There has been full compliance with all of the terms of this policy; and
- b. The action is brought within 1 year after the date on which the direct physical loss or damage occurred.

### 6. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

### 7. MORTGAGEHOLDERS

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this policy at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least 10 days before the effective date of cancellation.

#### 8. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

#### 9. POLICY PERIOD, COVERAGE TERRITORY

Under this policy:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations.
  - (2) Within the coverage territory.
- b. The coverage territory is the "state" in which the premises described in the Declarations is located.

#### 10. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
  - (3) Your tenant.

This will not restrict your insurance.

#### H. DEFINITIONS

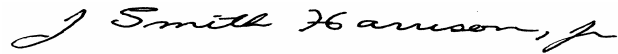
1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
3. "Unoccupied" means containing contents pertaining to the occupancy of the building while operations or other customary activities are suspended.
4. "Vacant" means containing no contents pertaining to operations or activities customary to occupancy of the building.

I. SPECIAL PROVISIONS

1. Any notice, sworn statement or proof of loss which may be required by the provisions of this policy may be given to the South Carolina Wind and Hail Underwriting Association, and such notice, statement or proof of loss so given shall be valid and binding as to all member companies.
2. In any action or suit under or in any way related to this policy, such action or suit may be brought against the South Carolina Wind and Hail Underwriting Association as defendant, and service of process may be made on the South Carolina Wind and Hail Underwriting Association, and such service shall be deemed valid and binding service on all member companies.
3. Wherever the term "Association" appears in this policy, it shall be construed to apply to the South Carolina Wind and Hail Underwriting Association.
4. The South Carolina Wind and Hail Underwriting Association is the agent of the member Companies with respect to all matters pertaining to this insurance. All notices, process or other communications required by or in connection with the policy shall be given to such agent, at its office in Columbia, South Carolina, and such notice to the Association shall be considered to constitute notice to the member Companies. Any requests, demands or agreements made by and any cancellation notice issued by such agent shall be deemed to have been made or issued directly by the Companies.

SOUTH CAROLINA WIND AND HAIL  
UNDERWRITING ASSOCIATION

 , Agent &  
Attorney-in-Fact for the members of the  
South Carolina Wind and Hail Underwriting Association.

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## **BUSINESS INCOME COVERAGE FORM AMENDATORY ENDORSEMENT**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine the rights, duties, and what is and is not covered.

Throughout this policy the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we”, “us” and “our” refer to the Association providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION F - DEFINITIONS.

### **A. COVERAGE**

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your “operations” during the “period of restoration.” The suspension must be caused by direct physical loss of or damage to property insured by this policy at the premises described in the Declarations, resulting from any Covered Causes of Loss.

#### **1. Business Income**

Business Income means the:

- a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred;
- b. Continuing normal operating expenses incurred, including payroll; and
- c. Actual “rental value,” if applicable.

#### **2. Covered Causes of Loss**

See applicable Covered Causes of Loss Section in Coverage Form WHC 1 (10-04).

#### **3. Expenses to Reduce Loss**

We will pay any necessary expenses you incur to reduce the amount of loss under this Coverage Form. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Coverage Form.

### **B. LIMITS OF INSURANCE**

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under expenses to reduce loss will not increase the applicable Limit of Insurance.

The most we will pay for loss of Business Income in each period of 30 consecutive days after the direct physical loss or damage is:

1. The Limit of Insurance, multiplied by
2. The fraction shown in the Declarations for this Optional Coverage.

***The first 30 day period begins after the deductible period*** as described in Section E - DEDUCTIBLE CLAUSES.

Co-insurance does not apply to this coverage.

**Example:**

When:	The Limit of Insurance is	\$120,000
	The fraction shown in the Declarations for this Optional Coverage is	$\frac{1}{4}$
	The most we will pay for loss in each period of 30 consecutive days is:	$\$120,000 \times \frac{1}{4} = \$30,000$
If, in the example, the actual amount of loss following the deductible period, is:		
	Days 1-30	\$40,000
	Days 31-60	20,000
	Days 61-90	<u>30,000</u>
	Total Loss	\$90,000
We will pay:		
	Days 1-30	\$30,000
	Days 31-60	20,000
	Days 61-90	<u>30,000</u>
	Total Payment	\$80,000
The remaining \$10,000 is not covered.		

**C. EXCLUSIONS**

We will not pay for:

1. Any loss caused by or resulting from:
  - a. Damage or destruction of “finished stock;” or
  - b. The time required to reproduce “finished stock.”
2. Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts, or towers.
3. Any increase of loss caused by or resulting from:
  - a. Delay in rebuilding, repairing, or replacing the property or resuming “operations,” due to interference at the location of the rebuilding, repair, or replacement by strikers or other persons; or
  - b. Suspension, lapse, or cancellation of any license, lease, or contract. But if the suspension, lapse, or cancellation is directly caused by the suspension of “operations,” we will cover such loss that affect Business Income during the “period of restoration.”
4. Any Extra Expense caused by or resulting from suspension, lapse, or cancellation of any license, lease, or contract beyond the “period of restoration.”

5. Any other consequential loss.

#### **D. LOSS CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and Loss Conditions in the WHC1(10/04).

##### **1. Appraisal**

If you and we fail to agree on the actual cash value of the loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will first choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a judge of a court of record in the State of South Carolina select an umpire from a list supplied by the parties. The appraisers will then appraise the loss, stating separately the actual cash value of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the actual cash value of the loss. If the appraisers fail to agree, they will submit their differences only, to the umpire. A decision agreed to by any two of these three will set the actual cash value of the loss. Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

Appraisal rights under this policy are not available, if coverage is in dispute, or if you have failed to comply with all policy conditions.

##### **2. Duties in the Event of Loss**

- a. In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed by you, or your representative.
  - (1) Give us prompt notice, through your broker, of the direct physical loss or damage. Include a description of the property involved.
  - (2) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
  - (3) Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also, keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
  - (4) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (5) Send us a signed sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.



- (6) Cooperate with us in the investigation or settlement of the claim.
- (7) If you intend to continue your business, you must resume all or part of your “operations” as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured’s books and records. In the event of an examination, an insured’s answers must be signed.

### 3. **Limitation - Electronic Media and Records**

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days, including the deductible period, from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild, or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording, or storage media such as films, tapes, discs, drums, or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

#### **Example No. 1:**

A covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1, less the amount during the deductible period. Loss during the period September 1 - October 1 is not covered.

#### **Example No. 2:**

A covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days), less the deductible period. Loss during the period September 30 - October 15 is not covered.

### 4. **Loss Determination**

- a. The amount of Business Income loss will be determined based on:
  - (1) The Net Income of the business before the direct physical loss or damage occurred;

- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of Covered Causes of Loss on customers or on other businesses:
- (3) The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices, and other vouchers; and
  - (c) Deeds, liens, or contracts.

b. Resumption of Operations

We will reduce the amount of your Business Income loss to the extent you can resume your “operations,” in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

- c. If you do not resume “operations,” or do not resume “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume “operations” as quickly as possible.

5. **Loss Payment**

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

- a. You have complied with all the terms of this Coverage Part; and
- b. We have reached agreement with you on the amount of loss; or
- c. An appraisal award has been made.

E. **DEDUCTIBLE CLAUSES**

If loss or damage to Covered Property is caused by or results from Wind or Hail, the following Deductible Clauses apply. *A Deductible Clause* applies as described in paragraphs 1. through 6. below.

We will not pay for loss or damage in any one occurrence until the period of loss exceeds the deductible period, as shown on the Declarations Page. We will then pay the amount of loss or damage following the deductible period up to the applicable Limit of Insurance as described in Section B. - LIMITS OF INSURANCE.

- 1. **10 Day Deductible** - We will not pay for losses incurred in the 10 Day period starting the day after the loss.
- 2. **15 Day Deductible** - We will not pay for losses incurred in the 15 Day period starting the day after the loss.

3. **20 Day Deductible** - We will not pay for losses incurred in the 20 Day period starting the day after the loss.
4. **25 Day Deductible** - We will not pay for losses incurred in the 25 Day period starting the day after the loss.
5. **30 Day Deductible** - We will not pay for losses incurred in the 30 Day period starting the day after the loss.
6. **55 Day Deductible** - We will not pay for losses incurred in the 55 Day period starting the day after the loss.

## F. DEFINITIONS

1. **“Finished Stock”** means stock you have manufactured.

“Finished stock” also includes whiskey and alcoholic products being aged.

“Finished stock does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. **“Operations”** means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises.

3. **“Period of Restoration”** means the period of time that:

- a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the date when the property at the described premises should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

“Period of restoration” does not include any increased period required due to the enforcement of any ordinance or law that:

- a. Regulates the construction, use or repair, or requires the tearing down of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effect of “pollutants”; or
- c. The requirements of which result in a loss in value to covered property; or
- d. Requiring any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, “pollutants”.

4. **“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. **“Rental Value”** means the:
- a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations or furnished and equipped by you, and
  - b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
  - c. Fair rental value of any portion of the described premises which is occupied by you.

## **BUILDING UNDER CONSTRUCTION**

### **BUILDERS' RISK**

The insurance applies only to the building while under construction.

### **PREMIUM**

The premium is based on an average amount of insurance during construction.

### **AMOUNT OF INSURANCE**

The limit of liability stated in the declarations for the building is provisional. The actual amount of insurance on any date while the policy is in force shall be a percentage of the provisional amount. The percentage shall be the proportion that the actual cash value of the property bears to the value at the date of completion.

### **OCCUPANCY**

You shall advise us when construction is completed for our consent to occupy the building and for adjustment of premium. Occupancy of the building is permitted for 30 days after completion.

### **POLICY PROVISIONS**

All other provisions of this policy apply.

**WHC5 (09-02)**

SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION  
P.O. BOX 407  
COLUMBIA, SOUTH CAROLINA 29202-0407

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**VACANCY PERMIT**

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A. The VACANCY Loss Condition does not apply to direct physical loss or damage:

1. At the locations; and
  2. During the Permit Period;
- shown in the Schedule.

**Schedule**

Location No.

Permit Period  
From To

001

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## **BUILDING PRIMARY LIABILITY (NON-CONTRIBUTING) COVERAGE**

In consideration of the premium for which this policy is written, it is understood and agreed that the policy is amended as follows:

Location \_\_\_\_\_, Building Coverage, is not subject to the Coinsurance Clause and The Other Insurance Clause, (Item F. 6.) is eliminated in the Standard Wind and Hail Commercial Policy - WHC1 (10-04). Permission is granted for non-contributing insurance in excess of our limits.

**WHC51 (10-04)**

**BUSINESS PERSONAL PROPERTY PRIMARY LIABILITY (NON-  
CONTRIBUTING) COVERAGE**

In consideration of the premium for which this policy is written, it is understood and agreed that the policy is amended as follows:

Location \_\_\_\_\_, Business Personal Property, is not subject to the Coinsurance Clause and The Other Insurance Clause, (Item F. 6.) is eliminated in the Standard Wind and Hail Commercial Policy - WHC1 (10-04). Permission is granted for non-contributing insurance in excess of our limits.

**WHC52 (10-04)**



## **TENANT'S IMPROVEMENTS AND BETTERMENTS FORM**

We cover your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

- a. Made a part of the building or structure you occupy but do not own; and
- b. You acquired or made at your own expense but cannot legally remove.

We will determine the value of improvements or betterments in the event of loss as follows:

- a. Actual cash value of the lost or damaged property if you make repairs promptly.
- b. A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - 1. Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - 2. Divide the amount determined in 1. Above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- c. Nothing if others pay for repairs or replacement.

ILLUSTRATIVE DEDUCTIBLE EXAMPLES

\*\*\* IMPORTANT NOTICE TO COMMERCIAL LINES POLICYHOLDERS \*\*\*

NOTICE: THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR NAMED STORM OR WIND/HAIL LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

If you have a 2% deductible and your property is valued at time of loss for \$100,000, your deductible will be 2% of \$100,000 or \$1,000. The 2% deductible will be at least \$500, but not more than \$50,000.

If you have a 3% deductible and your property is valued at time of loss for \$100,000, your deductible will be 3% of \$100,000 or \$3,000. The 3% deductible will be at least \$750, but not more than \$75,000.

You will receive a premium credit for electing to take a higher deductible.

For property values over \$1,000,000, the deductible amount will be graded in accordance with the policy terms.

Deductibles apply separately to each structure and to the contents in each structure. If you have elected to purchase the Loss of Business Income Coverage, an additional deductible will apply for that coverage.

These deductibles are wind / hail deductibles, all losses covered by this policy are subject to these deductibles.

A copy of the illustrative example has been furnished to me. I have read the example.

WDC100 (10/07)

ILLUSTRATIVE DEDUCTIBLE EXAMPLES  
\*\*\* IMPORTANT NOTICE TO COMMERCIAL LINES POLICYHOLDERS \*\*\*

**NOTICE: THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR NAMED STORM OR WIND/HAIL LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.**

AVAILABLE OPTIONS

- ☐ If you have a 2% deductible and your property is valued at time of loss for \$100,000, your deductible will be 2% of \$100,000 or \$2,000. (This option is only available for properties located in Wind Zone Territory 2).
- ☐ If you have a 3% deductible and your property is valued at time of loss for \$100,000, your deductible will be 3% of \$100,000 or \$3,000.
- ☐ If you have a 4% deductible and your property is valued at time of loss for \$100,000, your deductible will be 4% of \$100,000 or \$4,000.
- ☐ If you have a 5% deductible and your property is valued at time of loss for \$100,000, your deductible will be 5% of \$100,000 or \$5,000.
- ☐ If you have a 10% deductible and your property is valued at time of loss for \$100,000, your deductible will be 10% of \$100,000 or \$10,000.

You will receive a premium credit for electing to take a higher deductible.

For property values over \$1,000,000, the deductible amount will be graded in accordance with the policy terms.

Deductibles apply separately to each structure and to the contents in each structure. If you have elected to purchase the Loss of Business Income Coverage, an additional deductible will apply for that coverage.

These deductibles are wind / hail deductibles, all losses covered by this policy are subject to these deductibles.

A copy of the illustrative example has been furnished to me. I have read the example.
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Insured Signature

Date

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

STANDARD WIND AND HAIL COMMERCIAL POLICY

### **A. Cap on Certified Terrorism Losses**

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a “certified act of terrorism” include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more “certified acts of terrorism” under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

### **B. Application of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002

### SCHEDULE\*

Terrorism Premium (Certified Acts)      \$       -0-      

Additional information, if any, concerning the terrorism premium:

**NONE**

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

#### **A. Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### **B. Disclosure of Federal Participation in Payment of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

## **REPLACEMENT COST ENDORSEMENT RESIDENTIAL CONDOMINIUM ASSOCIATION**

These provisions shall apply only to a building used by a residential condominium association which is covered under this policy. A building qualifies for this coverage provided that, at the time of loss, you are a condominium association, and 75% of the floor area of the building is used for residential purposes only.

For the premium charged for this policy, LOSS CONDITION 5 – LOSS PAYMENT, page 11, WHC1 (10-04) is amended to read as follows:

5. LOSS PAYMENT. Covered property losses are settled as follows:
- a. Personal property and structures that are not buildings at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
  - b. Carpeting, domestic appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
  - c. We will pay to repair or replace a damaged or destroyed building, after application of the deductible and without deduction for depreciation, but not exceeding the smallest of the following amounts:
    - (1) the limit of liability under this policy applying to the building;
    - (2) the replacement cost of that part of the building damaged for equivalent construction and use on the same premises; or
    - (3) the amount actually and necessarily spent to repair or replace the damaged building, on the premises described in the policy.
  - d. We will not be liable for any loss on a Replacement Cost Coverage basis unless and until actual repair or replacement of the damaged building or parts thereof is completed. When the cost to repair or replace the damage is more than \$1,000 or more than 5% of the amount of insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
  - e. If a building is rebuilt at a location other than the described location, we will pay no more than it would have cost to repair or rebuild at the described location, subject to all other terms of Replacement Cost settlement.
  - f. You may disregard the replacement loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability on a replacement cost basis.

All other provisions of this policy, including EXCLUSIONS 1. a., page 4, Ordinance or Law, and ADDITIONAL CONDITIONS, 1. COINSURANCE, page 13, of the WHC1(10-04), are still applicable to the Building. If this endorsement applies, “actual cash value of the loss” shall read “amount of the loss” in LOSS CONDITION 2. APPRAISAL, page 10, of the WHC1(10/04).