

LEAD LIABILITY POLICY – RHODE ISLAND

AGREEMENT

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

DEFINITIONS

- A.** In this policy, "you" and "your" refer to the "named Insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.
- B.** In addition, certain words and phrases are defined as follows:
- 1.** "Bodily injury" means bodily harm, sickness or disease arising out of lead poisoning, including required care, loss of services and death that results.
 - 2.** "Business" means:
 - a.** a trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b.** Any other activity engaged in for money or other compensation, except the following:
 - (1)** One or more activities, not described in **(2)** through **(4)** below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2)** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3)** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4)** The rendering of home day care services to a relative of an "insured".
 - 3.** "Insured" means:
 - a.** You and residents of your household who are:
 - (1)** Your relatives; or
 - (2)** Other persons under the age of 21 and in the care of any person named above.

- b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:

- (1)** 24 and your relative; or
- (2)** 21 and in your care or the care of a person described in **a.(1)** above; or

When the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

4. "Insured location" means:

- a.** The premises shown in the Declarations which:
 - (1)** Was built before 1978;
 - (2)** Is owned, in whole or in part, by an "insured"; and
 - (3)** Is rented or held for rental, in whole or in part, to others.
 - b.** Any other structure owned by an "insured" which is at the same location as the property described in **4.a.** above.
 - c.** Any common areas at the same location as the property described in **4.a.** and **4.b.** above, except common areas used in connection with a condominium or cooperative residential unit or building.
- 5.** "Occurrence" means an accident, including continuous or repeated exposure to lead which results, during the policy period, in "bodily injury".
- 6.** "Residence premises" means the dwelling where you reside.

LEAD LIABILITY COVERAGE

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" caused by an "occurrence" at the "insured location" shown in the Declarations to which this coverage applies, we will:

- 1.** Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and

2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

EXCLUSIONS

Lead Liability Coverage does not apply to the following:

A. Expected Or Intended Injury

"Bodily Injury" which is expected or intended by an "insured" even if the resulting "bodily injury":

1. Is of different kind, quality or degree than initially expected or intended; or
2. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

B. "Business"

1. "Bodily injury" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

2. This Exclusion does not apply to:

- a. The rental or holding for rental of an "insured location";
 - (1) On an occasional basis if used only as a residence;
 - (2) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (3) In part, as an office, school, studio or private garage; and
- b. An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees.

C. Professional Services

"Bodily injury" arising out of the rendering of or failure to render professional services.

D. "Insured's" Premises Not An "Insured Location"

"Bodily Injury" arising out of a premises that is not an "insured location".

- E. "Bodily Injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

1. Workers' Compensation law;
2. Non-occupational disability law; or
3. Occupational disease law.

- F. "Bodily Injury" to you or an "insured" as defined under this policy.

This exclusion also applies to any claim made or suit brought against you or an "insured":

1. To repay; or
2. Share damages with;

Another person who may be obligated to pay damages because of "bodily injury" to an "insured".

- G. Any of the "bodily injury" which occurred prior to November 1, 2005.

H. Liability:

1. For any loss assessment charged against you as a member of an association, corporation or community or property owners, except as provided in **B. Loss Assessment Under Additional Coverages**.
2. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - a. That directly relate to the ownership, maintenance or use of an "insured location"; or
 - b. Where the liability of others is assumed by you prior to an "occurrence";

Unless excluded in the first paragraph above or elsewhere in this policy.

ADDITIONAL COVERAGES

We also cover the following in addition to the limits of liability:

A. Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability. We do not apply for or furnish any bond;
3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and

4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner of the "insured location", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" not excluded from coverage under Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee for "bodily injury", provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph **G.** under Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of one accident, including continuous or repeated exposure to lead.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

CONDITIONS

A. Limit of Liability

Our total liability for all damages resulting from any one "occurrence" will not be more than the limit of liability as shown in the Declarations. This limit is the same regardless of the number of "insureds," claims made or persons injured. All "bodily injury" resulting from any one accident or from continuous or repeated exposure to lead shall be considered to be the result of one "occurrence."

B. Severability of Insurance

This insurance applies separately to each "insured." This condition will not increase our limit of liability for any one "occurrence."

C. Duties After Occurrence

In case of an "occurrence," you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown on the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence;" and
 - c. Names and addresses of any claimants and witnesses;
2. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence;"
3. Cooperate with us in the investigation, settlement or defense of any claim or suit;
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured;"
 - c. With the conduct of suits and attend hearings and trials;
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. No "insured" shall, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense to others at the time of the "bodily injury."

D. Suit Against Us

1. No action can be brought against us unless there has been full compliance with all of the terms under this policy.
2. No one will have the right to join us as a party to any action against an "insured".
3. No action with respect to the coverage provided under this policy can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

E. Bankruptcy of an Insured

Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

F. Other Insurance

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

G. Policy Period

This policy applies only to "bodily injury" which occurs during the policy period.

H. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

I. Concealment or Fraud

We do not provide coverage to one or more "insureds" who, whether before or after a loss, have:

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

J. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in Rhode Island, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of our policy; or
2. An Amendatory Endorsement.

K. Waiver or Change of Policy Provisions

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an examination will not waive any of our rights.

L. Assignment

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

M. Death

If any person named in the Declarations or the spouse, if a resident of the same household, dies:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

2. "Insured" includes:

- a. Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises;" and
- b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

N. Cancellation

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 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 United States Postal Service certificate of mailing.

This proof of mailing will be sufficient proof of notice.

- a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- 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 10 days before the date cancellation takes effect.

The following sentence, including subparagraphs (1) through (5) below, also apply to **N.2.c.** and **N.2.d.**

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 5 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.
- c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (2) If the risk has changed substantially since the policy was issued.
 - (3) If:
 - (a) Any notice of violation is issued to the "named insured" with respect to the remediation of the hazards of lead; and
 - (b) The "named insured" has not provided a copy of Prima Facie Evidence of Compliance within 90 days of the issuance of the notice.
This can be done by letting you know at least 30 days before the date cancellation takes effect.
 - d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
- 3. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- 4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

O. 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 United States Postal Service certificate of mailing.

This proof of mailing will be sufficient proof of notice.

P. Direct Liability Of Insurers

We will be directly liable for those sums the "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 the "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.

Q. Duty After Violation

If a notice of violation is issued with respect to the remediation of the hazards of lead at the "insured location", the "named insured" shall:

1. Promptly forward a copy of the notice to us;
and
2. Keep us advised and notified as to the status of the remediation.