DIFFERENCE IN CONDITIONS POLICY

NAME OF INSURED: **Sample**

SITUATE:

POLICY PERIOD: **TO**

LIMITS OF LIABILITY:

At Named Location(s) Part Of Excess Of		Any one occurrence and in the aggregate any one policy year as respects loss or damage by Earthquake
At Unnamed Location(s)	**EXCLUDED**	Any one occurrence and in the aggregate any one policy year as respects loss or damage by Earthquake
Time Element (per forms endorsed)	☐ **INCLUDE** ☐ **EXCLUDE**	Any one occurrence and in the aggregate any one policy year as respects loss or damage by Earthquake
Property In Transit	☐ **INCLUDE** ☐ **EXCLUDE**	Any one occurrence and in the aggregate any one policy year as respects loss or damage by Earthquake
Occurrence Defined	Occurrence shall mean any one loss, disaster or casualty or series of losses, disasters or casualties arising out of one event. When the term applies to loss or losses from the perils of flood or earthquake and/or flood (if it is insured hereunder), one event shall be construed to be all losses arising during a continuous period of 72 hours.	
Deductibles		
Premium		

1. LOSS:

Loss, if any, shall be adjusted with and payable to the Named Insured shown on the Declarations Page of this Policy whose receipt shall constitute a release in full of all liability under this Policy as regards such loss.

2. THIS POLICY COVERS:

On all

If covered hereunder, Real and Personal Property shall mean:

a) The interest of the Insured in all buildings and other structures as described in forms and or endorsements attached hereto and business personal property, owned by the Insured usual to the occupancy of the insured, all while on premises owned, leased or occupied by the Insured and including interest in improvements and betterments in buildings occupied but not owned by the Insured.

b) The interest of the Insured in, and the Insured's legal liability for, buildings and other structures and personal property (other than motor vehicles) of others in the Insured's custody, actual or constructive; except when the Insured is acting as a warehouseman or a bailee for hire.

3. PERILS INSURED AGAINST:

This policy insures against All Risks of direct physical loss or damage from any external cause to the property insured when caused by a peril not excluded elsewhere in this policy, the occurrence of such loss or damage being during the policy period.

4. DEBRIS REMOVAL:

(a) This Policy covers (within the sum insured and subject to the limitations imposed hereunder) expense to remove debris of property covered hereunder damaged by an insured peril. The expenses will be paid only if they are reported to the Company within 180 days of the earlier of: the date of direct physical loss or damage; or the end of the policy period.

(b) The maximum payable under this coverage is the greater of US $25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; plus the deductible in this Policy applicable to that loss or damage. Coverage for debris removal does not increase the total coverage for such property afforded by this policy.

(c) Debris Removal coverage does not apply to: (a) any foundation, other than damaged portions which may be removed for repair or rebuilding; (b) any building or part thereof, the removal of which is required by any ordinance or law regulating construction or repair; (c) the cost to extract "Pollutants" from land or water; (d) the cost to remove, restore, or replace polluted land or water; (e) the cost to remove, restore, or replace any property necessitated or required solely to comply with Government Regulations.

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant without limitations, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes but is not limited to materials to be recycled, reconditioned, or reclaimed, all as more fully defined in endorsement(s) attached to this policy.

5. DEDUCTIBLE CLAUSE:

All losses, damages, or expenses arising out of any one occurrence shall be adjusted as one loss, and from the amount of such adjusted loss shall be deducted the sum stated in the Declarations Page attached hereto.

6. EXCLUSION OF FIRE & RELATED PERILS:

This Policy does not insure against loss or damage caused by or resulting from, contributed to, or aggravated by any of the following perils:

(a) fire and lightning as set forth in a standard fire insurance policy, extended coverage perils, vandalism and malicious mischief and sprinkler leakage all as more fully defined and limited in the forms approved by the Insurance Services Office having jurisdiction where the property is located; whether or not insurance for such perils is being maintained by the Insured at the time of the loss and whether or not such loss or damage is directly or indirectly caused by or contributed to by a peril insured against under this policy;

(b) Other perils as defined and limited under policies insuring against perils carried by the Insured under any other more specific insurance arranged for and in the name of the Insured.

7. ADDITIONAL EXCLUSIONS:

In addition to coverage excluded by Paragraph (6) of this form, this Policy also does not insure against loss or damage caused by, resulting from, contributed to, or aggravated by:

(a) (1) Earth movement including but not limited to earthquake, landslide, mudflow, earth sinking, earth rising or shifting resulting from, contributed to, or aggravated by any of the foregoing;

(2) Flood meaning surface water, waves, tide or tidal water, and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, harbors, streams, and other similar bodies of water, whether driven by wind or not;

(b) (1) Backing up of sewers or drains due to an occurrence of nature;

(2) Water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors.

(c) Infidelity or dishonesty of the Insured or any of his employees; loss or damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretense; any unexplained loss, or mysterious disappearance;

(d) Disappearance of property or loss or shortage of property disclosed on taking inventory, pilferage, burglary, larceny, theft or attempted theft.

(e) Cost of making good faulty or defective workmanship or material, but this exclusion shall not apply to physical loss or damage to other property insured hereunder resulting from such faulty or defective workmanship or material;

(f) Loss or damage directly or indirectly caused by fault, defect, error or omission in design, plan or specification; or testing;

(g) Electrical injury or disturbance to electrical appliances, devices, or wiring from artificial causes, nor magnetic injury or erasure of electrical recordings;

(h) The explosion or rupture or bursting of pressure vessels or pipes, or steam boilers, or steam turbines, or steam engines, or flywheels, owned or operated by the Insured, nor mechanical or machinery breakdown;

(i) Errors in processing; damage sustained to that part of the property insured which is actually being worked upon and directly resulting therefrom or caused by any repairing, adjusting, servicing or maintenance operation. But, this exclusion shall not apply to physical loss or damage to other property insured hereunder.

(j) The operation of a co-insurance clause or average clause;

(k) Loss of use, delay, loss of market, bankruptcy, foreclosure, deterioration, latent defect, inherent vice, moth vermin, termites or other insects, wear, tear or gradual deterioration, rust, wet or dry rot, mold, smog, contamination, spoilage, change in color, flavor and/or texture;

(l) The release, discharge or dispersal of pollutants or the cost of cleaning up seeping, polluting or contaminating substances per endorsement attached;

(m) Loss by subsidence; settling, shrinkage or expansion in foundations, walls, floors, or ceilings;

(n) Nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy;

(o) (1) Hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces;

(2) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

(3) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;

(p) Loss occasioned by enforcement of any ordinance or law regulating the construction, repair, or demolition of any real property insured hereunder;

(q) Interruption of business or other consequential loss extending beyond direct physical loss or damage to the property insured hereunder, unless endorsed hereon;

(r) Dampness or dryness of atmosphere, changes of temperature, loss of refrigeration or air conditioning, shrinkage, evaporation, loss of weight, leakage of contents, breakage of glass or other fragile property, marring, scratching, bending, exposure to light, change in flavor or color or texture or finish; unless such loss or damage is directly caused by physical damage to the property insured, or to the premises or conveyances containing such property, by a peril insured hereunder;

(s) Faulty, inadequate or defective planning, zoning, development, surveying, siting, repair, construction, renovation, remodeling, grading, maintenance;

(t) Power interruption or power failure.

8. PROPERTY EXCLUDED:

This Policy does not cover:

(a) Accounts, bills, money, bullion, deeds, evidence of debt, notes, securities, precious metals, precious stones, fine arts, jewelry, watches, silverware, furs and articles trimmed in fur;

(b) Animals, growing crops, standing timber, trees, shrubs, lawns, irrigation systems;

(c) Land or land values, water;

(d) Property while in transit unless otherwise endorsed hereon;

(e) Watercraft, aircraft, or motor vehicles licensed for highway use, satellites;

(f) Property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan, after delivery to customers; or property covered under import or export ocean marine policies;

(g) Data processing equipment or data processing media, unless value is less than $25,000; accounts receivable or valuable papers or the cost to reproduced such records unless endorsed hereon;

(h) Shipments in mail;

(i) Property in the course of construction; unless total contract price of all the construction is agreed to in writing before loss and is less than one hundred thousand dollars ($100,000);

(j) Wharfs, piers, pilings, docks, roads, sidewalks or pavements, foundations, bridges, tunnels, or dams;

(k) Power transmission and feeder lines, including fiber optic cable lines.

9. TERRITORY:

10. LIMITS OF LIABILITY:

The Limit of Liability or Amount of Insurance shown on the face of this policy is a limit of amount per occurrence. Notwithstanding anything to the contrary contained herein, in no event shall the liability of this Company exceed this limit or amount in one occurrence as defined on Page 1 of this form.

The premium for this Policy is based upon the Statement of Values on file with this Company, or attached to this Policy. In the event of loss hereunder, liability of the Company shall be limited to the least of the following:

(a) The actual adjusted amount of the loss, less applicable deductible(s).

(b) The total stated value for the property involved, as shown on the latest Statement of Values on file with the Company, less applicable deductible(s).

(c) The Limit of Liability or Amount of Insurance shown on the face of this Policy or endorsed onto this Policy.

11. VALUATION:

In case of loss, the basis of adjustment, unless endorsed hereon, shall be as follows:

(a) Finished goods manufactured by the Insured, at the Insured's net selling price after all discounts and unincurred expenses are deducted. Finished goods shall be those goods on which the Insured, and/or others for the account of the Insured, shall have completed work to the extent that such goods are in a state ready for sale, normal to the business of the Insured. Valuation of the finished goods purchased by the Insured from others for subsequent resale shall be limited to the actual cash value of the goods at the time and place of loss. Raw stock and stock in progress, at replacement cost, with like kind and quality, at the time and place of loss;

(b) Improvements and betterments, at replacement cost at the time and place of loss if actually replaced; if not so replaced, that proportion of the original cost at the time of installation of the damaged or destroyed property which the unexpired term of the lease or rental agreement, whether written or oral, in effect at the time of loss bears to the periods from the dates such improvement or betterments were made to the expiration of the lease;

(c) Buildings and structures, at actual cash value unless otherwise endorsed hereon;

(d) Accounts, manuscripts, mechanical drawings and other records and documents not specifically excluded, at value blank plus cost of transcribing information contained thereon;

(e) Patterns and dies, at actual cash value on date of loss;

(f) Machinery, equipment and any other insured property not otherwise provided for at the actual cash value at the time and place of loss;

(g) Exhibitions and displays at actual cost to the Insured.

12. OTHER INSURANCE:

This Policy shall not cover to the extent of any other insurance whether prior or subsequent hereto in date, and by whomsoever effected, directly or indirectly, covering the same property against the same perils and this Company shall be liable for the loss or damage only for the excess value beyond the amount covered under such other insurance whether collectible or not.

13. EXCESS INSURANCE:

Permission is granted the Insured to have excess insurance over the limit of liability set forth in the policy without prejudice to this Policy and existence of such insurance, if any, shall not reduce any liability under this Policy.

14. BRANDS AND LABELS:

If branded or labeled merchandise covered by this Policy is damaged and this Company elects to take all or any part of such merchandise at the value established by the terms of this Policy, the Insured may, at his own expense, stamp "salvage" on the merchandise or its containers, or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the merchandise; but the Insured must relabel the merchandise or containers in compliance with the requirements of law.

15. NOTICE OF LOSS:

In the event of loss or damage under this Policy the Insured shall give notice of loss or damage to the Company within ninety (90) days from the date of loss a detailed sworn proof of loss. Failure by the Insured to report the said loss or damage and to file such sworn proof of loss as herein before provided shall invalidate any claim under this Policy for such loss.

16. ASSURED'S DUTIES IN CASE OF LOSS:

Upon knowledge of loss or of an occurrence which may give rise to a claim for loss, the assured shall:

(a) Give prompt notice to the Company or Agent, in writing including a description of property involved.

(b) The Insured must take all reasonable steps to protect Covered Property at and after an insured loss to avoid further damage, and keep a record of expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance. However, the Company will only pay for subsequent loss or damage resulting from a peril not otherwise excluded. If feasible, set aside the damaged property in the best possible order for examination.

(c) File detailed proof of loss, duly sworn to, with the Company within 90 days after the discovery of loss; failure by the assured to report the said loss or damage and to file such sworn proof of loss as herein before provided shall invalidate any claim under this policy for such loss.

(d) Upon the Company request, (1) furnish a complete inventory of all property not lost or damaged, stating the original cost and actual cash value and quantity thereof, and (2) the assured and every claimant hereunder shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

17. ASSISTANCE AND COOPERATION OF THE INSURED:

The Insured shall cooperate with this Company, and upon this Company's request shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits.

18. SERVICE OF SUIT:

It is agreed that in the event of the failure of this Company to pay any amount claimed to be due hereunder, this Company at the request of the Insured, will submit to the jurisdiction of any Court of Competent Jurisdiction within the United States and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court, however, this Company specifically reserves the right to remove any suit brought under this policy to a Federal Court of the United States.

19. AUDIT:

The Company, through its authorized representative, shall be privileged to inspect the books and records of the Insured pertaining to the subject matter of this insurance at all reasonable times during the life of this policy and for twelve (12) months after the expiration or termination date of the insurance.

20. TITLES OF PARAGRAPHS:

The several titles of the various paragraphs of this form (and of endorsements and supplemental contracts, if any, now or hereafter attached to this policy) are inserted solely for convenience or reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

21. ABANDONMENT:

There can be no abandonment to this Company of the property insured.

22. ASSIGNMENT:

This policy shall be void if assigned or transferred without the written consent of the Company.

23. INSPECTION:

The Company shall be permitted but not obligated to inspect the Insured's property at any time. Neither the Company's right to make inspections nor the making thereof nor any report thereon shall constitute an under- taking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

24. SALVAGE AND RECOVERIES:

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

25. FALSE OR FRAUDULENT CLAIMS:

If the Insured shall make any material misrepresentations or conceal facts either before or after a loss or make a claim knowing the same to be false or fraudulent, as regards amount or otherwise, this policy shall become void, and all claims hereunder shall be forfeited.

26. SUBROGATION:

In the event of any payment under this policy the underwriters shall be subrogated to all the assured's rights of recovery therefore against any person or organization and the assured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The assured shall do nothing after loss to prejudice such rights.

27. REQUIRED BY LAW:

Any provisions, required by law to be stated in policies issued by a subscriber hereto, shall be deemed to have been stated herein.

28. BOOKS AND RECORDS:

The assured shall keep records of all the insured property in such manner that the Company can accurately determine therefrom the amount of loss.

29. COMPANY'S OPTIONS:

It shall always be optional with this Company to take all or any part of damaged property at the ascertained or appraised value or to repair or replace any property lost or damaged with other of like kind and quality within a reasonable time on giving notice within thirty days after receipt of the proof herein required, of its intention to do so.

30. UNCOLLECTIBLE UNDERLYING INSURANCE/LIMIT:

It is understood and agreed that in the event the underlying insurance/limit, which this insurance applies excess of, is uncollectible, this insurance will not drop down or take the place of the underlying insurance/limit. The insured must assume the responsibility for any uncollectible insurance/limit.

31. PROFESSIONAL FEES

Subject to all the terms and conditions contained herein, this policy covers the actual costs incurred by the Insured, of reasonable fees payable to the Insured's accountants,architects,auditors, engineers, or other professionals, excluding the cost of using the Insured's employees, for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence required by the company resulting from insured loss payable under this policy for which the company has accepted liability.

Coverage will not include the fees and costs of attorneys, public adjusters, insurance agents or brokers, and loss appraiser's all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them nor fees and costs of loss consultants who provide consultation on coverage or negotiate claims.

32. ENSUING LOSS EXCLUSION

In no event shall this company be liable for any loss caused directly or indirectly by fire, explosion or other excluded perils whether the same be caused by or attributable to earthquake or otherwise.

THE PROVISIONS OF THE PRECEDING PAGES OF THIS FORM ARE HEREBY REFERRED TO AND MADE A PART OF THIS POLICY.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Attached to and forming a part of policy number NSMXXXXX issued by: North Shore Management

issued to: Sample

effective date:

BY: _____

AUTHORIZED REPRESENTATIVE