

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **CMP-4550 RESIDENTIAL COMMUNITY ASSOCIATION ENDORSEMENT**

---

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**1. SECTION I — PROPERTY** is amended as follows:

**a. Under Coverage A – Buildings:**

**(1)** Paragraph **2.** is replaced by the following:

**2.** Fixtures, outside of individual units, including outdoor fixtures;

**(2)** Paragraph **5.d.** is replaced by the following:

**d.** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units.

**(3)** The following is added:

Any of the following types of property contained within an individual unit, regardless of ownership:

**(a)** Fixtures, improvements and alterations that are a part of the building or structure; and

**(b)** Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraphs **(a)** or **(b)** above.

**b. Under Coverage B – Business Personal Property:**

**(1)** Paragraph **1.** is replaced by the following:

**1.** Property that:

**a.** You own, lease from others or rent from others, or that is loaned to you; or

**b.** Owned indivisibly by all unit-owners;

**(2)** Paragraph **3.** does not apply.

**c.** The following is added under **Property Not Covered:**

Personal property owned by a unit-owner except as provided in **Coverage A – Buildings** or **Coverage B – Business Personal Property.**

**d.** Paragraph **1.h.** of **SECTION I — EXCLUSIONS** is replaced by the following:

**h. Water**

**(1)** Flood, surface water, waves (including tidal wave, tsunami, seiche) tides, tidal water, overflow of any body of water, or spray or surge from any of these, all whether driven by wind or not, except as provided in the Back-Up Of Sewer Or Drain Extension Of Coverage;

**(2)** Mudslide or mudflow;

**(3)** Water or sewage that backs up or overflows from a sewer, drain or sump, except as provided in the Back-up Of Sewer Or Drain Extension Of Coverage;

**(4)** Water or sewage under the ground surface pressing on, or flowing or seeping through:

**(a)** Foundations, walls, floors or paved surfaces;

**(b)** Basements, whether paved or not; or

**(c)** Doors, windows or other openings; or

**(5)** Material carried or otherwise moved by any of the Water, as described in Paragraphs **(1)** through **(4)** above.

But if Water, as described in Paragraphs **(1)** through **(5)** above, results in accidental direct physical loss by fire, explosion or sprinkler leakage, we will pay for the loss caused by that fire, explosion or sprinkler leakage.

e. **SECTION I — EXTENSIONS OF COVERAGE** is amended as follows:

- (1) Regardless of any language to the contrary in this policy, and only for the following Extensions Of Coverage, the most we will pay for loss in any one occurrence at each “complex” is the Limit Of Insurance for that Extension Of Coverage shown in the Declarations:

Pollutant Clean Up And Removal;  
Money Orders And Counterfeit Money;  
Forgery Or Alterations;  
Personal Property Off Premises;  
Outdoor Property;  
Personal Effects;  
Valuable Papers And Records;  
Accounts Receivable;  
Signs;  
Arson Reward; and  
Property Of Others.

- (2) The following is added:

**Back-up Of Sewer Or Drain.**

1. We will pay for accidental direct physical loss to Covered Property directly and immediately caused by water or sewage:
  - a. That enters through a sewer or drain located inside the interior structure; or
  - b. Which enters into and overflows from within a sump pump, sump pump well, or any other system located inside the interior of the structure, designed to remove subsurface water drained from the foundation area.
2. This coverage does not apply if the loss is resulting from your failure to:
  - a. Keep a sump pump or its related equipment in proper working condition; or
  - b. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

- f. Paragraph 3. of **SECTION I — LIMITS OF INSURANCE** does not apply.

- g. Paragraph 1.e.(4)(d) under Loss Payment of **SECTION I — CONDITIONS** does not apply.

- h. The following is added to Paragraph 1.e. under Loss Payment of **SECTION I — CONDITIONS**:

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

- i. The following is added to **SECTION I — DEFINITIONS**:

“Complex” means one or more covered buildings subject to common ownership, management, and maintenance located on the same or connecting lots.

2. **SECTION II — LIABILITY** is amended as follows:

- a. The following applies to **SECTION II — WHO IS AN INSURED**:

No person or organization is an insured with respect to acts, errors or omissions:

- (1) For which that person or organization may be liable in their capacity as a declarant, builder, sponsor, developer, promoter, engineer or architect; or

- (2) While acting within the scope of their duties for a declarant, builder, sponsor, developer, promoter, engineer or architect.

- b. The following is added to Paragraph 1.b. under **SECTION II — WHO IS AN INSURED**:

Each of the following is also an insured:

Any unit-owner including:

- (1) The declarant, builder, sponsor, developer or promoter in the capacity as a unit-owner, but only with respect to the declarant's, builder's, sponsor's, developer's or promoter's liability arising out of:

- (a) The ownership, maintenance or repair of that portion of the premises which is not owned solely by the declarant, builder, sponsor, developer or promoter; or

- (b) The declarant's, builder's, sponsor's, developer's or promoter's membership in the association.
- (2) Each other unit-owner of the described condominium association or similar community association, but only with respect to that person's liability arising out of:
  - (a) The ownership, maintenance or repair of that portion of the premises which is not owned solely by the unit-owner; or
  - (b) Membership in the association.

**3. SECTION I AND SECTION II — COMMON POLICY CONDITIONS** is amended as follows:

- a. **SECTION I — PROPERTY** under Paragraph 7. Other Insurance is replaced by the following:

**SECTION I — PROPERTY**

If there is other insurance covering the same loss, we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit Of Insurance of **SECTION I — PROPERTY** shown in the Declarations.

If, at the time of loss, a unit-owner has other insurance covering the same property as this insurance, this insurance is intended to be primary, and not to contribute with such other insurance.

- b. The following is added to Paragraph 10. Transfer Of Rights Of Recovery Against Others To Us:

We waive our rights to recover payment from:

- (1) Any unit-owner, including the developer as a unit-owner, and household members;
- (2) The association; and
- (3) Member of the board of directors for acts or omissions within the scope of their duties for you.

We reserve our right, however, to recover against the declarant, builder, sponsor, developer or promoter for acts, errors or omissions that the declarant, builder, sponsor, developer or promoter may be liable for in the capacity as a declarant, builder, sponsor, developer or promoter.

All other policy provisions apply.