

**2nd Biennial
Appraisal Roundtable Forum**

**Orlando, FL
March 22, 2014**

**Florida Top 25 -- Policies in Force
Personal & Commercial Residential as of 09/30/2013
Compiled by Dan Luby - Precision Advisors, LLC**

<u>Insurer</u>	<u>Policies in Force</u>		<u>Appraisal Clause as of March 2014</u>
1 Citizens Property Insurance Corporation	1,200,524	19.7%	Yes - <i>with mutual agreement</i>
2 Universal Property & Casualty Insurance Company	511,386	8.4%	Yes - <i>with mutual agreement</i>
3 State Farm Florida Insurance Company	396,828	6.5%	Yes - REVISED
4 Security First Insurance Company	177,070	2.9%	No
5 St. Johns Insurance Company, Inc.	171,957	2.8%	No
6 American Integrity Insurance Company of Florida	163,971	2.7%	Yes - REVISED
7 United Property & Casualty Insurance Company	146,459	2.4%	Yes - REVISED
8 Florida Peninsula Insurance Company	136,307	2.2%	No
9 Homeowners Choice Property & Casualty	135,263	2.2%	Yes - <i>with mutual agreement</i>
10 United Services Automobile Association	129,805	2.1%	Yes - REVISED
11 American Bankers Insurance Company of Florida	121,986	2.0%	Yes - renters insurance
12 Tower Hill Prime Insurance Company	119,365	2.0%	Yes - commercial
13 Castle Key Indemnity Company	109,239	1.8%	Yes
14 Florida Family Insurance Company	103,178	1.7%	Yes - REVISED
15 Castle Key Insurance Company	100,568	1.7%	Yes
16 Federated National Insurance Company	100,268	1.6%	Yes - <i>with mutual agreement</i>
17 ASI Preferred Insurance Corp.	96,893	1.6%	Yes
18 ASI Assurance Corp.	90,518	1.5%	Yes
19 Tower Hill Signature Insurance Company	86,966	1.4%	Yes - <i>with mutual agreement</i>
20 Heritage Property & Casualty Insurance Company	85,627	1.4%	Yes
21 Ark Royal Insurance Company	84,913	1.4%	Yes
22 People's Trust Insurance Company	72,799	1.2%	No
23 Cypress Property & Casualty Insurance Company	72,204	1.2%	Yes
24 Southern Fidelity Insurance Company	70,335	1.2%	No
25 Tower Hill Preferred Insurance Company	64,865	1.1%	Yes - <i>with mutual agreement</i>
--- Capacity Insurance Company (Commercial)	-----	-----	Yes
--- FEMA Standard Flood Insurance Policy	-----	-----	Yes
--- First Protective Ins. Co. (dba Frontline Ins.)	-----	-----	Yes
--- Gulfstream Property and Casualty Ins. Co.	-----	-----	Yes - <i>with mutual agreement</i>
--- ISO Standard Form HO-3	-----	-----	Yes
--- Louisiana Statute - Standard Fire Policy	-----	-----	Yes
--- Olympus Insurance Company	-----	-----	No
--- T.W.I.A Commercial Windstorm & Hail	-----	-----	Yes
--- Universal Insurance Company of North America	-----	-----	Yes - <i>with mutual agreement</i>
Total for top 25 companies	4,549,294	74.6%	
Grand Total for all companies writing in Florida	6,100,328	100.0%	

Source: Florida Office of Insurance Regulation - Quarterly Supplemental Report (QUASRng) Updated 01/15/2014
<http://www.florid.com/siteDocuments/QUASRngQuarterlyRpts/3Q2013/PIF.pdf>

FOR INFORMATIONAL PURPOSES ONLY

American Bankers Insurance Company of Florida Renters Insurance Program

within three (3) years after the hurricane first makes landfall or the windstorm causes covered damage.

The claim is barred unless notice of the claim, supplemental claim, or reopened claim was given to us in accordance with the terms of the policy within 3 years after the hurricane first made landfall or the windstorm caused the covered damage. For purposes of this section supplemental claim or reopened claim means an additional claim for recovery from us for losses from the same hurricane or other windstorm which we have previously adjusted pursuant to the initial claim.

This provision concerning time for submission of a claim, supplemental claim, or reopened claim does not affect any limitation for legal action against us as provided in this policy under the **Action Against Us** Condition, including any amendment to that condition.

Item **6. Appraisal** is deleted and replaced by the following:

6. Mediation or Appraisal.

- a. **Mediation.** If you and we are engaged in a dispute regarding a claim under this policy, either party may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the total cost for that rescheduled conference. However, if we fail to appear at a mediation conference without good cause, we will pay your actual cash expenses that you incur in attending the conference and also pay the total cost for the rescheduled conference.

- b. **Appraisal.** If you and we fail to agree on the amount of loss, either may request an appraisal of the loss. However, both parties must agree to the appraisal. 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 choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will

submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

Item **8. Action Against Us** is deleted and replaced by the following:

8. Action Against Us.

- No action shall apply against us unless:
- a. There has been full compliance with all the terms of this policy; and
 - b. The action is brought within five years from the date when you discover the loss.

Item **9. Our Option** is deleted and replaced by the following:

9. Our Option.

- If at the time of loss the damaged property is:
- a. Not insured for Replacement Cost Loss Settlement as outlined in **SECTION I – CONDITIONS, Loss Settlement**, and 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 material or property of like kind and quality.
 - b. Insured for Replacement Cost, we will pay the amount of loss, whether or not you repair or replace the damaged property.

Item **10. Loss Payment** is deleted and replaced by the following:

10. 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 upon the earliest of the following:
- a. 20 days after we receive your proof of loss and reach written agreement with you;
 - b. 60 days after we receive your proof of loss and:
 - (1) There is an entry of a final judgment; or
 - (2) There is a filing of an appraisal award or a mediation settlement with us; or
 - c. If payment is not denied, within 90 days after we receive notice of a claim, supplemental claim or reopened claim. However, this provision **10.c.** does not apply if factors beyond our control reasonably prevent such payment.

American Integrity Insurance Company of Florida
Effective 06/01/2014

American Integrity Insurance Company of Florida

HOMEOWNERS
AIC 01 HO3 SP 06 14

6. Appraisal is replaced by the following:

6. Mediation or Appraisal.

If there is a dispute with respect to a claim under this policy, either you or we may:

a. Demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The result of the mediation is binding only if both parties agree, in writing, on a settlement and you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the costs of that rescheduled conference.

However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

b. Demand an appraisal of the **covered loss** if we fail to agree on the amount of the loss. In this event, each party will choose a **competent and impartial independent appraiser** within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

Appraisal is required as a prerequisite before an Insured can file suit related to Section I - Property Coverages.

8. Suit Against Us is replaced by the following.

8. Suit Against Us. No action can be brought unless the policy provisions have been complied with and the action is started within 5 years from the date of loss.

9. Our Option is replaced by the following:

9. Our Option.

If we give you written notice within 30 days after we receive your signed, sworn proof of loss:

a. For losses settled on an "Actual Cash Value" basis, we may repair or replace any part of the

damaged property with material or property of like kind and quality;

b. For losses covered under Coverage A - Dwelling, insured for Replacement Cost Loss Settlement as outlined in SECTION I – CONDITIONS, Loss Settlement, we may repair the damaged property;

c. For all other losses insured on a replacement cost basis, the replacement cost will be paid, whether or not you repair or replace the damaged property.

10. Loss Payment is replaced by the following:

10. 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 paid upon the earliest of the following:

a. 20 days after:

(1) We receive your written proof of loss and reach a written, executed agreement of settlement with you according to the terms of the written agreement; or

b. 60 days after we receive your written proof of loss and:

(1) There is an entry of a final judgment or, in the case of an appeal from such judgment, within 60 days from and after the affirmance of the same by the appellate court; or

(2) Written executed mediation settlement with you according to the terms of the written mediation settlement; or

c. Within 90 days after we receive notice of an initial claim, "reopened claim" or "supplemental claim" from you, we will pay or deny such claim or a portion of the claim unless the failure to pay such claim or portion of claim is caused by factors beyond our control which reasonably prevent such payment.

Any payment made by us shall not constitute a waiver of our rights within the policy.

12. Mortgage Clause is replaced by the following:

12. Mortgage Clause.

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable 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 of 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.

American Integrity Insurance Company of Florida
Expires 06/01/2014

American Integrity Insurance Company of Florida

Homeowners
AIC 01 HO3 SP 07 13

- a. Demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The result of the mediation is binding only if both parties agree, in writing, on a settlement and you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the costs of that rescheduled conference.

However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

- b. Demand an appraisal of the loss if we fail to agree on the amount of the loss. In this event, each party will choose a **competent and impartial independent appraiser** within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

8. **Suit Against Us** is replaced by the following.
8. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within 5 years from the date of loss.
9. **Our Option** is replaced by the following:
9. **Our Option.**

If we give you written notice within 30 days after we receive your signed, sworn proof of loss:

- a. For losses settled on an actual cash value basis, we may repair or replace any part of the damaged property with material or property of like kind and quality;
- b. For losses covered under Coverage A - Dwelling, insured for Replacement Cost Loss Settlement as outlined in SECTION I – CONDITIONS, Loss Settlement, we may repair the damaged property;
- c. For all other losses insured on a replacement cost basis, the replacement cost will be paid,

AIC 01 HO3 SP 07 13

whether or not you repair or replace the damaged property.

10. **Loss Payment** is replaced by the following:

10. **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 paid upon the earliest of the following:

a. 20 days after:

- (1) We receive your written proof of loss and reach a written, executed agreement of settlement with you according to the terms of the written agreement; or

b. 60 days after we receive your written proof of loss and:

- (1) There is an entry of a final judgment or, in the case of an appeal from such judgment, within 60 days from and after the affirmance of the same by the appellate court; or

- (2) Written executed mediation settlement with you according to the terms of the written mediation settlement; or

c. Within 90 days after we receive notice of an initial claim, "reopened claim" or "supplemental claim" from you, we will pay or deny such claim or a portion of the claim unless the failure to pay such claim or portion of claim is caused by factors beyond our control which reasonably prevent such payment.

12. **Mortgage Clause** is replaced by the following:

12. **Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable 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 of 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.

Paragraphs **b.** and **f.** of **2. Duties After Loss**, **6. Mediation or Appraisal**, **8. Suit Against Us** and **10. Loss Payment** under SECTION I – CONDITIONS also applies to the mortgagee.

If we decide to cancel or nonrenew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect. If we pay the mortgagee for any loss and deny payment to you:

Page 9 of 13

FOR INFORMATIONAL PURPOSES ONLY

- (4) If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:
- i. Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and
 - ii. Sign the Same.
- (5) Anyone you hire in connection with your claim and anyone insured under this policy, other than an "insured" in (3) or (4) above, must:
- i. Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and
 - ii. Sign the Same;

The following is added to **2. Your Duties after Loss:**

- h. At our request, provide to us or execute an authorization which allows us to obtain on your behalf, records and documentation we deem relevant to the investigation of your loss.

3. Loss Settlement. Covered property losses are settled as follows:

Under Form **HO 00 03**, item **b.(4)** is replaced by the following:

- b.(4)** We will pay at least the actual cash value of the damage, less any applicable deductible, until actual repair is performed. We will pay any remaining amounts necessary to perform such repairs as the work is performed and the expenses are incurred and according to the provisions of **b.(1)** and **b.(2)** above.

However, if the cost to repair or replace the damage is both:

- (a) Less than 5% of the amount of insurance in this policy on the building; and
 - (b) Less than \$2500;
- we will settle the loss according to the provisions of **b.(1)** and **b.(2)** above whether or not actual repair or replacement is complete. If a total loss, we will pay the replacement cost amount without deduction for depreciation.

Under Form **HO 00 03**, item **b.(5)** is deleted.

Under Form **HO 00 06, Coverage A – Dwelling** paragraph **b.(1)** is replaced by the following:

- b.(1)** We will pay at least the actual cash value of the damage, less any deductible, until actual repair is performed. We will pay any remaining amounts necessary to perform

such repairs as the work is performed and the expenses are incurred, but not more than the least of the following amounts:

- (a) The necessary amount actually spent to repair or replace the damaged building; or
- (b) The limit of liability under this policy that applies to the building.

Under Form **HO 00 06, Coverage A – Dwelling** paragraph **b.(2)** is deleted.

6. Appraisal is replaced by the following:

6. Mediation or Appraisal. If you or we:

- a. Are engaged in a dispute regarding a claim under this policy, either party may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The results of the mediation are binding only when both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the costs of that rescheduled conference.

- b. Fail to agree on the amount of the loss, either party may demand an appraisal of the loss. In this event, each party will choose a **competent appraiser** within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss. Each party will:
 - (1) Pay its own appraiser; and
 - (2) Bear the other expenses of the appraisal and umpire equally.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

ASI & Ark Royal Insurance Company Sinkhole Losses

you or we invoke the “neutral evaluation” process, and begins again 10 days after the conclusion of the “neutral evaluation” process.

- (5) We will pay no more than the actual cash value of the damaged property, which does not include underpinning or grouting or any other repair technique performed below the existing foundation of the “principal building”, until you enter into a contract for the performance of building stabilization or foundation repairs in accordance with the recommendations set forth in the report created by the professional engineer retained or approved by us and issued pursuant to section 627.7073, Florida Statutes.
- (6) After you enter into the contract for the performance of building stabilization and foundation repairs, we will pay the amounts necessary to begin and perform such repairs as the work is performed and as the expenses are incurred by you.
- (7) The stabilization and all other repairs to the structure must be completed within 12 months after entering into the contract for repairs described in paragraph c.(6) above unless:
 - (a) There is a mutual agreement between you and us;
 - (b) The claim is involved with the “neutral evaluation” process;
 - (c) The claim is in litigation; or
 - (d) The claim is under appraisal or mediation.
- (8) We may, at our option, and with written approval of any lienholder, make payment directly to the persons selected by you to perform the land and building stabilization and foundation repairs. This decision to make payment to such persons does not hold us liable for the work performed.
- (9) If repair has begun and the professional engineer retained or approved by us determines that the repairs will exceed the applicable limit of liability, we will at our option, either:
 - (a) Pay to complete the professional engineer’s recommended repairs; or
 - (b) Pay the policy limits without a reduction for the repair expenses incurred.

(10) If you have submitted a “sinkhole” claim without good faith grounds for submitting such claim, you request that “sinkhole” testing, analysis and services be provided, we inform you in writing of your potential liability for reimbursement, and the claim is not withdrawn prior to our ordering a “sinkhole” analysis to investigate your claim, you are required, after we obtain written certification that there is no “sinkhole activity”, to reimburse us for 50% of the actual costs, up to \$2500, of the analysis and services provided by a professional engineer or professional geologist to conduct testing to determine the cause of loss; pursuant to Florida Statutes 627.7072 and 627.7073.

(11) As a precondition to us issuing payment and you accepting payment from us for a “sinkhole loss”, you must file with the county clerk of court a copy of any “sinkhole” report regarding the insured property which was prepared on your behalf or at your request. You shall bear the cost of filing and recording any such “sinkhole” report.

(12) The “Sinkhole Loss” Deductible applies to all “sinkhole losses”; is shown on the Declarations Page; and applies separately to each covered “sinkhole loss.”

With respect to “sinkhole loss” as provided in this endorsement, Condition 6. **Mediation or Appraisal** is deleted and replaced by the following:

6. Alternative Dispute Resolution.

a. **Appraisal.** If you or we fail to agree on the amount of covered loss under this endorsement, either party may demand an appraisal of:

- (1) The amount of covered loss to personal property;
- (2) The amount of covered loss to the “principal building,” which does not include underpinning or grouting or any other repair technique performed below the existing foundation of the building; or
- (3) Both.

However, the amount of underpinning or grouting or any other repair technique performed below the existing foundation of the building is not eligible for appraisal because it is not payable until the work is performed in accordance with the recommendations of the professional

ASI & Ark Royal Insurance Company
Sinkhole Losses

engineer retained or approved by us and the expenses are incurred.

In the event that you or we demand appraisal for a **qualifying type of loss**, each party will choose a **competent appraiser** within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

b. "Neutral Evaluation" Program

With respect to a claim for alleged "sinkhole loss", the "neutral evaluation" program is available as follows:

- (1) Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land and building stabilization and repair of the foundation, or if we deny your claim, we will notify you of your right to participate in a "neutral evaluation" program administered by the Florida Department of Financial Services (the Department.)
- (2) You or we may file a request with the Department for "neutral evaluation"; the other party must comply with such requests.
- (3) We will pay the costs associated with the "neutral evaluation" regardless of which party makes the request.
- (4) The "neutral evaluator" will be selected from a list maintained by the Department. The recommendation of the "neutral evaluator" will not be binding on us or the insured.
- (5) Participation in the "neutral evaluation" program does not change your right to file suit against us in accordance with Condition **8. Suit Against Us**.

(6) Neutral evaluation supersedes mediation as an alternative dispute resolution tool for coverage under this endorsement unless you and we agree in writing to use mediation instead of neutral evaluation.

(7) Neutral evaluation does not invalidate the appraisal clause contained in this endorsement.

With respect to "sinkhole loss" as provided in this endorsement, Condition **8. Suit Against Us** is replaced by the following:

8. Suit Against Us

No action can be brought against us; unless:

- a. There has been full compliance with all of the terms of this policy; and
- b. The action is started within 5 years after the date of the loss;

except that the time for filing suit is extended for a period of 60 days following the conclusion of the "neutral evaluation" process or 5 years, which ever is later.

With respect to "sinkhole loss" as provided in this endorsement, Condition **10. Loss Payment** is replaced by the following:

10. 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 pursuant to the Loss Settlement provisions of this endorsement.

The following Conditions are added:

"Sinkhole Loss" Deductible

The following replaces any other deductible provision in this policy with respect to "sinkhole loss" covered under this policy.

We will pay only that part of the total of all loss payable under Section I that exceeds the "Sinkhole loss" deductible.

The dollar amount of the "sinkhole loss" deductible is determined by multiplying the Coverage A limit of liability shown in the Declarations by the deductible percentage amount shown in the Schedule above.

(Under Form **HO 00 04**, the "sinkhole loss" deductible is multiplied by the Coverage C limit of liability.)

No Liability for Work Performed

Upon completion of any building stabilization or foundation repairs for a verified "sinkhole loss", the professional engineer responsible for monitoring the repairs shall issue a report to you

**Capacity Insurance Company
(Commercial Property)**

D. Deductible

In any one occurrence of loss or damage (herein-after referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building #1:	\$ 60,000
Limit of Insurance – Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a **competent and impartial appraiser**. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

Capacity Insurance Company
(Commercial Property)

This provision concerning time for submission of claim does not affect any limitation for legal action against us as provided in this policy under the Legal Action Against Us Condition, including any amendment to that condition.

H. The following definitions are added with respect to the coverage provided under this endorsement:

Supplemental claim or **reopened claim** means any additional claim for recovery from us for a loss we previously adjusted pursuant to the initial claim.

Primary structural member means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

Primary structural system means an assemblage of primary structural members.

Structural damage means a covered building, regardless of the date of its construction, has experienced the following:

1. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
2. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the primary structural members or primary structural systems that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those primary structural members or primary structural systems exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
3. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical primary structural members to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;

4. Damage that results in the building, or any portion of the building containing primary structural members or primary structural systems, being significantly likely to imminently collapse because of movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
5. Damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

Under **E. Loss Conditions**, item c. is added to **2. Appraisal** as follows.

- c. The appraisal **award must be defined and delineated** in such detail so that the loss and damages are described using the following categories:
 - (1) Actual Cash Value / Replacement Cost Value;
 - (2) **Building;**
 - (3) Structures;
 - (4) **Non-covered items and/or excluded items;**
 - (5) Mold and mold remediation;
 - (6) Contents and personal property;
 - (7) Cause of loss / cause of peril;
 - (8) Other expenses;
 - (9) Business income / extra expense; and
 - (10) Ordinance or law.

Under **E. Loss Conditions**, item (5) is added to **4. Loss Payment** as follows.

- (5) Pay the necessary amount actually spent to repair or replace the damaged property.

Under **E. Loss Conditions**, condition **4. Loss Payment**, item g. (2) is deleted and replaced with the following.

- (2) An appraisal award has been made, subject to the conditions as described in item 2. of **E. Loss Conditions**.

Under **E. Loss Conditions**, item i. is added to **4. Loss Payment** as follows.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM

- A.** The following provision applies when a Coinsurance percentage is shown in the Declarations:

Florida law states as follows:

Coinsurance contract: The rate charged in this policy is based upon the use of the coinsurance clause attached to this policy, with the consent of the Insured.

- B.** The following is added:

If windstorm is a Covered Cause of Loss and loss or damage to Covered Property is caused by or results from windstorm, the following exclusion applies in:

1. Broward County;
2. Dade County;
3. Martin County;
4. Monroe County;
5. Palm Beach County; and
6. All the areas east of the west bank of the Intra-Coastal Waterway in the counties of:
 - a. Indian River; and
 - b. St. Lucie.

Windstorm Exterior Paint and Waterproofing Exclusion

We will not pay for loss or damage caused by windstorm to:

1. Paint; or
2. Waterproofing material;

applied to the exterior of buildings unless the building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- a. The amount of the Windstorm or Hail Deductible; or

- b. The value of Covered Property when applying the Coinsurance Condition.

- C.** The **Loss Payment** Condition dealing with the number of days within which we must pay for covered loss or damage is replaced by the following:

Provided you have complied with all the terms of this Coverage Part, we will pay for covered loss or damage upon the earliest of the following:

- (1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you;
- (2) Within 30 days after we receive the sworn proof of loss and:
 - (a) There is an entry of a final judgment; or
 - (b) There is a filing of an appraisal award with us; or
- (3) Within 90 days of receiving notice of an initial, reopened or supplemental claim, unless we deny the claim during that time or factors beyond our control reasonably prevent such payment. If a portion of the claim is denied, then the 90-day time period for payment of claim relates to the portion of the claim that is not denied.

Paragraph (3) applies only to the following:

- (a) A claim under a policy covering residential property;
- (b) A claim for building or contents coverage if the insured structure is 10,000 square feet or less and the policy covers only locations in Florida; or

**Capacity Insurance Company
(Commercial Property)**

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved 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, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- 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. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

Castle Key Insurance Company and Castle Key Indemnity Company
Homeowners Policy Special AP4687

Payment under **Section I — Conditions**, item 5, **How We Pay For A Loss**, sub-items a) **Actual Cash Value Method** or b) **Building Structure Replacement Cost Method** above will not include any increased cost due to the enforcement of building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, relocation or demolition of **building structures** or other structures except as provided under **Section I — Additional Protection**, item 10, **Building Codes**.

- c) **Personal Property Replacement Cost Method**
When the Policy Declarations shows that Personal Property Payment provision applies under **Coverage C — Personal Property Protection**, and except as otherwise provided below, payment for a covered loss under **Coverage C — Personal Property Protection** will be on a replacement cost basis, meaning that the amount **we** pay **you** for the repair, rebuilding or replacement of the damaged, destroyed or stolen covered property will not include a deduction for depreciation. When **we** make payment on a replacement cost basis, **our** payment will not be conditioned on **you** actually repairing, rebuilding or replacing the damaged, destroyed or stolen covered property.

Our payment under this **Personal Property Replacement Cost Method** provision will not exceed the smallest of the following amounts:

- 1) the reasonable and necessary cost to replace the property with similar property of like kind and quality;
- 2) the reasonable and necessary cost to repair the property with similar property of like kind and quality; or
- 3) the limit of liability shown on the Policy Declarations for **Coverage C — Personal Property Protection**, or any special limit of liability described in the policy, regardless of the number of items of personal property involved in the loss.

This **Personal Property Replacement Cost Method** provision will not apply to:

- 1) property insured under **Coverage A — Dwelling Protection** and **Coverage B — Other Structures Protection**, except wall-to-wall carpeting;

- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent natures, cannot be replaced;
- 3) articles whose age or history contribute substantially to their value. This includes but is not limited to memorabilia, souvenirs and collector's items; or
- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss.

5. **Our Settlement Of Loss**

We will settle any covered loss with **you** unless another payee is named in the policy. **We** will settle within 20 days after the amount of loss is finally determined. This amount may be determined by an agreement between **you** and **us**, an appraisal award or a court judgment.

6. **Appraisal**

If **you** and **we** fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand, each party must select a **competent and impartial appraiser** and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a **competent and impartial umpire**. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to **you** and to **us**, the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award agreed upon by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses.

7. **Abandoned Property**

We are not obligated to accept any property or responsibility for any property abandoned by an **insured person**.

8. **Permission Granted To You**

- (iii) Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;
- (iv) Dwelling glass breakage;
- (v) Water damage;
- (vi) Theft; or
- (vii) Attempted theft.

- (b) Reduce the amount we would otherwise pay for a covered loss by 15%.

Dwellings under construction are not considered "vacant."

- (6) In the event of a "catastrophic ground cover collapse," any repairs must be made in accordance with the recommendations of our professional engineer.

If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

- (a) Complete the professional engineer's recommended repairs; or
- (b) Pay the policy limits without a reduction for the repair expenses incurred.

4. 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.

5. 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.

6. Mediation or Appraisal.

- a. Mediation. If there is a dispute with respect to a claim under this policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

- (1) The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.

- (2) The settlement in the course of the mediation is binding only if:

- (a) Both parties agree, in writing, on a settlement; and
- (b) You have not rescinded the settlement within 3 business days after reaching settlement.

- (3) You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

- (4) We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.

That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference.

- (5) However, if we fail to appear at a mediation conference, we will pay:

- (a) Your actual cash expenses incurred while attending the conference; and
- (b) Also pay the mediator's fee for the rescheduled conference.

b. Appraisal. If you and we fail to agree on the amount of loss, either may request an appraisal of the loss by presenting the other party with a written request for appraisal of the amount of loss. If the other party agrees in writing to participate in appraisal, then appraisal shall proceed pursuant to the terms of a written agreement between the parties.

7. Other Insurance And Service Agreement.

If a loss covered by this policy is also covered by:

- a. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
- b. A service agreement, this insurance is excess over any amounts payable under any such agreement.

Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

8. Suit Against Us.

No action can be brought against us; unless:

- a. There has been full compliance with all of the terms of this policy; and
- b. The action is started within 5 years after the date of the loss.

Citizens Property Insurance Corporation

	<p>Mailing Address: Appraisal Unit Citizens Property Insurance Corporation P.O. Box 19470 Jacksonville, FL 32245-9470</p>
---	--

Appraisal Agreement

Citizens Property Insurance Corporation, a government entity of the State of Florida created under section 627.351(6), Florida Statutes (“**Citizens**”); and the **Insured** hereby enter into this Appraisal Agreement (“**Agreement**”) to set an amount of loss for the Claim. Citizens and the Insured are each a “**Party**” and the only “**Parties**” to this Agreement.

1. Additional Definitions and Identification Information.

<p>“Insured” means the following person(s) or entity:</p>	
<p>“Policy” means the Insured’s policy of insurance with the following Citizens policy number:</p>	
<p>“Claim” means the Insured’s claim(s) with the following Citizens claim number(s):</p>	
<p>“Claimed Cause of Loss” is:</p>	
<p>“Date of Loss” is:</p>	
<p>“Effective Date” of this Agreement (to be completed when signed by Citizens):</p>	
<p>“Citizens’ Appraiser” is:</p>	
<p>“Insured’s Appraiser” is:</p>	
<p>“Citizens Contact” (name of the adjuster) and “Citizens Address” (email address – see Mailing Address above):</p>	
<p>“Insured Address” (which is the Insured’s mailing address in the Claim file, unless the Insured provides a different mailing and/or email address in the box to the right):</p>	
<p>“Appraisal Property” means the items of property listed on Exhibit “A.”</p>	
<p>“Amount of loss” means the actual cash value, repair cost, or replacement cost, whichever is applicable under the Policy, of the Appraisal Property.</p>	

Citizens Property Insurance Corporation

2. Intent and Scope of the Appraisal.

- a. The appraisal under this Agreement is intended as an expedited, collaborative, cost-effective process to resolve a disagreement in this Claim.
- b. The appraisal under this Agreement applies solely to the Appraisal Property.
- c. Citizens and the Insured have entered into this Agreement because they agree that the loss and/or damage to the Appraisal Property is insured under the Policy and was caused by a covered cause of loss during the policy period, but they disagree on the amount of loss of the Appraisal Property. This Agreement excludes items of property as to which there is disagreement over whether they are insured under the Policy or whether loss or damage was caused by a covered cause of loss during the policy period.
- d. Citizens' last estimate regarding the Appraisal Property is attached as Exhibit "B" hereto. The Insured's last estimate regarding the Appraisal Property is attached as Exhibit "C" hereto.
- e. The amount of loss determined in accordance with the terms and conditions of this Agreement is binding on both Citizens and the Insured.

3. Appointment of Appraisers and Umpire.

- a. If a Party has not listed its appointed appraiser in Section 1 above, such party shall provide written notice to the other Party of its appointed appraiser no later than 10 days after the Effective Date. A Party may change its appraiser at any time with written consent of the other Party, subject, however, to provisions of this Section 3.
- b. The two appraisers shall select an umpire no later than 10 days after both appraisers having been appointed as provided in paragraph a. If a replacement umpire is required for any reason, the appraisers shall select a replacement umpire, subject, however, to the provisions of this Section 3.
- c. No person shall serve as an appraiser or umpire in the appraisal unless he or she is competent, independent and disinterested.
- d. If a person (or member of his or her firm) has served as an adjuster, contractor, adviser or performed a similar role for either Party with respect to this Claim, such person (or member of his or her firm) shall not be considered independent and disinterested and shall not serve as an appraiser or umpire under this agreement.
- e. No person shall act as an appraiser or umpire under this Agreement unless he or she has executed this Agreement below. By executing this Agreement, each appraiser and the umpire agree to be bound by the provisions of Section 4 governing the Appraisal Process but is otherwise not a party to this Agreement.
- f. Any Party may terminate this Agreement by providing written notice to the other Party no later than 10 days after any of the following events has occurred: (i) the other Party's appraiser is not appointed as provided in paragraph a; (ii) the umpire is not appointed as provided in paragraph b; (iii) the appointment of the other Party's appraiser, if the other Party's appraiser is not qualified to serve as provided paragraph d.; or (iv) an appraiser or the umpire fails to execute this Agreement as provided in paragraph e. within 10 days of his or her appointment or selection.

4. Appraisal Process.

- a. The appraisal shall be conducted in the following stages:
 - (i.) Each appraiser shall in writing separately appraise the amount of loss for each item of Appraisal Property.

Citizens Property Insurance Corporation

- (ii.) After stage (i) has been completed, the appraisers shall jointly attempt in good faith to set the amount of loss for each item of Appraisal Property. If the two appraisers agree in whole, they shall issue a written appraisal award (signed by both appraisers) that lists their decision.
 - (iii.) If there is any disagreement on the amount of loss after completing stage (ii), the umpire and the appraisers shall jointly attempt in good faith to set the amount of loss for each such item of Appraisal Property. Once the umpire and any appraiser agree on the amount of loss for each such item of Appraisal Property, the umpire shall issue a written appraisal award (signed by the umpire and one appraiser) that lists their decision.
 - b. The appraisal award under stage (ii) or stage (iii), whichever applies, shall be substantially in the form of Exhibit D hereto and shall state for each item of Appraisal Property the amount of loss under each valuation method indicated on Exhibit A as applying to such item.
 - c. The amount of loss of each item of Appraisal Property in the appraisal award shall not be lower than the amount of loss in Citizens' estimate attached hereto, nor higher than the amount of loss in the Insured's estimate attached hereto.
 - d. Citizens shall provide to the appraisers and the umpire the contact information for the Parties provided for in Section 7, and the appraisers or umpire shall deliver the award to the Parties as provide for by the notice provision of Section 7. Each appraiser shall promptly forward a stage (ii) award to its appointing Party. The umpire shall promptly forward a stage (iii) award to both Parties.
 - e. Nothing in this Agreement shall prevent a Party from communicating with the other Party, the appraisers, or the umpire regarding this appraisal.
- 5. Costs and Expenses.** Each Party will:
- a. Pay its own appraiser;
 - b. Pay its own attorney fees, if any; and
 - c. Bear the other expenses of the appraisal and umpire equally.
- 6. Payment.** Citizens shall adjust the amount of loss as determined by the appraisal award for any prior payments, policy deductibles, coverage limits, and applicable policy terms and conditions. Citizens shall pay such adjusted amount of the loss as provided in the Policy.
- 7. Notice.** Any notice required under this Agreement is effective upon being sent by e-mail, certified mail (return receipt requested), reputable overnight courier service, or personal delivery to: (a) the Citizens Contact at the Citizens Address provided in Section 1; and (b) the Insured at the Insured Address provided in Section 1. Either Party may change its contact information upon written notice to the other Party in accordance with this Section.
- 8. Miscellaneous.**
- a. This Agreement (and any exhibits and addendums) constitute and embody the entire agreement and understanding of the Parties with respect to the subject matter hereof.
 - b. Additional terms, if any, are set forth on Exhibit E hereto, if signed by both Parties.
 - c. This Agreement is not the Policy, but shall not be construed in any manner to conflict with the Policy. This Agreement is not an arbitration agreement.
 - d. Any term defined in the Policy shall have the same meaning when used in this Agreement, unless this Agreement specifically provides a different definition.
 - e. The Agreement may be amended only upon mutual written agreement of the Parties. No oral agreements or representations shall be valid or binding upon the Parties.

Citizens Property Insurance Corporation

- f. The delay or failure by a Party to exercise or enforce any of its rights under this Agreement shall not be deemed a waiver of the Party’s right thereafter to enforce those or any other rights.
- g. The Agreement shall be construed, enforced, and administered according to the laws of the State of Florida.
- h. The Parties agree that, if a disagreement arises as to the terms or enforcement of any provision of this Agreement, they shall in good faith attempt to resolve the disagreement and shall provide written notice to the other 15 days prior to the filing any lawsuit or commencing a legal action against the other. For any such lawsuit or legal action, the Parties consent and submit to the exclusive jurisdiction of the State courts of Florida and waive any right to jury trial.
- i. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- j. Each person signing this Agreement below warrants that it is duly authorized to do so, except that no person is authorized to sign this Agreement on behalf of Citizens unless that person has the title of at least a Claims Supervisor.

Instructions: First, the Insured signs two copies and returns both copies to Citizens. Second, Citizens signs and returns one fully signed copy to the Insured. Third, Citizens obtains signatures of the appraisers and, if appointed, the umpire.

Citizens Property Insurance Corporation	Insured
_____ Signature	_____ Signature
_____ Name	_____ Name
_____ Title (see Section 8)	_____ Title (if not an individual insured)
_____ Date	_____ Date

The undersigned agree to be bound by the provisions of Section 4 of this Agreement:

_____ Citizens’ Appraiser	_____ Umpire
_____ Insured’s Appraiser	

Citizens Property Insurance Corporation

Exhibit A – Appraisal Property (3)

Items of Appraisal Property	Coverage Type (e.g., A, B, C, D)	Valuation Method: Actual cash value (ACV), replacement cost value (RCV), and/or repair cost (RC)
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
<u>General</u>		
Choose an item.		
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.

Exhibit B – Citizens’ Estimate

Exhibit C – Insureds’ Estimate

Exhibit D – Form of Appraisal Award
(to be completed by Appraisers and/or Umpire)

Insured Name:
Policy Number:
Claim Number:
Date of Loss:
Loss Location:

Items of Appraisal Property	Amount of Loss- ACV*	Amount of Loss- RCV*	Amount of Loss- RC*

Exhibit D – Form of Appraisal Award
(to be completed by Appraisers and/or Umpire)

Insured Name:
Policy Number:
Claim Number:
Date of Loss:
Loss Location:

Items of Appraisal Property	Amount of Loss- ACV*	Amount of Loss- RCV*	Amount of Loss- RC*

Exhibit D – Form of Appraisal Award
 (to be completed by Appraisers and/or Umpire)

Insured Name:
 Policy Number:
 Claim Number:
 Date of Loss:
 Loss Location:

Items of Appraisal Property	Amount of Loss- ACV*	Amount of Loss- RCV*	Amount of Loss- RC*
<u>General</u>			
Cleaning			
Debris Removal			
Base Service Charges			
Permits & Fees			
10% Overhead			
10% Profit			
Tax			
TOTAL AWARD			

* As applicable in accordance Exhibit A – Appraisal Property.

Citizens Property Insurance Corporation

This award is made without consideration of any deductibles or prior payments. Such deductibles and prior payments will be subtracted from any payments due and owing as a result of the entry of this award. This award is made subject to all the terms, conditions and exclusions of the above listed policy. This award must be accompanied by an itemized estimate that supports the total amount of the appraisal award outlined in Exhibit D.

This Award Requires two Signatures as provided in the Appraisal Agreement:

Appraiser for Insured

Appraiser for Citizens

Umpire

Exhibit E – Additional Terms and Conditions

_____ Signature on behalf of Citizens	_____ Signature on behalf of the Insured
--	---

By their signature immediately above, the Parties agree to the following additional terms and conditions:

CYPRESS PROPERTY & CASUALTY INSURANCE COMPANY

If the covered building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the covered building had been built at the original premises.

In Form **HO 00 03** Paragraph **2.e.** is deleted.

In the Form HO 00 06, Paragraph 2 is replaced with the following:

2. Coverage A - Dwelling

a. We will initially pay the actual cash value of the loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform the actual repair or replacement as work is performed and expenses incurred, but not more than the least of the following amounts:

(1) The limit of liability under this policy that applies to the covered building;

(2) The replacement cost of that part of the covered building damaged with material of like kind and quality and for like use; or

(3) The necessary amount actually spent to repair or replace the damaged covered building.

b. In the event of a total loss to the covered building we will pay the replacement cost without reservation or holdback of any depreciation in value, pursuant to Section 627.702 of the Florida statutes, subject to the limits of your policy.

In this provision, the terms "repaired" or "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in D.10. Ordinance Or Law under Section I - Property Coverages.

E. Appraisal is replaced by the following:

E. Mediation Or Appraisal

1. If you and we fail to agree on a material issue of fact, either will:

Request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.

The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and you have not rescinded the

settlement within three (3) business days after reaching settlement.

You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you "fail to appear at a conference". The terms "fail to appear at a conference" means your failure to attend the mediation in person if we have requested you to do so, in advance, in writing.

That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. If we fail to appear at a mediation conference, we will pay:

a. Your actual cash expenses you incur in attending the conference; and

b. Pay the mediator's fee for the rescheduled conference.

2. If you and we fail to agree on the amount of the loss, either will:

Request an appraisal of the loss. In this event, each party will choose a **competent appraiser** within 20 days after receiving a written request from the other.

The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located.

The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

a. Pay its own appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

Coverage determination issues are not subject to appraisal.

Appraisal is required as a prerequisite before an Insured can file suit related to Section I of this policy.

G. Suit Against Us is replaced by the following:

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under

- (b) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
 - (a) Excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
 - (b) Those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (c) Underground flues, pipes, wiring and drains.
- e. In the event of a loss for which the dwelling or personal property is insured on the basis of replacement cost, we shall pay the replacement cost without reservation or holdback of any depreciation in value, whether the "insured" replaces or repairs the dwelling or personal property or not.
- 4. **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.
- 5. **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.
- 6. **Mediation Or Appraisal**

If you and we:

- a. Are engaged in a dispute regarding a claim under this policy, either party may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible, or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and you have not rescinded the settlement within three business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the total cost for that rescheduled conference. However, if we fail to appear at a mediation conference without good cause, we will pay your actual cash expenses you incur in attending the conference and also pay the total cost for the rescheduled conference.

- b. Fail to agree on the amount of loss, either party may request an appraisal of the loss. However, both parties must agree to the appraisal. 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 choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

If, however, you or we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

- 7. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of

FEMA Standard Flood Insurance Policy - Dwelling Form (August 1, 2009)

M. Loss Payment

1. We will adjust all losses with you. We will pay you unless some other person or entity 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 (or within 90 days after the insurance adjuster files an adjuster's report signed and sworn to by you in lieu of a proof of loss) and:
 - a. We 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, as provided in **VII.P**.
2. If we reject your proof of loss in whole or in part you may:
 - a. Accept our denial of your claim;
 - b. Exercise your rights under this **policy**; or
 - c. File an amended proof of loss, as long as it is filed within 60 days of the date of the loss.

N. Abandonment

You may not abandon to us damaged or undamaged property insured under this **policy**.

O. Salvage

We may permit you to keep damaged insured property after a loss, and we will reduce the amount of the loss proceeds payable to you under the **policy** by the value of the salvage.

P. Appraisal

If you and we fail to agree on the **actual cash value** or, if applicable, replacement cost of your damaged property to settle upon the amount of loss, then either may demand an appraisal of the loss. In this event, you and we will each choose a **competent and impartial appraiser** within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the State where the covered property is located. The appraisers will separately state the **actual cash value**, the replacement cost, and the amount of loss to each item. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of **actual cash value** and loss, or if it applies, the replacement cost and loss.

Each party will:

1. Pay its own appraiser; and

2. Bear the other expenses of the appraisal and umpire equally.

Q. Mortgage Clause

The word "mortgagee" includes trustee.

Any loss payable under Coverage **A** - Building Property will be paid to any mortgagee of whom we have actual notice as well as any other mortgagee or loss payee determined to exist at the time of loss, and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

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

1. Notifies us of any change in the ownership or occupancy, or substantial change in risk of which the mortgagee is aware;
2. Pays any premium due under this **policy** on demand if you have neglected to pay the premium; and
3. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so.

All of the terms of this **policy** apply to the mortgagee.

The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the **building**.

If we decide to cancel or not renew this **policy**, it will continue in effect for the benefit of the mortgagee only for 30 days after we notify the mortgagee of the cancellation or nonrenewal.

If we pay the mortgagee for any loss and deny payment to you, we are subrogated to all the rights of the mortgagee granted under the mortgage on the property. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

R. Suit Against Us

You may not sue us to recover money under this **policy** unless you have complied with all the requirements of the **policy**. If you do sue, you must start the suit within 1 year after the date of the written denial of all or part of the claim, and you must file the suit in the United States District Court of the district in which the insured property was located at the time of loss. This requirement applies to any claim that you may have under this **policy** and to any dispute that you may have arising out of the handling of any claim under the **policy**.

S. Subrogation

Whenever we make a payment for a loss under this **policy**, we are subrogated to your right to recover for that loss from any other person. That means that your right to

binding only if both parties agree, in writing, on a settlement and you have not rescinded the settlement within 3 business days after reaching settlement.

You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you. We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay the actual cash expenses you incur in attending the conference and also pay the mediator's fee for that rescheduled conference.

- b. Demand an appraisal of the loss. In this event, each party will choose a **competent appraiser** within 20 days after receiving a written request from the other. **Neither the appraiser nor the company that employs the appraiser is entitled to receive a fee that is dependent on the amount of the appraisal award. However, the payment of an hourly or flat fee shall not render an appraiser incompetent under this provision.**

The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located.

The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss. In the event that the parties engage in mediation, this will not prohibit either party from demanding appraisal.

11. **Suit Against Us** is deleted and replaced by the following:

11. **Suit Against Us.** No action can be brought against us unless the policy provisions have been complied with and the action is started within 5 years after the date of loss.

12. **Our Option** is deleted and replaced by the following:

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 material or property of like kind and quality.

13. **Loss Payment** is deleted and replaced by the following:

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 upon the earlier of the following:

- a. 20 days after we receive your proof of loss and reach written agreement with you;
- b. 60 days after we receive your proof of loss; and
 - (1) There is an entry of a final judgment; or
 - (2) There is a filing of an appraisal award or a mediation settlement with us.
- c. If the payment is not denied, within 90 days after we receive notice of an initial, reopened or supplemental claim. However, this provision (13.c.) does not apply if factors beyond our control reasonably prevent such payment.

17. **Cancellation**

Paragraphs 17a., 17b., 17c., and 17d. are deleted and replaced by the following:

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect. We will not make cancellation effective prior to the date a signed request is received by us.
- b. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the Described Location has been damaged as a result of the hurricane or wind loss that is the subject of the declared emergency, we may cancel this policy only for the following reasons, with respect to the period beginning from the date the state of

Florida Family Insurance Company
Effective 07/22/2013 for New Business & 07/22/2013 for Renewals

- a. Demand a mediation of the loss in accordance with the rules established by the Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

- b. Demand an appraisal of the loss. If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a **competent appraiser** within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "Residence premises" is located. **We are not liable for court costs, attorneys fees, or expenses for an action including such fees, expenses, and costs for the voluntary dismissal by us of such an action.** The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

You or we may request the umpire describe the scope of work, the information analyzed, the appraisal methods, techniques employed, and the reasoning that supports the analyses, opinions, and conclusions used to develop the appraisal award in a line item appraisal report.

An appraisal award is subject to all of the terms and conditions of the policy. We do not give up any of our rights to challenge an element of loss as not being covered under the policy by participating in appraisal. Only if a court determines that coverage exists for that element of loss will the amount be binding on us. **Where the amount of any loss payable by us must be**

incurred as a condition of the policy, we have no obligation to pay any such amounts that are awarded until the cost or expense is actually incurred.

You or we cannot request appraisal any earlier than 14 days after we have received your signed proof of loss. You must demand appraisal from us under this policy prior to the expiration of the applicable period of limitations governing legal or equitable actions on a contract under Florida Law. Appraisal is required as a prerequisite before an Insured can file suit related to Section I-Property Coverages.

9. **Suit Against Us** is deleted and replaced by the following:

9. **Suit Against Us**

No action can be brought unless the policy provisions have been complied with and the action is started within 5 years after the date of loss.

10. **Our Option** is deleted and replaced by the following:

10. **Our Option.** We may repair or replace any part of the property damaged or stolen with similar property.

11. **Loss Payment** is deleted and replaced by the following:

11. **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 under the earlier of the following:

- a. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or
- b. Sixty (60) days after we receive your proof of loss and:
 1. There is an entry of a final judgment; or
 2. There is a filing of a mediation settlement with us; or.
- c. Within Ninety (90) days after we receive notice of an initial, reopened or supplemental property insurance claim from you. We will pay or deny such claim unless the failure to pay such claim is caused by factors beyond the control of the insurer which reasonably prevents such payment.

SECTION I-CONDITIONS

The following condition is added:

18. **Salvage**

We have the option to take all, or any part, of the property that has been destroyed or damaged at the agreed or appraised value.

SECTION II – EXCLUSIONS

Under 1. Coverage E – Personal Liability and Coverage F – Medical Payments To Others, Items a. and I. are deleted and replaced by the following:

- a. Which results from an act or omission by an "Insured" reasonably expected to cause "bodily injury" or "property damage;"

Florida Family Insurance Company
Expires 07/22/2013

- a. Demand a mediation of the loss in accordance with the rules established by the Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

- b. Demand an appraisal of the loss. In this event, each party will choose a **competent appraiser** within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "Residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

9. **Suit Against Us** is deleted and replaced by the following:
9. **Suit Against Us**
No action can be brought unless the policy provisions have been complied with and the action is started within 5 years after the date of loss.
10. **Our Option** is deleted and replaced by the following:
10. **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.

This condition does not apply to losses settled on a replacement cost basis.

11. **Loss Payment** is deleted and replaced by the following:

11. 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 under the earlier of the following:

- a. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or
- b. Sixty (60) days after we receive your proof of loss and:
 1. There is an entry of a final judgment; or
 2. There is a filing of a mediation settlement with us; or.
- c. Within Ninety (90) days after we receive notice of an initial, reopened or supplemental property insurance claim from you. We will pay or deny such claim unless the failure to pay such claim is caused by factors beyond the control of the insurer which reasonably prevents such payment.

SECTION II – EXCLUSIONS

Under 1. Coverage E – Personal Liability and Coverage F – Medical Payments To Others, Items a. and I. are deleted and replaced by the following:

- a. Which results from an act or omission by an "Insured" reasonably expected to cause "bodily injury" or "property damage;"
- I. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined under federal law. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

(This is Exclusion 1.m. in HO 24 73.)

SECTION II – CONDITIONS

1. **Limit of Liability** is deleted and replaced by the following:

1. Limit Of Liability

- a. Our total liability under Coverage E for all damages resulting from any one "occurrence" during the "Policy Period" will not be more than the limit of liability for Coverage E as shown in the Declarations. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "Occurrence".

C.2.a. and b. If a total loss occurs, we will pay the full replacement cost without reservation or holdback of any depreciation in value.

E. Appraisal is replaced by the following:

E. Mediation Or Appraisal

If there is a dispute with respect to a claim subject to mediation under this policy, either we or you may:

1. Demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

2. If you or we fail to agree on the amount of loss either may request an appraisal of the loss. The appraisal must be at the consent of both parties. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss. Each party will:
 - a. Pay its own appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.

G. Suit Against Us is replaced by the following:

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under **Section I** of this policy and the action is started within 5 years after the date of loss.

H. Our Option is replaced by the following:

H. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss:

1. For losses settled on an Actual Cash Value basis, we may repair or replace any part of the damaged property with material or property of like kind and quality;
2. For losses covered under **Coverage A – Dwelling**, insured for Replacement Cost Loss Settlement as outlined in **Section I – Conditions, Loss Settlement**, we may repair the damaged property with material of like kind and quality, without deduction for depreciation.

I. Loss Payment is replaced by the following:

I. 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 upon the earlier of the following:

1. 20 days after we receive your proof of loss and reach written agreement with you; or
2. 60 days after we receive your proof of loss and:
 - a. There is an entry of a final judgment; or
 - b. There is a filing of an appraisal award or mediation settlement with us.
3. If payment is not denied, within 90 days after we receive notice of an initial, reopened or supplemental claim.

However, this provisions (I.3.) does not apply if factors beyond our control reasonably prevent such payment.

Our failure to comply with this paragraph shall not form the sole basis for an action against us for breach of contract under this policy or for benefits under this policy.

Q. Concealment Or Fraud is replaced by the following:

Q. Concealment Or Fraud

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made material false statements;

Heritage Property & Casualty Insurance Company

Heritage Property & Casualty Insurance Company

Homeowners
HPCHO3 09 SP 11 13

- h. At our request, provide to us or execute an authorization which allows us to obtain on your behalf, records and documentation we deem relevant to the investigation of your loss.

11. Loss Settlement.

Paragraphs **b.(4)** and **(5)** have been deleted and replaced by the following:

- (4) We will initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will pay any remaining amount necessary to perform such repairs as work is performed and expenses are incurred. We will not require you to advance payment for such repairs or expenses, with the exception of incidental expenses to mitigate further damages. If a total loss of a building or structure insured under this policy occurs, we will pay the replacement cost coverage without reservation or holdback of any depreciation in value, subject to policy limits.
- (5) If the dwelling where loss or damage occurs has been "vacant" for more than 30 consecutive days before the loss or damage, we will not pay for any loss or damage caused by any of the following perils, even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, when caused or arising out of the freezing of a fire protective sprinkler system, unless you have protected the entire system against freezing;
 - (c) Dwelling glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.

Dwellings under construction are not considered "vacant".

6. Appraisal is deleted and replaced by the following:

6. Mediation or Appraisal.

a. Mediation. If there is a dispute with respect to a claim under this policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

- (1) Unless you and we agree to mediate a claim involving a lesser amount; the loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.
- (2) The settlement in the course of the mediation is binding only if:
 - (a) Both parties agree in writing on a settlement; and
 - (b) You have not rescinded the settlement within 3 business days after reaching settlement.
- (3) You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.
- (4) We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference.
- (5) However, if we fail to appear at a mediation conference, we will pay:
 - (a) Your actual cash expenses incurred while attending the conference; and
 - (b) Also pay the mediator's fee for the rescheduled conference.

b. Appraisal. If you and we do not agree on the amount of the loss, including the amount of actual cash value or replacement cost, then, on the written demand of either, each shall select a

Heritage Property & Casualty Insurance Company

Heritage Property & Casualty Insurance Company

Homeowners
HPCHO3 09 SP 11 13

competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of you or the company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then resolve the issues surrounding the loss, appraise the loss, stating separately the actual cash value and replacement cost of each item, and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two of these three, when filed with the company shall determine the amount of loss.

Each party will:

- (a) Pay its own appraiser; and
- (b) Bear the other expenses of the appraisal and umpire equally.

8. Suit Against Us is deleted and replaced by the following:

8. Suit Against Us. No action can be brought unless the policy provisions have been complied with and the action is started within 5 years after the date of loss.

10. Loss Payment is deleted and replaced by the following:

10. 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 paid upon the earliest of the following:

- a. 20 days after we receive your written proof of loss and reach a written, executed agreement of settlement with you according to the terms of the written agreement; or
- b. Within 60 days of:
 - (1) There is an entry of a final judgment or, in the case of an appeal from such judgment, within 60 days from

and after the affirmance of the same by the appellate court; or

(2) Written executed mediation settlement with you according to the terms of the written mediation settlement; or

- c. Within 90 days after we receive notice of an initial claim, "reopened claim" or "supplemental claim" from you, we will pay or deny such claim or portion of the claim unless the failure to pay such claim or portion of claim is caused by factors beyond our control which reasonably prevent such payment.

The following Conditions are added.

17. Venue. This policy and any performance thereunder shall be construed with and governed by the laws of the State of Florida.

18. Assignment of Claim Benefits.

- a. Any person or entity that effectuates repairs to property insured under this policy is not entitled to perform those repairs or receive compensation for services using an assignment of benefits or any instrument that transfers any post loss rights under the insurance contract without the prior written consent of all "insureds", all additional insureds and all mortgagee(s) named in the policy.

- b. For any assignment of benefits after a loss:

(1) You must disclose the assignment to us prior to the payment of any claim; and

(2) You must comply with all the **Section I – Conditions, 2. Duties After Loss.**

We have no duty to provide coverage under this policy if you fail to comply with these duties.

- c. If we deny the claim, that denial will apply to any and all claim(s) of any assignee(s).

- b.** Appraisal. If you and we fail to agree on the amount of loss, either may request an appraisal of the loss by presenting the other party with a written request for appraisal of the amount of loss. If the other party agrees in writing to participate in appraisal, then appraisal shall proceed pursuant to the terms of a written agreement between the parties.

7. Other Insurance.

If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

8. Suit Against Us.

No action can be brought against us; unless:

- a.** There has been full compliance with all of the terms of this policy; and
- b.** The action is started within 5 years after the date of the loss.

9. Our Option.

If at the time of loss:

- a.** We give or mail you written notice within 30 days after we receive your signed, sworn proof of loss; and:

(1) The damaged property under Coverage **A** – Dwelling in Section **I** – PROPERTY COVERAGES is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:

- (a)** We may, at our option, repair any part or item of the damaged Coverage **A** property with material or property of like kind and quality.
- (b)** If an identical replacement is part of the repair and is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

(2) The damaged property is insured for Actual Cash Value loss settlement as described in your Loss Settlement conditions:

- (a)** We may, at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.
- (b)** If an identical replacement is not available, we may, at our option,

substitute replacement of equal or greater features, functions or capacities of the damaged property.

- b.** The damaged property, other than **a.(1)** above, is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:

(1) We will pay the amount of loss, whether or not you repair or replace the damaged property.

10. Loss Payment.

We will adjust all losses with you.

We will pay you unless some other person named in the policy is also legally entitled to receive payment.

Loss will be payable:

- a.** 20 days after we receive your proof of loss and reach written agreement with you; or
- b.** 60 days after we receive your proof of loss; and

(1) There is an entry of a final judgment; or

(2) There is a filing of an appraisal award or a mediation settlement with us.

- c.** Within 90 days after we receive the notice of a property insurance claim from you, where we shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

However, our failure to comply with this subsection shall not form the sole basis for a private cause of action against us.

11. Abandonment of Property.

We need not accept any property abandoned by an "insured."

12. Mortgagee Clause.

The word "mortgagee" includes trustee and lienholder.

If a mortgagee is named in this policy, any loss payable 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 of precedence of the mortgages.

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

b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1) The actual cash value of that part of the building damaged; or
- (2) That proportion of the cost to repair or replace, without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2) Those supports described in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in 2.a. and b. above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2,500;

we will settle the loss as noted in 2.a. and b. above whether or not actual repair or replacement is complete.

e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition D. Loss Settlement, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

E. Loss To A Pair Or Set

In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

F. Appraisal

If you and we fail to agree on the amount 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 choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

G. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

Louisiana Statute

Louisiana RS 22:1311 excerpt

SUBPART C. FIRE AND EXTENDED COVERAGE
(STANDARD FIRE POLICY)

§1311. Fire insurance contract; standard provisions; variations

A. The printed form of a policy of fire insurance, as set forth in Subsection F of this Section, shall be known and designated as the "standard fire insurance policy of the State of Louisiana."

....

F. The form of the standard fire insurance policy of the state of Louisiana (with permission to substitute for the word "company" a more accurate descriptive term for the type of insurer) shall be as follows:

....

Appraisal-In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a **competent and disinterested appraiser** and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a **competent and disinterested umpire**; and failing for fifteen days to agree upon such umpire, then on request of the insured or this Company such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, **stating separately actual cash value and loss to each item**, and failing to agree, shall submit their differences, only, to the umpire. An award in writing, **so itemized**, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

<http://www.legis.state.la.us/lss/lss.asp?doc=508175>

FOR INFORMATIONAL PURPOSES ONLY

COVERAGE B – PERSONAL PROPERTY

Item 1.a. under **B1 – Limited Replacement Cost Loss Settlement.**, is replaced by the following:

- a. We will pay the cost to repair or replace property covered under **COVERAGE B – PERSONAL PROPERTY** without deduction for depreciation and whether or not you replace the property, except for property listed in item b. below.

SECTION I – CONDITIONS

The following is added to item 2., **Your Duties After Loss**:

- f. if hurricane or windstorm coverage is provided by this policy or by endorsement, give notice to us or our agent of any windstorm or hurricane loss, including, but not limited to, initial, supplemental and reopened claims, in accordance with policy requirements and within 3 years after the hurricane first made landfall or the windstorm caused the covered damage.

Item 4., **Appraisal**, is replaced by the following:

4. **Appraisal.** If you and we fail to agree on the amount of loss, either party can demand that the amount of the loss be set by appraisal. A demand for appraisal must be in writing. You must comply with **Your Duties After Loss** before making a demand.

Each party will select a **qualified, disinterested appraiser** and notify the other of the appraiser's identity within 20 days of receipt of the written demand. Each party shall be responsible for the compensation of their selected appraiser. The two appraisers shall then select a **qualified, disinterested umpire**. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire. Reasonable expenses of the appraisal and the **reasonable compensation of the umpire** shall be paid equally by you and us.

The appraisers shall then set the amount of the loss. The amount of the loss is determined by the actual cash value, market value or replacement cost of the loss according to the applicable Loss Settlement provision. If a dispute exists regarding the extent of the damages or whether any part of the loss is covered by the policy, the appraisers will **itemize the damages** according to the scope of the loss specified by each party. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. **If the appraisers fail to agree within 30 days, unless the time is extended by mutual agreement, they shall submit their differences to the umpire.**

Written agreement signed by any two of these three shall set the amount of the loss.

Appraisal is only available to determine the actual cash value, market value or replacement cost of the loss, and **has no effect on matters of coverage.** Appraisal is a non-judicial proceeding and neither party will be awarded attorney fees or be subject to an entry of judgment in a court. We do not waive any of our rights by submitting to an appraisal.

The following is added to item 8., **Loss Payment**:

If we do not pay or deny a loss within 90 days after we receive notice of an initial, reopened, or supplemental property insurance claim from you and no factors beyond our control would reasonably prevent us from making payment, interest will be paid in accordance with Section 627.70131(5) of the Florida Insurance Code.

SECTION II – LIABILITY COVERAGES

SECTION II – ADDITIONAL COVERAGES

Items 1.a., 1.c. and 1.d. are replaced by the following:

1. **Claim Expenses.** We pay:
 - a. expenses we incur and costs taxed against an **insured** in suits we defend. Taxed costs do not include attorney fees;
 - c. reasonable expenses an **insured** incurs at our request. This includes actual loss of earnings (but not loss of other income) up to \$200 per day for aiding us in the investigation or defense of claims or suits;
 - d. interest the **insured** is legally liable to pay on damages payable under Coverage L above before a judgment, but only the interest on the lesser of:
 - (1) that part of the damages we pay; or
 - (2) the Coverage L limit; and

SECTION II – CONDITIONS

Item 1., **Limit of Liability**, is replaced by the following:

1. **Limit of Liability.** The Coverage L limit is shown in the **Declarations**. This is the limit for all damages from each **occurrence** for the policy period in which the **bodily injury** or **property damage** first occurs, regardless of the number of **insureds**, claims made or persons injured. No additional limits or coverage will be available for the **occurrence** under any additional policy periods while this policy remains in force.

The Coverage M limit is shown in the **Declarations**. This is our limit for all medical expense for **bodily injury** to one person as the result of one accident.

State Farm Florida Insurance Company
Expires 03/01/2014

4. **Appraisal.** If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each shall select a **competent, disinterested appraiser**. Each shall notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a **competent, impartial umpire**. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

5. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only our share of the loss. Our share is the proportion of the loss that the applicable limit under this policy bears to the total amount of insurance covering the loss.

6. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions. The action must be started within one year after the date of loss or damage.

7. **Our Option.** We may repair or replace any part of the property damaged or stolen with similar property. Any property we pay for or replace becomes our property.

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

9. **Abandonment of Property.** We need not accept any property abandoned by an **insured**.

10. **Mortgage Clause.** The word "mortgagee" includes trustee.

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

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

(1) notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;

(2) pays on demand any premium due under this policy, if you have not paid the premium; and

(3) 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.

c. If this policy is cancelled by us, the mortgagee shall be notified at least 10 days before the date cancellation takes effect. Proof of mailing shall be proof of notice.

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

(1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

(2) at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

11. **No Benefit to Bailee.** We will not recognize an assignment or grant coverage for the benefit of a person or organization holding, storing or transporting property for

Tower Hill
Citizens Assumed Homeowners Program

and expenses are incurred, subject to **b.(1)** and **b.(2)** above.

If a total loss of the dwelling occurs, the provisions of **b.(4)** above do not apply and we will pay the replacement cost coverage without reservation or holdback of any depreciation in value, pursuant to Section 627.702, Florida Statutes.

This does not prohibit us from exercising our right to repair damaged property in compliance with this policy and pursuant to Section 627.702(7), Florida Statutes.

(5) If the dwelling where loss or damage occurs has been "vacant" for more than 30 consecutive days before the loss or damage, we will:

(a) Not pay for any loss or damage caused by any of the following perils, even if they are a Peril Insured Against:

- (i)** Vandalism;
- (ii)** Malicious mischief;
- (iii)** Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;

(iv) Dwelling glass breakage;

(v) Water damage;

(vi) Theft; or

(vii) Attempted theft.

(b) Reduce the amount we would otherwise pay for a covered loss by 15%. Dwellings under construction are not considered "vacant."

(6) In the event of a "catastrophic ground cover collapse," any repairs must be made in accordance with the recommendations of our professional engineer.

If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable Limit of Insurance, we will at our option; either:

(a) Complete the professional engineer's recommended repairs; or

(b) Pay the policy limits without a reduction for the repair expenses incurred.

4. 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.

5. 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.

6. Mediation or Appraisal.

a. Mediation. If there is a dispute with respect to a claim under this policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

(1) The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request.

(2) The settlement in the course of the mediation is binding only if:

(a) Both parties agree, in writing, on a settlement; and

(b) You have not rescinded the settlement within 3 business days after reaching settlement.

(3) You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

(4) We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.

That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference.

(5) However, if we fail to appear at a mediation conference, we will pay:

(a) Your actual cash expenses incurred while attending the conference; and

(b) Also pay the mediator's fee for the rescheduled conference.

b. Appraisal. If you and we fail to agree on the amount of loss, either may request an appraisal of the loss by presenting the other party with a written request for appraisal of the amount of loss. If the other party agrees in writing to participate in appraisal, then appraisal shall proceed.

Each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and disinterested umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will

Tower Hill
Citizens Assumed Homeowners Program

separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

7. Other Insurance And Service Agreement.

If a loss covered by this policy is also covered by:

- a. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
- b. A service agreement, this insurance is excess over any amounts payable under any such agreement.

Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

8. Suit Against Us.

No action can be brought against us; unless:

- a. There has been full compliance with all of the terms under Section I of this policy; and
- b. The action is started within 5 years after the date of the loss.

9. Our Option.

If at the time of loss:

- a. We give or mail you written notice within 30 days after we receive your signed, sworn proof of loss; and:

(1) The damaged property under Coverage A – Dwelling in Section I – PROPERTY COVERAGES is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:

- (a) We may, at our option, repair any part or item of the damaged Coverage A property with material or property of like kind and quality.
- (b) If an identical replacement is part of the repair and is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

(2) The damaged property is insured for Actual Cash Value loss settlement as described in your Loss Settlement conditions:

- (a) We may, at our option, repair, rebuild or replace any part or item of the damaged property with material or property of like kind and quality.
- (b) If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

b. The damaged property, other than a.(1) above, is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:

- (1) We will pay the amount of loss, whether or not you repair or replace the damaged property.

10. 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. Any loss payment will be paid to you and them, as each interest appears.

Loss will be payable:

- a. 20 days after we receive your proof of loss and reach written agreement with you; or
- b. 60 days after we receive your proof of loss; and
 - (1) There is an entry of a final judgment; or
 - (2) There is a filing of an appraisal award or a mediation settlement with us.

c. Within 90 days after we receive notice of an initial, reopened, or supplemental property insurance claim from you, where for each initial, reopened, or supplemental property insurance claim, we shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

Paragraph c. above does not form the sole basis for a private cause of action against us.

11. Abandonment of Property.

We need not accept any property abandoned by an "insured."

12. Mortgage Clause.

The word "mortgagee" includes trustee and lienholder.

- a. If a mortgagee is named in this policy, any loss payable 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 of precedence of the mortgages.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES MEDIATION OR APPRAISAL AND NEUTRAL EVALUATION (COMMERCIAL RESIDENTIAL PROPERTY)

This endorsement modifies insurance provided under the following (if attached to this policy):

BUILDERS RISK COVERAGE FORM (COMMERCIAL PROPERTY COVERAGE PART)
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERGE FORM
STANDARD PROPERTY POLICY

- A.** With respect to a loss to commercial residential property, the following replaces the **Appraisal Condition**:

MEDIATION OR APPRAISAL

If we and you disagree on the value of the property or the amount of loss, either may request:

1. A mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of mediation is binding only if both parties agree, in writing, on a settlement, and you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

2. An appraisal of the loss, in writing. In this event, each party will select a **competent and impartial appraiser**. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The **appraisers will state separately the value of the property and amount of loss**. If they fail

to agree, they will submit their differences to the umpire.

A decision agreed to by any two will be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

However, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss, if we:

- a. Requested mediation and either party rejected the mediation result; or
- b. Failed to notify you of your right to participate in the mediation program.

- B.** With respect to a claim for alleged Sinkhole Loss, the following provision is added:

Following receipt by us of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land stabilization and repair of property, or if we deny your claim, we will notify you of your right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department). For alleged Sinkhole Loss to commercial residential or farm residential properties, this program applies instead of any mediation procedure set forth elsewhere in this policy, but does not invalidate the Appraisal Condition.

T.W.I.A. Commercial Policy
Windstorm and Hail Ed Date 11/1/2013

Your access to judicial review of our decisions under this policy is limited by statute.

- a. You may not bring a private lawsuit against us, our agent or representative under Chapters 541 (concerning unfair methods of competition and unfair or deceptive acts or practices) or 542 (concerning processing and settlement of claims), Texas Insurance Code. Subchapter L-1, Chapter 2210, Texas Insurance Code provides the exclusive remedies for claims against us, our agent or our representative.
- b. You may not bring a class action suit against us.
- c. We and our agents or representatives may not be held liable for damages under Chapter 17, Texas Business and Commerce Code (concerning deceptive trade practices), or under any provisions of any law providing for additional damages, punitive damages, or a penalty, except as otherwise specified by the Texas Windstorm Insurance Association Act, Chapter 2210, Texas Insurance Code.
- d. You may not bring a lawsuit against us with reference to a claim for which we have accepted coverage in full, except as provided by Condition 11.
- e. You may not bring a lawsuit against us with reference to the amount of loss we will pay for a claim in full or in part, except as provided by Condition 11.
- f. You may not bring a lawsuit against us with reference to a claim for which we have denied coverage in full or in part, except as provided by Condition 12.

11. Disputes Concerning the Amount of Loss - Exclusive Remedy.

- a. If you dispute the amount we will pay for a claim, your exclusive remedy under this policy is appraisal.
- b. If you choose to demand appraisal, you must do so no later than the 60th day after the date you receive notice from us that we accept

coverage for a claim in full or in part as provided by Condition 4.b.(2).

- c. You may request in writing that the 60-day period to demand appraisal be extended:
 - (1) not later than the 75th day after the date you receive written notice from us that we accept coverage for a claim in full or in part; and
 - (2) we may grant an additional 30-day period in which you may demand appraisal, on a showing of good cause.
- d. You may request from us a detailed summary of the manner in which we determined the amount of the loss we will pay.
- e. If you do not demand appraisal before the 61st day after we notify you that we accept coverage for a claim in full or in part, or before the 31st day after we grant an extension for good cause, you waive your right to contest our determination of the amount of loss we will pay for that claim.

f. Appraisal Process.

- (1) If you demand appraisal of the amount we will pay for a claim, you and we will each select a **competent and independent appraiser**. You shall notify us of your appraiser's identity. We shall notify you of our appraiser's identity within 10 days after we receive notice of your appraiser's identity. The two appraisers will choose a **competent and independent umpire**. If they cannot agree upon an **umpire within 15 days, the commissioner of insurance shall select an umpire from a roster of qualified umpires maintained by the Texas Department of Insurance**.
- (2) The two appraisers will then determine the amount of loss, stating separately for the **portion of the claim for which we have accepted coverage** in full or in part:

T.W.I.A. Commercial Policy
Windstorm and Hail Ed Date 11/1/2013

- (i) The actual cash value of the damaged property at the time of loss, determined with proper deduction for depreciation; and
- (ii) The cost to repair or replace the damaged property with material of like kind and quality.

(3) If you or we request that they do so, the appraisers will also determine:

- (i) the full replacement cost of the building at the time of loss for purposes of the Loss Settlement Condition; and
- (ii) the value of the covered property at the time of loss for purposes of the Coinsurance Condition.

(4) If you or we request that they do so, the appraisers will also determine the amount that you necessarily spent to repair or replace the damaged property.

(5) If you or we request that they do so, the appraisers will also determine the amount of loss for any extensions of coverage for which we have accepted coverage in full or in part.

(6) If the appraisers fail to agree, they will submit their differences to the umpire. An itemized decision agreed to by any two of these three and filed with us will determine the amount of the loss.

(7) You and we are responsible in equal shares for paying the costs incurred or charged in connection with the appraisal, including expenses of the appraisers and umpire. If we pay more than our share of the costs of appraisal, our liability and payment for covered losses shall be reduced by the amount we pay in excess of our share.

g. The appraisal decision is binding upon you and us and is not otherwise reviewable or appealable, unless:

(1) the appraisal decision was obtained by corruption, fraud, or other undue means;

(2) your or our rights were prejudiced by:

- (i) evident partiality by an appraisal umpire;
- (ii) corruption by an appraiser or umpire; or
- (iii) misconduct or willful misbehavior of an appraiser or umpire; or

(3) an appraiser or umpire:

- (i) exceeded the appraiser's or umpire's powers;
- (ii) refused to postpone the appraisal after a showing of sufficient cause for the postponement;
- (iii) refused to consider evidence material to the claim; or
- (iv) conducted the appraisal in a manner that substantially prejudiced your or our rights.

h. If you or we believe the appraisal decision is appealable as a result of any reason listed in Condition 11.g., you or we may file a lawsuit to vacate the appraisal decision in a district court in the county in which the loss that is the subject of the appraisal occurred. A lawsuit under this paragraph must be filed not later than two years after the date of an appraisal decision. If the court vacates the appraisal decision, you and we must begin the appraisal process again.

12. Disputes Concerning Denied Coverage – Exclusive Remedy.

a. If you dispute our decision to deny coverage for a claim in full or in part, prior to bringing a lawsuit against us, you must provide notice to us of your intent to bring a lawsuit. You may use a form supplied by us.

United Property & Casualty Insurance Company
Submitted for Approval

Paragraph 2.e. is deleted.

In Form HO 00 06:

Paragraph 2. is replaced by the following:

2. Coverage A – Dwelling, at the actual cost to repair or replace.

In this provision, the terms "repaired" and "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in D.10. Ordinance Or Law under Section I – Property Coverages.

Paragraph F. Appraisal

The following is added:

Appraisal is required as a prerequisite before an Insured can file suit related to Section I of this policy.

COMMENTS:

Paragraph F. Mediation Or Appraisal is removed from the Special Provisions and reverts back to the ISO 2011 Forms [HO 00 03, HO 00 04 & HO 00 06].

Submitted for approval on February 11, 2014.

Requested effective date is April 1, 2014 for new business and June 1, 2014 for renewal business.

F. Appraisal

If you and we fail to agree on the amount 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 choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

United Property & Casualty Insurance Company
Expires 04/01/2014

total loss caused by a Peril Insured Against.

SECTION I – CONDITIONS

3. Loss Settlement

Paragraph **3.b.(4)** is deleted and replaced with the following:

(4) We will initially pay the actual cash value of the loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform the actual repair or replacement as work is performed and expenses are incurred subject to **3.b.(1)** and **(2)**. If a total loss occurs, we will pay the full replacement cost without reservation or holdback of any depreciation in value.

However, if the cost to repair or replace the damage is both:

(a) Less than 5% of the amount of insurance in this policy on the building; and

(b) Less than \$2,500;

We will settle the loss according to the provisions of **b.(1)** and **b.(2)** above whether or not actual repair or replacement is complete.

6. Appraisal is deleted and replaced by the following:

6. Mediation

If you and we are engaged in a dispute regarding a "claim" under this policy, either party may demand a mediation of the loss or "claim" in accordance with the rules established by the Florida Department of Financial Services.

- a.** The loss or "claim" amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss or "claim" settlement amount we offer and the loss or "claim" settlement amount that you request.
- b.** The settlement in the course of the mediation is binding only if:
 - (1)** Both parties agree, in writing, on a settlement; and
 - (2)** You have not rescinded the settlement within three (3) business days after reaching settlement.
- c.** You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.
- d.** We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.

That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference.
- e.** However, if we fail to appear at a mediation conference, we will pay:
 - (1)** Your actual cash expenses incurred while attending the conference; and
 - (2)** Also pay the mediator's fee for the rescheduled conference.

For purposes of this section, "claim" refers to any dispute between you and us relating to a material issue of fact other than:

- 1. A dispute as to which we have a reasonable basis to suspect fraud, or
- 2. A dispute where, based upon agreed facts as to the cause of loss, there is no coverage under the policy.

8. Suit Against Us is deleted and replaced by the following:

8. Suit Against Us

No action can be brought against us; unless:

- a.** There has been full compliance with all of the terms of this policy; and
- b.** The action is started within 5 years after the date of the loss.

9. Our Option is deleted and replaced by the following:

9. Our Option

If at the time of loss:

- a.** The damaged property is insured for Actual Cash Value loss settlement as described in Section I – CONDITIONS **3.a. Loss Settlement** and we give you written notice within 30 days after we receive your signed, sworn proof of loss:
 - (1)** We may at our option, repair or replace any covered part or item of the damaged property with material or property of like kind and quality.
 - (2)** If an identical replacement is not available, we may, at our option, substitute replacement of equal or greater features of the damaged property.
- b.** The damaged property is insured for Replacement Cost loss settlement as described in Section I – CONDITIONS **3.b. Loss Settlement** or the damaged property is insured for replacement cost loss settlement under form **HO 04 90**:

We will pay the amount of loss, whether or not you repair or replace the damaged property.

10. Loss Payment is deleted and replaced by the following:

10. Loss Payment

We will adjust all losses with you.

We will pay you unless some other person named in the policy is also legally entitled to receive payment.

Loss will be payable upon the earlier of the following:

- a.** Twenty (20) days after we receive your proof of loss and reach written agreement with you; or
- b.** Sixty (60) days after we receive your proof of loss; and
 - (1)** There is an entry of a final judgment; or
 - (2)** There is a filing of a mediation settlement with us.

Unless we and you agree to mediate a "claim" involving a lesser amount, a "claim" involves you requesting \$500 or more to settle the dispute, or the difference between the positions of the parties is \$500 or more, either of which is prior to any applicable deductible.

The policy must have been in effect at the time of loss to qualify as a "claim".

If you and we fail to agree on a "claim" as defined, either party may:

1. Mediation

Demand a mediation of the "claim" in accordance with the rules established by the Florida Department of Financial Services. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and you have not rescinded the settlement within three business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you. We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

If you and we fail to agree on the amount of loss, either may:

2. Appraisal

Request an appraisal of the loss. If such request is made, both parties must agree to the request. If both parties agree to the appraisal request, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

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

In Form HO 00 06:

F. **Other Insurance and Service Agreement** is replaced by the following:

F. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by other insurance or a service agreement covering the same property, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

However, if a loss covered by this policy is covered by other insurance covering the same property and such other insurance is:

1. Excess insurance over the amount recoverable under any other policy covering the same property; or
2. Other unit-owner insurance for improvements or additions to the condominium property that benefits fewer than all unit-owners;

We will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of such insurance covering the loss.

Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

G. **Suit Against Us** is replaced by the following:

G. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within 5 years after the date of loss.

H. **Our Option** is replaced by the following:

H. Our Option

If at the time of loss, the damaged property is:

1. Not insured for Replacement Cost Loss Settlement as outlined in Section I – Conditions, Loss Settlement, and 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 material or property of like kind and quality.

I. **Loss Payment** is replaced by the following:

I. 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 upon the earliest of the following:

1. 20 days after we receive your proof of loss and reach written agreement with you;
2. 60 days after we receive your proof of loss and:
 - a. There is an entry of a final judgment; or

Universal Property & Casualty Insurance Company

engineer's recommended repairs; or

- (b) Pay the policy limits without a reduction for the repair expenses incurred.

3. **Loss Settlement (HO 00 06)** is deleted and replaced by the following:

3. **Loss Settlement (HO 00 06)** property losses are settled as follows:

a. Personal property at actual cash value at the time of loss but not more than the amount required to repair or replace.

b. Coverage A – Dwelling:

(1) At the actual cost to repair or replace.

(2) We will initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to **b.(1)** above and this item **b.(2)**.

If a total loss of the dwelling occurs, the provisions of **b.(2)** above do not apply and we will be the replacement cost coverage without reservation or holdback of any depreciation in value, pursuant to Florida Statutes. This does not prohibit us from exercising our right to repair damaged property in compliance with this policy and pursuant to Florida Statutes.

6. **Appraisal** is deleted and replaced by the following:

6. **Mediation Or Appraisal**

If you and we fail to agree on the amount of loss, either may:

a. Demand a mediation of the loss in accordance with the rules established by the Department of Financial Services. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual

cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

b. Request an appraisal of the loss. However, both parties must agree to the appraisal process. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

(1) Pay its own appraiser; and

(2) Bear the other expenses of the appraisal and umpire equally.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

8. **Suit Against Us** is deleted and replaced by the following:

8. **Suit Against Us** No action can be brought unless the policy provisions have been complied with and the action is started within 5 years after the date of loss.

10. **Loss Payment** is deleted and replaced by the following:

10. **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 upon the earliest of the following:

a. 20 days after we receive your proof of loss and reach written agreement with you; or

b. 60 days after we receive your proof of loss and:

(1) There is an entry of a final judgment; or

(2) There is a filing of an appraisal award or a mediation settlement with us.

Under Florida Statutes we are required to pay or deny an initial, reopened, or supplemental property insurance claim or portion of a claim, within ninety (90) days of notice of such claim

Effective 04/30/2014 for New Business & 04/30/2014 for Renewals

- (3) Structures that are not buildings; and
- (4) All covered structures whether or not they are buildings, if located away from the "residence premises".

We will pay the lesser of:

- (1) The "actual cash value"; or
- (2) Our cost to replace the property with property of like kind, quality, age and condition; or
- (3) Our cost to repair or our cost to restore the property to the condition it was in just before the loss.

b. All items under Dwelling Protection and buildings on the "residence premises" under Other Structures Protection. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:

- (1) When our cost to repair or replace the damaged property is less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
- (2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the "actual cash value", not to exceed our cost to repair or our cost to replace the damaged part of the property.
 - (a) To receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within one year after the date of loss, unless during this period you request in writing that this time limit be extended for an additional 180 days, and notify us within 30 days after the work has been completed.

- (b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property whichever is less.

4. **Loss or Damage to a Pair or Set.** In case of loss or damage 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.

5. **Matching of Undamaged Property.** In case of damage to property, we will not pay to repair or replace undamaged property due solely to:

- a. Mismatch of color between undamaged material and new material used to replace faded, weathered or oxidized damaged material; or
- b. Mismatch between undamaged material and new material used to repair or replace damaged material due to outdated, obsolete or discontinued products.

6. **Appraisal.** If you and we fail to agree on the amount 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 choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon

will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expense of the appraisal and umpire equally.

Any fees for expert witnesses or attorneys will be paid by the party who hires them.

Neither the umpire nor the appraisers will have a financial interest that is conditioned on the outcome of the specific matter for which they are called to serve.

This is not a provision providing for or requiring arbitration. The appraisers and umpire are only authorized to determine the "actual cash value", replacement cost, or cost to repair the property that is the subject of the claim. They are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us. The appraisal award cannot be used by either you or us in any proceeding concerning coverage, exclusions, forfeiture provisions, conditions precedent, or other contractual issues. However, once contractual liability is admitted or determined, the appraisal award is binding upon you and us. This appraisal process and authority granted to the appraisers and the umpire can only be expanded and modified by written mutual consent signed by you and us.

7. **Other Insurance.** Other insurance includes the coverage and any deductible required by such other insurance.

If a loss covered by this policy, other than a loss covered by the ADDITIONAL COVERAGE, Credit Card Coverage and Identity Fraud Expense Coverage or golf cart coverage, is also covered by other insurance, we will pay only the proportion of the loss that the amount of insurance that applies under this policy bears to the total amount of insurance covering the loss.

Coverage provided by the ADDITIONAL COVERAGE, Credit Card Coverage and Identity Fraud Expense Coverage is excess over other insurance that covers the same loss. This coverage is also excess over any other contractual conditions, rights or benefits that provide relief from or indemnification for your obligations to pay any amounts to any third party resulting from a loss covered by this coverage. In no event will we pay more than the applicable amount of insurance.

This policy does not apply to motorized golf carts and their equipment and accessories when any other insurance also applies.

8. **Suit Against Us.** No action can be brought against us unless you have:
 - a. Given us notice of the loss;
 - b. Complied with all other policy provisions; and
 - c. Started action
 within two years after the date of the loss.
9. **Our Option.** If we give you written notice within 30 days after we receive your notice of loss, we may repair or replace any part of the damaged property with like property.
10. **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.
11. **Abandonment.** You may not abandon property to us for any reason.

APPROVED

Date Received: DEC 6 2005
Date of Action: JAN 17 2006
OFFICE OF INSURANCE REGULATION

- (c) pay you the cost to repair or restore the property to the condition it was in just before the loss.
- We will not pay more than the limit of liability shown on the Declarations Page for Coverage C, nor more than any other limits stated in the policy.
- b. All items under Coverage A – Dwelling and buildings under Coverage 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 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (a) the limit of liability under this policy that applies to the building;
 - (b) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
 - (c) the necessary amount actually spent to repair or replace the damaged building.
 - (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies 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, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
 - (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
 - (a) excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;

- (b) those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (c) underground flues, pipes, wiring and drains.
- (4) We will pay no more than the actual cash value of the damage unless:
 - (a) actual repair or replacement is complete; or
 - (b) the cost to repair or replace the damage is both:
 - (i) less than 5% of the amount of insurance in this policy on the building; and
 - (ii) less than \$2,500.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for physical loss to buildings on an actual cash value basis. You may then make claims within 180 days after loss for any additional liability on a replacement cost basis.
4. **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.

5. **Appraisal.** If you and we do not agree on the amount of loss, either party can demand that the amount of the loss be determined by appraisal. If either makes a written demand for appraisal, each will select a **competent, independent appraiser** and notify the other of the appraiser's identity within 20 days of receipt of the written demand.

The two appraisers will then select a **competent, impartial umpire**. If the two appraisers are not able to agree upon the umpire within 15 days, you and we can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire.

The appraisers will then set the amount of loss. If they submit a written report of any agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two of these three will set the amount of the loss. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be equally paid by you and us.

Includes copyright material of Insurance Services Office, with its permission.