

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

## **RHODE ISLAND CHANGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The last sentence of the **Appraisal** Loss Condition does not apply.
- C.** The following is added to the **Appraisal** Loss Condition:
  - 1. You and we must notify the other of the appraiser selection within 20 days of the written demand for appraisal.
  - 2. If the appraisers do not agree on the selection of an umpire within 15 days, they must request selection of an umpire by a judge of a court having jurisdiction.
- D. Vacancy And Unoccupancy Loss Condition**
  - 1. For insurance provided under the Building And Personal Property Coverage Form, the Condominium Association Coverage Form, or the Condominium Commercial Unit-Owners Coverage Form, the **Vacancy** Loss Condition is replaced by the following:

**VACANCY AND UNOCCUPANCY**

    - a.** If the building where loss or damage occurs has been vacant or unoccupied for more than 30 consecutive days after a local building inspector issues an order stating that the building is in violation of the State Building Code, we will not pay for any loss or damage caused by fire or lightning.
    - b.** If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:
      - (1)** We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
        - (a)** Vandalism;
        - (b)** Sprinkler leakage, unless you have protected the system against freezing;
        - (c)** Building glass breakage;
        - (d)** Water damage;
        - (e)** Theft; or
        - (f)** Attempted theft.
      - (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%. However, we will not pay for any loss or damage caused by fire or lightning if the circumstances stated in **a.** above apply.
    - c.** With respect to Section **1.b.**, above, when this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant.
    - d.** A building is vacant when it does not contain enough business personal property to conduct customary operations.
    - e.** Buildings under construction or renovation are not considered vacant.

2. For insurance provided under the Leasehold Interest Coverage Form, the **Vacancy** Loss Condition is replaced by the following:

**VACANCY AND UNOCCUPANCY**

- a. If the building where loss or damage occurs has been vacant or unoccupied for more than 30 consecutive days after a local building inspector issues an order stating that the building is in violation of the State Building Code, we will not pay for any loss or damage caused by fire or lightning.
- b. If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs, and:
  - (1) You have entered into an agreement to sublease the described premises as of the time of loss or damage, we will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
    - (a) Vandalism;
    - (b) Sprinkler leakage, unless you have protected the system against freezing;
    - (c) Building glass breakage;
    - (d) Water damage;
    - (e) Theft; or
    - (f) Attempted theft.

With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%. However, we will not pay for any loss or damage caused by fire or lightning if the circumstances stated in **2.a.** above apply.

- (2) You have not entered into an agreement to sublease the described premises as of the time of loss or damage, we will not pay for any loss of Covered Leasehold Interest.
- c. With respect to Section **2.b.**, above, when this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant.
- d. A building is vacant when it does not contain enough business personal property to conduct customary operations.
- e. Buildings under construction or renovation are not considered vacant.

3. For insurance provided under the Mortgage-holders Errors And Omissions Coverage Form, the **Vacancy** Loss Condition is replaced by the following:

**VACANCY AND UNOCCUPANCY**

- a. If the building where loss or damage occurs, or out of which a claim or "suit" arises, has been vacant or unoccupied for more than 30 consecutive days after a local building inspector issues an order stating that the building is in violation of the State Building Code, we will not pay for any loss or damage caused by fire or lightning.
  - b. If the building where loss or damage occurs, or out of which a claim or "suit" arises, has been vacant for more than 60 consecutive days before that loss or damage, or the event that gives rise to the claim or "suit", we will not pay for any loss or damage.
  - c. A building is vacant when it does not contain enough business personal property to conduct customary operations.
4. For insurance provided under the Standard Property Policy, the **Vacancy** Loss Condition is replaced by the following:

**VACANCY AND UNOCCUPANCY**

- a. We will not pay for loss or damage if the building where loss or damage occurs has been "vacant" or "unoccupied" for more than:
  - (1) 30 consecutive days before the loss or damage occurs, if caused by Vandalism (if it is a Covered Cause of Loss);
  - (2) 30 consecutive days after a local building inspector issues an order stating that the building is in violation of the State Building Code, if the loss or damage is caused by fire or lightning; or
  - (3) 60 consecutive days before the loss or damage occurs, if caused by any other Covered Cause of Loss;

whether or not such vacancy or unoccupancy begins before the inception of this policy.

But with respect to (1) and (3) above, we will pay if the building is "unoccupied" due to circumstances that are usual or incidental to the described occupancy.

- b. With respect to **a.(1)** and **a.(3)** above, this condition does not apply if the Vacancy Permit Endorsement is attached.

c. With respect to **a.(1)** and **a.(3)** above, when this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant.

d. Buildings under construction or renovation are not considered "vacant" or "unoccupied".

**E.** The following is added:

No provision, stipulation or forfeiture will be held to be waived by any requirement or proceeding on our part relating to appraisal or to any examination provided for in this policy.

**F.** The following is added when this Coverage Part applies to loss or damage to Buildings by fire or explosion, other than owner-occupied 1- to 4-family dwellings:

1. We will not pay for a loss that is more than \$10,000 unless we receive from you a certificate issued by the taxing jurisdiction official that shows:

a. That no lien exists for the benefit of the taxing jurisdiction; or

b. The amount of any such lien that exists; against the building or structure.

The \$10,000 limit shown above may be adjusted yearly for inflation by the Insurance Department.

2. Under the following conditions, we will put our payment for loss or damage into an interest-bearing escrow account:

a. The taxing jurisdiction official certifies that a lien exists. We will not put more than the amount of that lien into the account.

b. You do not receive a certificate from the taxing jurisdiction official within 30 days after you file a statement of loss with us. In this case, we will put the entire loss payment into the account.

3. But, if you can prove to us that:

a. You have requested the certificate by certified mail; and

b. The taxing jurisdiction official has not provided it to you within 15 days after your request;

we will make our payment directly to you as soon as possible.

4. Also, if the taxing authority certifies that it has received proof that you will repair or rebuild on the same premises where the loss or damage occurred, we can then pay you directly for the loss or damage.

**G.** The **Legal Action Against Us** Commercial Property Condition is replaced by the following:

**LEGAL ACTION AGAINST US**

1. No one may bring a legal action against us under this Coverage Part unless there has been full compliance with all of the terms of this Coverage Part.

2. Subject to Paragraph 1. above, any action on this policy for the recovery of any claim for direct loss or damage by fire and lightning must be brought within 2 years after the date on which such direct loss or damage occurred.

**H.** The following is added to the **Mortgageholders** Condition and supercedes any provision to the contrary:

The Mortgagee shall not be entitled to payment of a claim under this policy for loss or damage to a covered building when such loss or damage is less than \$3,500, and for which said Mortgagee is otherwise entitled to payment, unless no liability exists as to the mortgagor.