

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – RHODE ISLAND

SECTION I – CONDITIONS

G. Suit Against Us is replaced by the following:

G. Suit Against Us

No action can be brought on this policy for the recovery of any claim for direct loss or damage by fire or lightning, unless the policy provisions have been complied with and the action is started within two years after the date of loss.

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 30 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

K. Mortgage Clause

Paragraph 1. is replaced by the following:

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** equal to or in excess of \$3500, 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 a loss payable under Coverage **A** or **B** is less than \$3500, and for which the mortgagee is otherwise entitled to payment, such payment will be paid in full to you, unless no liability exists to the mortgagor.

The following Condition is added:

S. Vacancy

We shall not be liable for loss caused by fire or lightning occurring while a described building is vacant whether intended for occupancy by owner or tenant beyond a period of 30 consecutive days subsequent to the date on which an order is issued by the local building inspector pursuant to 23-27.3-124 of the general laws as amended.

(This is Condition **R.** in Form **HO 00 04.**)

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

Paragraph 1. is replaced by the following in all Forms and Endorsements **HO 24 73** and **HO 24 82**:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable; and

SECTION II – ADDITIONAL COVERAGES

A. Claim Expenses

The following paragraph is added:

5. Prejudgment interest as follows:
 - a. Prejudgment interest awarded against an "insured" on the entire judgment if we reject a written settlement offer by the plaintiff that is equal to or less than the applicable limit of liability in this policy, or
 - b. If **a.** above does not apply, prejudgment interest awarded against an "insured" on that part of the judgment we pay.

SECTION II – CONDITIONS

The following Condition is added:

K. Direct Liability Of Insurers

We will be directly liable for those sums an "insured" becomes legally obligated to pay as damages to the injured party to which this insurance applies. In the event of that injured party's death, we will be directly liable for those sums an "insured" becomes legally obligated to pay as damages to the party entitled to sue as a result of the injured party's death, and to which this insurance applies.

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraphs 1., and the lead-in to Paragraph 2. are replaced by the following:

1. You may cancel this policy at any time by returning it to us or by letting us or our agent who issued the policy know in writing of the date cancellation is to take effect.

2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you or mailed to you at your last address known to us by first class mail. If notice is mailed, we will maintain proof of mailing of the notice to you by the United States Postal Service certificate of mailing. This proof of mailing will be sufficient proof of notice.

Such notice will also be delivered or mailed to any mortgagee, or any person other than the named insured, named in the policy, at the last address known by us. If mailed, the notice will be sent by first class mail. If notice is mailed, we will maintain proof of mailing of the notice by the United States Postal Service certificate of mailing. This proof of mailing will be sufficient proof of notice.

Subparagraph **b.** of Paragraph **2.** is replaced by the following:

- b.** When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect.

Subparagraphs **a.**, **c.** and **d.** of Paragraph **2.** remain unchanged.

The following is added to Paragraph **2.c.**:

However, if any one of the following conditions exist at any building that is covered in this policy, we may cancel this policy by letting you know at least 30 days before the date cancellation takes effect.

- (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
- (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
- (2) After damage by a covered peril, permanent repairs to the building;
- (a) Have not started; and
 - (b) Have not been contracted for;
within 60 days of payment of loss.

- (3) The building has:
- (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to removal that is necessary or incidental to any renovation or remodeling.
- (5) Failure to:
- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with taxing authority regarding payment of such taxes.

D. Nonrenewal is replaced by the following:

D. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you or mailing to you by first class mail, at your last address known to us, written notice at least 30 days before the expiration date of this policy. If notice is mailed, we will maintain proof of mailing of the notice to you by United States Postal Service certificate of mailing. This receipt will be sufficient proof of notice.

Such notice will also be delivered or mailed to any mortgagee, or any person other than the named insured, named in the policy, at the last address known to us. If mailed, the notice will be sent by first class mail. If notice is mailed, we will maintain proof of mailing of the notice by the United States Postal Service certificate of mailing. This proof of mailing will be sufficient proof of notice.

F. Subrogation

The following paragraph is added:

When we or our agents recover payment on a loss from a third party through subrogation, we must first pay an "insured" the deductible portion of the casualty loss, less the prorated share of subrogation expenses and thereafter retain any funds in excess of the deductible portion of the recovery.

All other provisions of this policy apply.