

PLEASE READ THIS ENDORSEMENT CAREFULLY, AS IT MODIFIES THE POLICY.

## SPECIAL PROVISIONS – ILLINOIS

The sections of the policy listed below are amended as specified.

### PROPERTY PROTECTION

**SEPARATION OF LIABILITY UNDER PROPERTY PROTECTION** is added as follows:

The liability for loss caused by all eligible perils is assumed by the Illinois mutual insurance company issuing this policy. Liability for loss caused by perils which are ineligible for insurance by the Illinois mutual insurance company, if any, is assumed by Grinnell Mutual Reinsurance Company.

### DEFINITIONS USED THROUGHOUT THIS POLICY

Definition 7. is deleted and replaced with the following:

7. "Pollutant" means any:
  - a. Gasoline, diesel, kerosene, or other fuel for a motorized vehicle or heating appliance, including any post-combustion by-products;
  - b. Petroleum-based lubricant;
  - c. Anti-freeze;
  - d. Vehicle tires;
  - e. Paint;
  - f. Pesticide;
  - g. Herbicide;
  - h. Fertilizer;
  - i. Animal or human waste;
  - j. Ink;
  - k. Mercury; or
  - l. Other solid, liquid, gaseous, or thermal irritant or contaminant.

### H. PERILS WE INSURE AGAINST

Under Peril 8. **Vandalism or Malicious Mischief**, subparagraph b. is deleted and replaced with the following:

- b. At any "insured premises" which has been vacant or unoccupied more than 60 consecutive days immediately preceding the loss. A building under construction is not considered vacant; or

### I. EXCLUSIONS

Exclusion 4. is deleted and replaced with the following:

4. Water damage meaning:
  - a. Flood, surface water, waves, overflow of any body of water, or their spray, regardless of cause and whether or not driven by wind;
  - b. Tsunami, storm surge, tidal surge, tidal wave, tidal water, storm tide, or their spray, whether or not driven by wind or caused by earthquake;
  - c. Mudslide or mudflow;

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- d. Water or water-borne material which backs up or overflows from sewers or drains;
- e. Water or water-borne material below the ground surface pressing on, or flowing or seeping through:
  - 1) Foundations, patios, walls, floors, or paved surfaces;
  - 2) Basements, whether finished or not;
  - 3) Doors, windows, or other openings;
  - 4) Discharged from a sump well, sump pump, or related equipment; or
- f. Damage to piers, docks, or boat hoists caused by waves, whether or not driven by wind.

This exclusion 4. applies, whether or not the loss is caused by or resulting from:

- a. Human, animal forces, or any act of nature; or
- b. The failure of any dam, levee, seawall, or any other boundary or containment system.

Direct loss by fire, explosion, or theft resulting from water damage is covered.

Exclusion 9. is deleted and replaced with the following:

- 9. Illegal substance means the sale, manufacture, delivery, transfer, storage, or packaging by any "insured" of any substance defined as controlled or illegal by any federal, state, or local law, regulation, or ordinance. This exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

## RIGHTS AND DUTIES – CONDITIONS

Condition 7. **Appraisal** is amended as follows:

The last paragraph is deleted and replaced with the following:

- a. Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in b. below;
- b. "We" will pay "your" appraiser's fee and the umpire's appraisal fee, if the following conditions exist:
  - 1) "You" demand the appraisal; and
  - 2) The full amount of the loss, as set by "your" appraiser, is agreed to by "our" appraiser or the umpire.
- c. The appraisal procedure shall be the exclusive means of determining the actual cash value or amount of loss. A decision or award of two or more of the appraisers and umpire will be binding on the parties to the appraisal and may not be rejected by any of the parties. Neither "you" nor "we" have a right to contest the decision or award of the appraisers and umpire to a court. "You" or "we" may submit a dispute regarding the existence of coverage or application of a policy term to a court for resolution.

The following paragraph is added:

Under no circumstance will an appraisal be used to interpret policy terms, determine causation, or determine whether or not a loss is covered under this policy.

Condition 8. **Our Payment of Loss** is deleted and replaced with the following:

"We" shall adjust any loss with "you" and pay "you" unless another payee is named in the policy. "We" will pay within 30 days after the amount of loss is finally determined by an agreement between "you" and "us", a court judgment or an appraisal award.

"We" may choose to discuss the claim loss with a contractor, but are not required to do so. If "you" assign "your" right to loss payment to a third party, "we" will make the payment to the designated third party, but "we" are not required to negotiate the right to that payment or the amount of that payment with the assignee third party or its representative. If "you" retain a public adjuster to speak on "your" own behalf in adjusting the claim loss, "we" will discuss the claim and negotiate with that public adjuster as "you" direct.

Condition 10. **Suit Against Us** is deleted and replaced with the following:

"We" may not be sued unless there is full compliance with all the terms of this policy. Suit against "us" must be filed within one year after the date on which the property for which a recovery is sought was destroyed, damaged, stolen, or lost. However, this period is extended by the number of days between the date proof of loss is filed and the date the claim is denied in whole or in part.

## GENERAL POLICY CONDITIONS

Under Condition **3. Cancellation**, subparagraph **b.** is deleted and replaced with the following:

- b.** “We” may cancel this policy only for the reasons stated in this condition. The cancellation notice shall be mailed to the “named insured” at the last mailing address known to “us”. Proof of mailing will be sufficient proof of notice. Notification of cancellation will also be sent to “named insured’s” broker, if known, or agent of record, if known, and to the mortgagee or lienholder listed on the policy.
  - 1)** If this policy has been in effect for 60 days or less, “we” will cancel this policy only for:
    - a)** at least 10 days advance notice for nonpayment of premium;
    - b)** at least 30 days advance notice for any other reason.
  - 2)** If this policy has been in effect for more than 60 days, “we” will cancel this policy only for:
    - a)** at least 10 days advance notice for nonpayment of premium;
    - b)** at least 30 days advance notice:
      - (1)** if this policy was obtained by misrepresentation or fraud;
      - (2)** for any act or omission which measurably increases the risk originally accepted.

Condition **4. Non-Renewal** is deleted and replaced with the following:

“We” may elect not to renew this policy. “We” may do so by mailing to the “named insured” at the last mailing address known to “us”, “our” intention not to renew. Proof of mailing will be sufficient proof of notice.

Notification of nonrenewal will also be sent to the “named insured’s” broker, if known, or agent of record, if known, and the last known mortgagee or lienholder.

The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to the “named insured”.

- a.** For policies effective or renewed by “us” for less than 5 years, “we” may nonrenew for any reason by providing 30 days advance notice.
- b.** For policies effective or renewed by “us” for 5 years or longer, “we” may nonrenew by providing 60 days advance notice, unless one of the following reasons apply, then “we” will provide only 30 days advance notice:
  - 1)** The policy was obtained by misrepresentation or fraud;
  - 2)** The risk originally accepted has measurably increased; or
  - 3)** The insured has received 60 days advance notice of “our” intention not to renew.

Condition **10. Suspension for Nonpayment of Premium** is amended as follows:

Suspension for nonpayment of premium is not applicable to the coverage written by Grinnell Mutual Reinsurance Company.

The following Conditions are added:

### **13. Automatic Termination**

If “we” offer to renew or continue this policy and “you” or “your” representative does not accept this offer, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium as “we” require, shall mean that “you” have not accepted “our” offer to continue the policy for the new policy period.

### **14. Policy Authorities**

When there is more than one Named Insured listed on this policy, any Named Insured has authority to act for all Named Insureds to cancel, non-renew, or change this policy, or settle a loss under this policy. A Named Insured is the only person entitled to provide “us” with instructions regarding loss settlement and payments. An Additional Named Insured, Additional Insured – Limited Interest, and all other “insureds” are not entitled to cancel, non-renew, or make any changes to this policy, except as expressly authorized by law. A power of attorney, guardian, or conservator of a Named Insured may instruct “us” to cancel, nonrenew, or make a change to the policy on behalf of that Named Insured.

### **15. Policy Communications**

“We” will convey all notices and correspondence pertaining to this policy to the first Named Insured at the last address known to “us” unless “we” receive a written request by a Named Insured to forward correspondence to a different address.

All other terms and conditions of this policy apply.

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