

**Don Russell**

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**From:** Zachary Miller <Zachm@hoa-insurance.com>  
**Sent:** Thursday, June 23, 2016 2:51 PM  
**To:** Don Russell  
**Subject:** RE: Couple Questions  
**Attachments:** Zach Miller.vcf; WATER.pdf; EARTH MOVEMENT.pdf

Good afternoon Don...I have reviewed your questions with underwriting and here are our responses

**Tsunamis, flooding from sea level rise, flooding from an unusual rain storm, mud slides from the nearby palisades cliffs**

These types of events are typically excluded by "special form" property policies – which are the broadest of the property coverage form types. Philadelphia includes \$30,000 of coverage against natural water type losses per the attached section of your policy.

#### **Earthquakes**

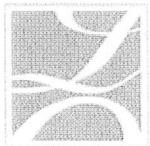
These are excluded by master policies in California per the attached section of your policy.

#### **Train derailments**

I am waiting on an official stance from management. Based on my research, it appears that damage from a train derailment would be covered similarly to an automobile crashing into property.

*Zach Miller*

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**From:** Don Russell [<mailto:drussell@capobay.org>]

**Sent:** Tuesday, June 14, 2016 1:58 PM

**To:** Zachary Miller

**Subject:** Couple Questions

Hi Zach,

Rather than me studying and trying to interpret the fine details in our 195-pg. policy could you review the following types of events and let us know how we would/would not be covered, and what level of deductibles are in place:

- tsunamis
- flooding from sea level rise
- flooding from an unusual rain storm
- mud slides from the nearby palisades cliffs
- train derailments
- earthquakes

Thanks,

(flooding & mudslides)

ITEM NO. 7c

PI-EPE-PU (01/07)

your or their employees, whether or not such an act occurs during the hours of employment; nor will we pay for a loss caused by dishonest acts by anyone entrusted with the Covered Property, except a common carrier for hire.

- g. Dryness, dampness, changes in temperature, corrosion or rust. But, if the air conditioning system that services the Covered Property is damaged by a Covered Cause of Loss we will pay for any direct resulting damage to Covered Property.
- h. Breakage of tubes, bulbs, lamps or articles made of glass. But we will pay for such loss caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to vehicles carrying the Covered Property.
- i. Processing or work performed upon the Covered Property. But we will pay for direct loss caused by resulting fire or explosion if the fire or explosion would be covered under this Coverage Form.

### 3. Limits and Deductibles

- a. Limit of Insurance - The most we will pay for any loss under the EDP section is \$50,000.
- b. Deductible - We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the contents Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.
- c. Valuation - The value of the Covered Property will be determined as of the time and place of loss using the actual replacement cost of property similar to the Covered Property. In no event will our liability above exceed the cost to repair or replace the property with similar property of equal value.

### VIII. The following is added and supersedes any wording to the contrary under the CAUSES OF LOSS – SPECIAL FORM:

**A. Water** - "Water" is included as a Covered Cause of Loss. We will not pay more than \$30,000 in any one occurrence.

1. "Water" means:

- \* a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- \* b. Mudslide or mudflow;
- \* c. Water that backs up or overflows from a sewer, drain or sump; or
- d. Water under the ground surface pressing on, or flowing or seeping through:
  - 1. foundations, walls, floors or paved surfaces;
  - 2. basements, whether paved or not; or
  - 3. doors, windows or other openings.

This extension applies to all claim expenses including, but not limited to building, business personal property, personal property of others, business income and extra expense and debris removal. However, this extension does not apply to roof drainage systems, gutters or downspouts.

(earthquakes)

ITEM NO. 7c

COMMERCIAL PROPERTY  
CP 10 30 10 12

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section G. Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### \* b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.