

INSTALLATION FLOATER COVERAGE

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Installation Floater Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the "schedule of coverages".
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited to earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting, of earth.
4. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water whether driven by wind or not. This includes spray that results from these whether driven by wind or not.
5. "Jobsite" means any location, project, or work site where "you" are involved in an installation, construction, or rigging project.

6. "Limit" means the amount of coverage that applies.
7. "Pollutant" means:
 - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
 - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
8. "Schedule of coverages" means:
 - a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
 - b. declarations or supplemental declarations which pertain to this coverage.
9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
10. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to personal property in the open or to the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

11. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
12. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

PROPERTY COVERED

"We" cover the following property unless the property is otherwise covered, excluded, or subject to limitations.

"We" cover direct physical loss caused by a covered peril to materials, supplies, machinery, fixtures, and equipment:

1. at "your" "jobsite" described on the "schedule of coverages"; and
2. that will become a permanent part of "your" installation, construction, or rigging project.

Materials, supplies, machinery, fixtures, and equipment means "your" materials, supplies, machinery, fixtures, and equipment and similar property of others that is in "your" care, custody, or control.

PROPERTY NOT COVERED

1. **Airborne** -- "We" do not cover property while airborne except while in transit on a regularly scheduled airline flight.

2. **Buildings, Structures, and Land** -- "We" do not cover buildings, structures, or land. However, "we" do cover property that is part of "your" installation, construction, or rigging project and is in connection with any building or structure.
3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Machinery, Tools, Equipment** -- "We" do not cover machinery, tools, equipment, or similar property which will not become a permanent part of "your" installation, construction, or rigging project.
5. **Money and Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
6. **Trees, Shrubs and Plants** -- "We" do not cover trees, shrubs, plants, and lawns.
7. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

COVERAGE EXTENSIONS

Unless otherwise indicated the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

1. **Debris Removal** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril. This coverage does not include costs to:
 - a. extract "pollutants" from land or water; or

- b. remove, restore, or replace polluted land or water.

"We" will not pay any more under this coverage than 25% of the amount "we" pay for the direct loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

However, "we" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

"We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

2. **Emergency Removal** -- "We" pay for any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril. This coverage applies for up to ten days after the property is first moved, but does not extend past the date on which this policy expires.

SUPPLEMENTAL COVERAGES

Unless otherwise indicated the coverages provided below are separate from and not part of nor in addition to the applicable "limit" for coverage described under Property Covered.

The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

1. **Contract Penalty** -- "We" pay for the cost of contractual penalties for non-completion that "you" are assessed or are required to pay because "you" are unable to complete a covered installation, construction, or rigging project in accordance with contract terms or conditions.

"Your" inability to complete "your" installation project on time must be as a direct result of a loss by a covered peril to covered property.

The most "we" pay for all contractual penalties in any one occurrence is \$5,000.

2. **Pollutant Cleanup and Removal** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period. The expenses are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.

"We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

The most "we" pay for any one "jobsite" or location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12 month period of this policy.

3. **Storage Locations** -- "We" cover direct physical loss caused by a covered peril to materials, supplies, machinery, fixtures, and equipment which will become a permanent part of "your" installation, construction, or rigging project while they are at a storage location.

The most "we" pay for loss to property at a storage location in any one occurrence is \$5,000.

4. **Transit** -- "We" cover direct physical loss caused by a covered peril to materials, supplies, machinery, fixtures, and equipment which will become a permanent part of "your" installation, construction, or rigging project while they are in transit.

The most "we" pay for loss to property in transit in any one occurrence is \$5,000.

5. **Testing** -- "We" cover direct physical loss to covered property caused by a covered peril that results from testing. Testing includes start-up, performance, stress, pressure, or overload testing of materials, supplies, machinery, fixtures, and equipment that will become a permanent part of a covered installation, construction, or rigging project.

The most "we" pay for loss resulting from testing in any one occurrence is \$5,000.

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do pay for loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement or Volcanic Eruption** -- "We" do not pay for loss caused by any "earth movement" (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano.

"We" do pay for direct loss by fire, explosion, or "volcanic action" resulting from either "earth movement" or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to covered property while in transit.

This exclusion does not apply when a "limit" is indicated for "earth movement" on the "schedule of coverages".

- c. **Flood** -- "We" do not pay for loss caused by "flood" but if fire, explosion, or theft results "we" do cover the loss caused by the fire, explosion, or theft.

This exclusion does not apply to covered property while in transit.

This exclusion does not apply when a "limit" is indicated for "flood" on the "schedule of coverages".

- d. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. "We" do pay for direct loss by fire resulting from the nuclear hazard.

- e. **Ordinance or Law** -- "We" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

f. **Sewer Backup and Water Below the Surface** -- "We" do not pay for loss caused by:

- 1) water that backs up through a sewer or drain; or
- 2) water below the surface of the ground including water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure.

However, if fire, explosion, or theft results, "we" do cover the loss caused by the fire, explosion, or theft. This exclusion does not apply to covered property while in transit.

This exclusion does not apply when a "limit" is indicated for Sewer Backup and Water Below the Surface on the "schedule of coverages".

g. **War** -- "We" do not pay for loss caused by war. This means:

- 1) declared war, undeclared war, civil war, insurrection, rebellion, or revolution;
- 2) a warlike act by a military force or by military personnel;
- 3) the destruction, seizure, or use of the property for a military purpose; or
- 4) the discharge of a nuclear weapon even if it is accidental.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

a. **Criminal, Fraudulent, or Dishonest Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;

- 4) "your" partners, officers, directors, trustees, or joint adventurers; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

b. **Explosion, Rupture, or Bursting** -- "We" do not pay for loss caused by explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines.

This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.

c. **Loss of Use** -- "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

d. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property. This exclusion does not apply to covered property in the custody of a carrier for hire.

e. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants" unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril". "We" do pay for any resulting loss caused by a "specified peril".

- f. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
3. "We" do not pay for loss or damage if one or more of the following exclusions apply to the loss. But if loss by a covered peril results "we" will pay for the resulting loss.
- a. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- b. **Defects, Errors, and Omissions** -- "We" do not pay for loss caused by an act, defect, error, or omission (negligent or not) relating to:
- 1) design or specifications;
 - 2) workmanship or construction;
 - 3) repair, renovation, or remodeling; or
 - 4) materials.
- c. **Electrical Currents** -- "We" do not pay for loss caused by arcing or by electrical currents other than lightning.
- However, this exclusion does not apply to loss resulting from testing.
- d. **Mechanical Breakdown** -- "We" do not pay for loss caused by mechanical breakdown including centrifugal force.
- However, this exclusion does not apply to loss resulting from testing.
- e. **Temperature/Humidity** -- "We" do not pay for loss caused by humidity, dampness, dryness, or changes in or extremes of temperature.
- f. **Wear and Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police when the act that causes the loss is a crime.
2. **Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. However, "we" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase "our" "limit".
3. **Proof of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.

4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all cancelled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **Actual Cost To Repair, Replace, or Rebuild** -- The value of covered property will be based on the lesser of the following amounts:
 - a. the actual cost to repair, replace, or rebuild the covered property with materials of like kind and quality. The actual cost may include material, labor, reasonable overhead and profit, and delivery charges.

- b. the amount "you" actually spend to repair, replace, or rebuild the covered property.

In no event will "we" pay more than the "limit" indicated on the "schedule of coverages".

This valuation provision does not apply to paragraphs 2. and 3. under Valuation.

2. **Pair or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
3. **Loss to Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not pay for more than "your" insurable interest in any property.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Earthquake Period** -- All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single loss. This 168-hour period is not limited by the policy expiration.
4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay, "we" pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or

- c. the "limit" that applies to the covered property.

5. **Coinsurance** -- When a coinsurance percentage is indicated on the "schedule of coverages" the following conditions apply.

"We" only pay a part of the loss if the "limit" is less than value of the covered property multiplied by the percentage indicated on the "schedule of coverages". "Our" part of the loss is determined using the following steps:

- a. determine the expected value of the covered property using the coinsurance percentage indicated on the "schedule of coverages". This figure is based on the estimated value of the property at completion of installation had no loss occurred;
- b. divide the "limit" for covered property by the result determined in 5.a. above;
- c. multiply the total amount of loss, after the application of any deductible, by the result determined in 5.b. above.

The most "we" pay is the amount determined in 5.c. above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

If there is more than one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies separately to each "limit".

If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

6. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

7. **Insurance Under More Than One Policy** -- "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" will not pay more than the applicable "limit".

LOSS PAYMENT

1. **Our Options** -- "We" have the following options:
- a. pay the value of the loss;
 - b. pay the cost of repairing or replacing the loss;
 - c. rebuild, repair, or replace with property of like kind and quality, to the extent practicable, within a reasonable time;
 - d. take all or any part of the damaged property at the agreed or appraised value.
- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** -- "We" will adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy. An insured loss will be payable 30 days after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property of Others** -- Losses to property of others may be adjusted with and paid to:

- a. "you" on behalf of the owner; or
- b. the owner.

If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits arising from the owners at "our" expense.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** -- Insurance under this coverage shall not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

4. **Estates** -- This provision applies only if the insured is an individual.

On "your" death, "we" cover the following as an insured:

- a. the person who has custody of "your" property until a legal representative is qualified and appointed; or
- b. "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

This coverage does not extend past the policy period indicated on the "schedule of coverages".

5. **Misrepresentation, Concealment or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:

- a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein.
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.

OTHER CONDITIONS

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the actual cash value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the amount of the loss.

6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- "you" must notify "us" promptly if "you" recover property or receive payment;
 - "we" must notify "you" promptly if "we" recover property or receive payment;
 - any recovery expenses incurred by either are reimbursed first;
 - "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
 - if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- all of the "terms" of this coverage have been complied with; and
 - the suit has been brought within two years after "you" first have knowledge of the loss.
- If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.
12. **Carriers For Hire** -- "You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the covered property.
13. **When Coverage Ceases** -- Coverage ends when one of the following first occurs:
- this policy expires or is cancelled;
 - the covered property is accepted by the purchaser;
 - "your" insurable interest in the covered property ceases;
 - "you" abandon "your" installation, construction, or rigging project with no intent to complete it;
 - the installation, construction, or rigging project has been completed for more than 30 days; or
 - the covered property has been put to its intended use. However, this does not apply to roofs or walls.