



MERRIMACK MUTUAL FIRE INS. CO.

ANDOVER, MASSACHUSETTS 01810

RENEWAL DECLARATION \* \* EFFECTIVE 10/01/16

RENEWAL OF POLICY SBP 2140812

POLICY NUMBER	FROM	POLICY PERIOD TO	AGENT NO	AGENT
SBP 2140812	10/01/16	10/01/17	0007894	TELEPHONE: (603) 964-6065
NAMED INSURED AND ADDRESS				
PINE BROOK ESTATES CONDO ASSN C/O TRUE NORTH PROPERTY MGMT 135 LAFAYETTE RD # 10 N HAMPTON NH 03862-2446				D B WARLICK & CO 69 LAFAYETTE RD P O BOX 1260 NORTH HAMPTON NH 03862-1260

THE NAMED INSURED IS CONDO ASSN.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIABILITY AND MEDICAL PAYMENTS

EXCEPT FOR FIRE LEGAL LIABILITY, EACH PAID CLAIM FOR THE FOLLOWING COVERAGES REDUCES THE AMOUNT OF INSURANCE WE PROVIDE DURING THE APPLICABLE ANNUAL PERIOD. PLEASE REFER TO PARAGRAPH D.4. OF THE BUSINESSOWNERS LIABILITY COVERAGE FORM.

GENERAL AGGREGATE (EXCEPT PRODUCTS-COMPLETED OPERATIONS)	\$2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$1,000,000
EACH OCCURRENCE LIMIT	\$1,000,000
PERSONAL AND ADVERTISING INJURY OCCURRENCE LIMIT	\$1,000,000
MEDICAL EXPENSES	\$ 5,000 PER PERSON
FIRE LEGAL LIABILITY	\$ 50,000 ANY ONE FIRE OR EXPLOSION

PROPERTY

COVERAGE AT THE BELOW DESCRIBED LOCATIONS IS PROVIDED ONLY WHERE A LIMIT OF INSURANCE IS SHOWN OR A PREMIUM IS STATED. BUSINESS INCOME AND EXTRA EXPENSE INCLUDED. PLEASE REFER TO PROPERTY COVERAGE FORM.

LOC 01: BLANKET OVER PREMISES ON FORM 5012 03833.  
 BUSINESS OF NAMED INSURED TO WHICH THIS INSURANCE APPLIES:  
 RESIDENTIAL CONDO ASSN  
 COVERAGE:SPC, AIB=04%. RATE:FRM, T01, PC03, ACO.  
 DEDUCTIBLE: \$2,500

	LIMIT OF INSURANCE	PREMIUMS
BUILDING	\$3,841,000	\$7,595
BUSINESS INCOME AND EXTRA EXPENSE: 12 MONTHS ACTUAL LOSS SUSTAINED		

CONTINUED ON NEXT PAGE

PLEASE NOTE :

ALL POLICY CHANGES SHOULD BE PROCESSED THROUGH YOUR AGENT.

LEGEND: ACO=CONDO APARTMENT,ACV=ACTUAL CASH VALUE BUILDING OPTION,AIB=AUTOMATIC INCREASE BUILDING,APT= APARTMENT,BO=BUILDING OFFICE,BR=BUILDING RATE NUMBER,BRK=BRICK,CO=CONTENTS OFFICE,CR=CONTENTS RATE NUMBER,DED= DEDUCTIBLE AMOUNT,FRM=FRAME,FRS=FIRE RESISTIVE,G=RATE GROUP,LOC=LOCATION,MNC=MASONRY NON-COMBUSTIBLE,NC=NON-COMBUSTIBLE,OCO=OFFICE CONDOMINIUM,PC=PROTECTION CLASS,SPC=SPECIAL POLICY,STD=STANDARD POLICY,T=TERRITORY.

ORIGINAL

400M (04/16) KS-LP

AND-22 (05/13)



MERRIMACK MUTUAL FIRE INS. CO.  
ANDOVER, MASSACHUSETTS 01810

DECLARATIONS PAGE

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NAMED INSURED AND ADDRESS				
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ADDITIONAL COVERAGES - - - - -  
LOCATIONS WITH BLDG COVERAGE RECEIVE EXTERIOR BLDG GLASS-\$500 DEDUCTIBLE APPLIES

DIRECTORS & OFFICERS LIABILITY - FORM 4076  
COVERAGE APPLIES TO ALL LOCATIONS. \$256.00  
LIMIT OF LIABILITY \$1000000 EACH OCCURRENCE \$1000000 AGGREGATE.

EMPLOYEE DISHONESTY \$500 DEDUCTIBLE APPLIES \$105.00  
COVERAGE APPLIES TO ALL LOCATIONS,  
LIMIT OF LIABILITY - EACH OCCURRENCE \$ 25000,  
NUMBER OF EMPLOYEES IS 5.

ENHANCEMENT ENDORSEMENT - FORM 5039 \$95.00  
COVERAGE APPLIES TO LOCATION 1.

HIRED CAR \$23.00  
COVERAGE APPLIES TO ALL LOCATIONS.

NON-OWNED AUTO LIABILITY \$45.00  
COVERAGE APPLIES TO ALL LOCATIONS.

MISCELLANEOUS  
FORM NUMBER IS 5011 06/91.  
EMPLOYEE REDEFINED

FORM NUMBER IS 5017 01/97.

LIMITED FUNGI OR BACTERIA COVERAGE (LIABILITY) - FORM 970578  
COVERAGE APPLIES TO ALL LOCATIONS,  
COVERAGE LIMIT IS \$15,000

LIMITED FUNGI OR BACTERIA COVERAGE (PROPERTY) - FORM 970576  
COVERAGE APPLIES TO ALL LOCATIONS,  
COVERAGE LIMIT IS \$15,000

EQUIPMENT BREAKDOWN FORM 6001 \$500 DEDUCTIBLE APPLIES  
COVERAGE APPLIES TO ALL LOCATIONS.

CONTINUED ON NEXT PAGE

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DECLARATIONS PAGE

RENEWAL DECLARATION \* \* EFFECTIVE 10/01/16

RENEWAL OF POLICY SBP 2140812

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NAMED INSURED AND ADDRESS				
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TERRORISM RISK INSURANCE ACT

PREMIUM WAIVED

FORMS AND ENDORSEMENTS- BPO006 01/97, BPO009 01/97, 970113 11/15\*, BPO122 03/11, BP1701 01/96, 5021 06/92, BPO002 12/99, BPO419 06/89, BPO417 01/96, 5038 03/98, BPO439 01/96, 5041 04/03, BPO496 10/01, 7003 06/15, BPO514 01/03, BPO523 01/15, BPO542 01/15, 970576 06/03, 970578 06/03, 970601 01/07, BPO515 01/15, 970159 09/10, BP1224 10/10, BPO564 01/07, 6031 10/13, 1LP001 01/04, BPO412 01/87, 4076 08/91, 5039 01/99, BPO404 01/96, 5011 06/91, 5017 01/97, 6001 03/06, 5011 06/91, 5012 05/91\*, 5072 03/16\*, 5065 09/11\*.

DESIGNATED PREMISES SCHEDULE FORM BPO412:

LOC 01  
BLANKET OVER PREMISES ON FORM  
5012 03833

EXCESS FORMS - BOP-X-1 03/90, BX0002 08/98, BX2222 03/90, BX0113 09/90.

TOTAL BASE PREMIUM LOC 01	\$7,595.00
TOTAL BASE PREMIUM - - - - -	\$7,595.00
EXCESS LIABILITY - - - - -	\$304.00
TOTAL ADDITIONAL COVERAGES - - - - -	\$524.00
TOTAL ANNUAL PREMIUM - - - - -	\$8,423.00

POLICY PERIOD - 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

-----  
AUTHORIZED SIGNATURE 07/27/16  
DATE

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ORIGINAL

400M (04/16) KS-LP

AND-22 (05/13)



MERRIMACK MUTUAL FIRE INS. CO.  
ANDOVER, MASSACHUSETTS 01810

BUSINESSOWNERS EXCESS LIABILITY DECLARATION

POLICY NUMBER	FROM	POLICY PERIOD	TO	AGENT NO	AGENT
SBU 2140812	10/01/16		10/01/17	0007894	TELEPHONE: (603) 964-6065
NAMED INSURED AND ADDRESS					
PINE BROOK ESTATES CONDO ASSN C/O TRUE NORTH PROPERTY MGMT 135 LAFAYETTE RD # 10 N HAMPTON NH 03862-2446					D B WARLICK & CO 69 LAFAYETTE RD P O BOX 1260 NORTH HAMPTON NH 03862-1260

THE REPRESENTATIONS AND STATEMENTS IN THE DECLARATION AND APPLICATION ARE INCORPORATED INTO AND MADE A PART OF THIS POLICY. THE NAMED INSURED WARRANTS THEIR TRUTH AND ACCURACY.

- NAMED INSURED IS CONDO ASSN
- IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS IN THE POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THE POLICY.
- LIMITS OF INSURANCE  
 \$1,000,000 GENERAL AGGREGATE (OTHER THAN PRODUCTS-COMPLETED OPERATIONS).  
 \$1,000,000 PRODUCTS-COMPLETED OPERATIONS AGGREGATE  
 \$1,000,000 EACH INCIDENT
- RETAINED LIMITS  
 \$10,000 EACH INCIDENT - COVERAGE A
- SCHEDULE OF UNDERLYING INSURANCE

TYPE OF POL/COV	UNDERLYING INSURER, POL# & PERIOD	LIMITS OF LIABILITY
BUSINESSOWNERS LIABILITY	MERRIMACK MUTUAL FIRE INS. CO. 2140812 FROM 10/01/16 TO 10/01/17	\$1,000,000 EACH OCCURRENCE \$2,000,000 GEN. AGGREGATE (EXCEPT PRODUCTS-COMPLETED OPERATIONS)

EXCESS FORMS - BOP-X-1 03/90, BX0002 08/98, BX2222 03/90, BX0113 09/90.

400M (04/16) KS-LP

AND-22 (05/13)

POLICY NUMBER:

**BUSINESSOWNERS**  
**970113 11 15**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NEW HAMPSHIRE CHANGES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORMS BP 00 02, BP 00 06 and BP 00 09

**SCHEDULE**

Premises Number	Building Number	Total Limit Of Insurance Permitted On The Building
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

**A. The following are added to Businessowners  
Property Form BP 00 02:****1. Other Insurance On Buildings**

- a.** You are permitted to have other insurance that covers buildings at the premises described in the Declarations. The total Limit of Insurance on any building, including the Property Limit of Insurance for this policy, is limited to the amount shown in the Schedule or in the Declarations as applicable to this endorsement.

**b. Buildings Insured For A Specified Amount**

If there is other insurance that covers buildings insured for a specified amount at the premises described in the Declarations, the following applies with respect to loss or damage to buildings and supersedes any provision to the contrary:

If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, subject to the following:

- (1)** If a covered building insured for a specified amount is totally destroyed by fire or lightning, we will not pay more than the least of the following:
- (a)** The Limit of Insurance shown in the Declarations applicable to such building; or

- (b)** The difference between the Total Limit of Insurance Permitted On The Building shown in the Schedule and the amount due from that other insurance; and

- (2)** If a covered building insured for a specified amount is:

- (a)** Partially destroyed by fire or lightning; or
- (b)** Totally or partially destroyed by any covered cause of loss other than fire or lightning

then we will not pay more than the least of the following:

- i.** The Limit of Insurance shown in the Declarations applicable to such building;
- ii.** The difference between the actual loss sustained and the amount due from that other insurance; or
- iii.** The difference between the Total Limit of Insurance Permitted On The Building shown in the Schedule and the amount due from that other insurance.

## 2. Policy Value

New Hampshire law states as follows:

- a. If a building insured for a specified amount, whether under a separate policy or under a policy also covering other buildings, is totally destroyed by fire or lightning without criminal fault on the part of the insured or his assignee, the sum for which such building is insured shall be taken to be the value of the insured's interest therein unless overinsurance thereon was fraudulently obtained.
- b. If an insured building is only partially destroyed by fire or lightning, the insured shall be entitled to the actual loss sustained, not exceeding the sum insured.
- c. Nothing contained in Paragraph 2.a. or 2.b. of this section shall be construed as prohibiting the use of coinsurance, or agreed amount.
- d. When a building is insured not for a specified amount but under a blanket form with one amount covering two or more buildings or one or more buildings and personal property, the provisions of Paragraph 2.a. of this section shall not apply.

**B. Businessowners Liability Form BP 00 06** is amended as follows:

1. Paragraph **B.1.g. Exclusions** is replaced by the following:

### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
  - (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
  - (5) "Bodily injury" or "property damage" arising out of the operation of any of the following equipment:
    - (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

2. The following paragraph is added to Paragraph **C. Who Is An Insured:**

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

3. The definition of "auto" in Paragraph **F.2. Liability And Medical Expenses Definitions** is replaced by the following:

2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

4. The definition of "mobile equipment" in Paragraph **F.11. Liability And Medical Expenses Definitions** is replaced by the following:

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraphs **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraphs **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**C. Paragraph C. Concealment, Misrepresentation Or Fraud in Common Policy Conditions Form BP 00 09** is replaced by the following:

**C. Concealment, Misrepresentation Or Fraud**

We do not provide coverage to one or more insureds who, at any time:

- 1. Intentionally concealed or misrepresented a material fact;
- 2. Engaged in fraudulent conduct; or
- 3. Made a false statement; relating to this insurance.

**D.** The following provisions apply except when Paragraph **G.** of this endorsement applies:

Paragraphs **A.2.** and **A.3. Cancellation in Common Policy Conditions Form BP 00 09** are replaced by the following:

**2. Cancellation Of Policies In Effect**

**a. 60 Days Or Less**

We may cancel this policy by mailing or physically delivering to you written notice of cancellation, stating the reasons for cancellation, at least:

- (1) 10 days before the effective date of the cancellation if we cancel for:
  - (a) Nonpayment of premium; or
  - (b) Substantial increase in hazard; or
- (2) 60 days before the effective date of cancellation if we cancel for any other reason.

**b. 60 Days Or More**

If this policy has been in effect for 60 days or more, or if this is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation affecting the policy or in the presentation of a claim hereunder, or violation of any of the terms or conditions of the policy; or
- (3) Substantial increase in hazard; provided that cancellation for this reason shall be effective only after prior approval of the commissioner.

3. We will mail or physically deliver our notice to your last mailing address known to us. If notice is mailed, it will be by:

- a. Certified mail or certificate of mailing if cancellation is for nonpayment of premium.
- b. Certified mail if cancellation is for any other reason.

Proof that the notice was mailed in accordance with Paragraph 3.a. or 3.b. will be sufficient proof of notice.

E. Paragraph A.6. **Cancellation of Common Policy Conditions Form BP 00 09** is deleted.

F. The following paragraph is added to **Common Policy Conditions BP 00 09** and supersedes any provision to the contrary, except as provided in Paragraph G.:

**M. Nonrenewal**

1. If we elect not to renew this policy, we will mail or physically deliver written notice of nonrenewal, stating the reasons for nonrenewal, to your last mailing address known to us at least 60 days prior to the expiration of the policy, or its anniversary date if it is a policy written for a term of more than one year.
2. However, we need not mail or physically deliver this notice if:
  - a. We manifest our willingness to renew;
  - b. We refuse to renew due to nonpayment of premium;
  - c. You do not pay any advance premium required by us for renewal; or
  - d. Any property covered in this policy is insured under any other insurance policy.
3. If notice is mailed, proof of mailing will be sufficient proof of notice.

G. If this policy covers buildings or structures located in New Hampshire that:

1. Are used only for residential purposes;
2. Are owner-occupied; and
3. Contain one- to four-dwelling units;

the following provisions apply:

1. Paragraphs A.2. and A.3. **Cancellation in Common Policy Conditions Form BP 00 09** are replaced by the following:
2. We may cancel this policy by mailing or physically delivering to you written notice of cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 45 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or physically deliver our notice to your last mailing address known to us.

2. The following is added to Paragraph A.

**Cancellation:**

1. If this policy:

a. Has been in effect for 90 days or more; or

b. Is a renewal of a policy we issued:

We will cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Your conviction of a crime having as one of its necessary elements an act increasing the risk of loss;
- (3) Discovery of fraud or material misrepresentation by you in making a claim under this policy;
- (4) Discovery of grossly negligent acts or omissions by you substantially increasing the risk of loss; or
- (5) Physical changes in the Covered Property that make that property uninsurable.

Notice of cancellation will state the reasons for cancellation. Unless cancellation is for nonpayment of premium, we may cancel this policy only by mailing or physically delivering to you written notice of cancellation at least 45 days before the effective date of cancellation.

3. The following is added to **Common Policy Conditions Form BP 00 09**:

**M. Nonrenewal**

We may elect not to renew this policy by mailing or physically delivering written notice of nonrenewal to your last mailing address known to us at least:

1. 10 days before the expiration date of the policy if we refuse to renew for nonpayment of premium; or
2. 45 days before the expiration date of the policy if we refuse to renew for any other reason.

If notice is mailed, proof of mailing will be sufficient proof of notice.



THIS ENDORSMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESSOWNERS AGREED AMOUNT ENDORSMENT

This endorsement modifies insurance under the following:

Businessowners Special Property Coverage Form

Paragraph E. Property Loss Conditions 6. Loss Payment d.(1) is revised as follows:

- (1) At replacement cost without deduction for depreciation, subject to the following:
- (a) We will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
    - (i) The Limit of Insurance under this policy that applies to the lost or damaged property;
    - (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
      - i. Of comparable material and quality; and
      - ii. Used for the same purpose; or
    - (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
  - (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
  - (d) We will not pay on a replacement cost basis for any loss or damage:
    - (i) Until the lost or damaged property is actually repaired or replaced; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
  - (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## LOSS SETTLEMENT - BLANKET LIMIT OVER BUILDINGS LISTED ON STATEMENT OF VALUES

- A.** A Blanket Limit is a single limit of insurance determined by adding the values of the buildings with the same location number, as shown on form 5012, Businessowners Statement of Values.
- B. Coinsurance**  
A Coinsurance percentage of 90% applies.
- C. Under E. Property Loss Conditions, 6. Loss Payments, d. (1)** is replaced by the following:
- (1)** At replacement cost without deduction for depreciation subject to the following:
- (a)** If, at the time of loss, the Blanket Limit of Insurance is 90% or more of the full replacement cost of all buildings insured under the Blanket Limit immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
- (i)** The Blanket Limit of Insurance;
  - (ii)** The cost to replace, on the same premises, the damaged property with other property:
    - i.** Of comparable material and quality; and
    - ii.** Used for the same purpose; or
  - (iii)** The amount that you actually spend that is necessary to repair or replace the damaged property.
- (b)** If, at the time of loss, the replacement value of all buildings combined times the Coinsurance percentage is greater than Blanket Limit of Insurance applicable to the damaged property(ies), we will not pay the full amount of any loss.
- Instead, we will pay the least of:
- (i)** Actual Cash Value; or
  - (ii)** The amount determined using the following steps:
    - i.** Multiply the replacement cost of all buildings insured under the Blanket Limit at the time of loss by the Coinsurance percentage;
    - ii.** Divide the Blanket Limit of Insurance by the figure determined in Step **i.**;
    - iii.** Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **ii.**; and
    - iv.** Subtract the deductible from the figure determined in Step **iii.**
- (c)** You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d)** We will not pay on a replacement cost basis for any loss or damage:
- (i)** Until the lost or damaged property is actually repaired or replaced; and
  - (ii)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (e)** The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

**Example (Underinsurance):**

When:

The replacement cost is:	
Bldg. x at Location No. 1	\$ 75,000
Bldg. y at Location No. 1	\$ 100,000
Bldg. z at Location No. 1	\$ 75,000
	<u>\$ 250,000</u>
The Coinsurance percentage is	
	90%
The Blanket Limit of Insurance for Buildings at Location No. 1 is	
	\$ 180,000
The Deductible is	
	\$ 1,000
The amount of loss is:	
Bldg. x at Location No. 1	\$ 30,000
Bldg. y at Location No. 1	0
Bldg. z at Location No. 1	20,000
	<u>\$ 50,000</u>

Step i.  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step ii.  $\$180,000 \div \$225,000 = .80$

Step iii.  $\$50,000 \times .80 = \$40,000$

Step iv.  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000.

If Endorsement **5065** is also attached to this policy, all references herein to a 90% Coinsurance requirement and resulting penalty for underinsurance are eliminated and we agree that the Blanket Limit of Insurance is equal to the replacement cost of the buildings insured.

**All other provisions of the policy apply.**

**BUSINESSOWNERS STATEMENT OF VALUES**

POLICY # SBP 2140812

DATE 07/27/16

<u>LOC#</u>	<u>ITEM#</u>	<u>DESIGNATED PREMISES</u> (address)	<u>COVERAGE</u>	<u>VALUE</u>
01	001	15 PINE GROVE RD EXETER NH 03833	BLDG 4 UNITS	\$921,000
01	002	15 PINE GROVE RD EXETER NH 03833	BLDG 4 UNITS	\$941,000
01	003	15 PINE GROVE RD EXETER NH	BLDG 4 UNITS	\$993,000
01	004	15 PINE GROVE RD EXETER NH	BLDG 4 UNITS	\$986,000