

## **BUILDERS RISK PLUS® COVERAGE FORM**

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G. - Definitions**.

### **A. Coverage**

We will pay for direct "loss" to Covered Property from any of the Covered Causes of Loss.

**1. Covered Property, as used in this Coverage Form, means:**

- a.** your property and property for which you are legally responsible, in your care custody or control, consisting of: building materials and supplies, equipment, machinery and fixtures;
- b.** fences, foundations, excavations, underground pipes, drains, paving, and/or pilings at any construction job-site covered by this Coverage Form;

which is, or is intended to become, a permanent part of the structure(s) at the job-site(s) described in the Declarations.

**2. Property Not Covered**

Covered Property does not include:

- a.** water, land (including land on which the property is located), grading or fill;
- b.** contraband or property in the course of illegal transportation or trade;
- c.** growing crops;
- d.** accounts, bills, currency, deeds, evidences of debt, money, notes or securities;

**e.** contractor's equipment, aircraft, motor vehicles, watercraft, machinery, tools or similar property which will not become a permanent part of the structure(s) at the job-site described in the Declarations;

**f.** bridges, tunnels, piers, wharves and dams whether or not in the course of construction, reconstruction, renovation or repair;

**g.** buildings or structures that exist prior to any alteration, addition, improvement, renovation or repair;

**h.** property while waterborne (other than while on regularly scheduled ferries or railroad car floats).

**3. Covered Causes of Loss**

Covered Causes of Loss means risks of direct physical "loss" to Covered Property except those causes of "loss" listed in the Exclusions.

**4. Additional Coverages**

Additional Coverages, as described below, apply per location and are in addition to the Limit of Insurance located on Section **A.** of the Declarations Page.

- a.** We will pay up to the Limit of Insurance shown in Section **B.** of the Declarations for "loss" from a Covered Cause to Temporary Structures while located at a construction job-site de-

scribed in the Declarations. This insurance applies as excess of any other insurance that would apply for your benefit.

This property will be valued at the lesser of:

- (1) its actual cash value; or
- (2) the amount for which you are legally liable, if the property is not owned by you.

- b. We will pay for "loss" to Covered Property from a Covered Cause while it is at Temporary Locations, but only for the first 180 days that the property is located there, and not beyond the end of the policy period.

The most we will pay for any one "loss" at a Temporary Location is the Limit of Insurance shown in Section **B.** of the Declarations.

- c. We will pay up to the Limit of Insurance shown in Section **B.** of the Declarations for "loss" from a Covered Cause to Scaffolding, Construction Forms, Falsework, and Temporary Fences while they are located at a construction job-site described in the Declarations. This insurance applies as excess of any other insurance that would apply for your benefit.

This property will be valued at the lesser of:

- (1) its actual cash value; or
- (2) the amount for which you are legally liable, if the property is not owned by you.

- d. We will pay up to the Limit of Insurance shown in Section **B.** of the Declarations for your actual, necessary Expense to Remove Covered Property from a location covered by this insurance, if removal is necessary to avoid imminent "loss" from a Covered Cause. We will insure such Covered Property at the location to which it has been removed for safekeeping, for a period up to 30 days. Also, we will insure

such Covered Property while in transit via truck or rail between the original covered locations and the safekeeping location.

- e. We will pay up to the Limit of Insurance shown in Section **B.** of the Declarations for your liability for Fire Department Service Charges when the fire department is called to save or protect Covered Property from a Covered Cause of Loss. This coverage is provided when your liability is:

- (1) assumed by contract or agreement prior to "loss"; or
- (2) required by local ordinance.

- f. We will pay up to the Limit of Insurance shown in Section **B.** of the Declarations for "loss" to Lawns, Trees, Shrubs and Plants if the "loss" is caused by fire, lightning, explosion, aircraft, civil disturbance or riot. The most we will pay for any one lawn, tree, shrub or plant including removal, is \$500.

The coinsurance provision of your policy does not apply to these Additional Coverages.

## 5. Coverage Extensions

### a. Debris Removal

We will pay your actual and necessary expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss.

The most we will pay for "loss" under this Coverage Extension is the percentage shown on the Declarations which is the sum of the amount we pay for direct physical "loss" to Covered Property plus the applicable deductible amount.

If the sum of debris removal expense, deductible amount and our payment for direct physical "loss" exceeds the applicable Limit of Insurance, we will pay up to the limit shown in the Declarations for additional debris removal expense.

This Coverage Extension doesn't apply to the cost to:

- (1) extract "pollutants" from land or water; or
- (2) remove, restore or replace polluted land or water.

#### **b. Pollutant Clean Up and Removal**

We will pay your necessary expense to extract "pollutants" from land or water at a job-site if the release, discharge or dispersal of the "pollutants" results from a Covered Cause of Loss to Covered Property that occurs during the policy period. Your expenses will be paid only if they are reported to us within 180 days of the earlier of:

- (1) the date of the "loss"; or
- (2) the end of the policy period.

The most we will pay under this Coverage Extension is the limit shown in the Declarations for the sum of all such expenses for each separate policy period up to 12 months.

The limit of Pollutant Clean Up and Removal is separate from the Limits of Insurance stated elsewhere in the policy.

#### **c. Loss Data Preparation**

We will pay up to the limit shown in the Declarations for your actual cost of preparing a statement of loss or any other exhibits required in connection with any claim under this Coverage Form.

### **B. Exclusions**

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

#### **a. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

#### **b. Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

#### **c. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or authority using military personnel or other agents; or
- (3) insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

#### **d. Earth Movement**

- (1) Any earth movement (other than "sinkhole collapse") such as earthquake, landslide, mine subsidence or earth sinking, rising, shifting, expanding, contracting or any other earth movement. But if loss or damage by fire, theft, or explosion results, we will pay for that resulting "loss."
- (2) Volcanic eruption, explosion or effusion. But if "loss" by fire or volcanic action results, we will pay for that resulting "loss."

Volcanic action means direct "loss" resulting from the eruption of a volcano when the "loss" is caused by:

- (a) airborne volcanic blast or airborne shock waves;
- (b) ash, dust or particulate matter; or
- (c) lava flow.

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" to the described property.

#### e. Water

- (1) flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not.
- (2) mudslide or mudflow;
- (3) water that backs up from a sewer or drain; or
- (4) water 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.
- (5) water damage as a result of freezing, unless:
  - (a) you have shut off the water supply and drained the plumbing systems; or
  - (b) made a reasonable effort to maintain heat in an enclosed building.

But if "loss" by fire, explosion, theft or sprinkler leakage results, we will pay for that resulting "loss."

#### f. Building Ordinance

The enforcement of 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.

#### g. "Fungus," Wet Rot, Dry Rot and Bacteria:

- (1) presence, growth, proliferation, spread, destruction, decomposition or any other activity of "fungus," wet rot, dry rot, or bacteria;
- (2) we will not pay for the cost to test, monitor, contain, remove, extract, dispose of, treat, remediate, neutralize, or decontaminate land, water, or any property which has been (or is suspected to have been) contaminated by the presence of "fungus," wet rot, dry rot or bacteria.

This exclusion does not apply to:

- (a) "fungus," wet rot or dry rot or bacteria which results from a fire or lightning; or
- (b) to the extent that limited coverage is provided by **Optional Flood Coverage**.

#### 2. We will not pay for a "loss" caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest or criminal acts by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone with an interest in the property (including their employees and authorized repre-

sentatives) or anyone else (other than a carrier for hire) to whom you entrust the property:

- (1) acting alone or in collusion with others;
- (2) whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

- c. Rain, sleet, snow, hail, ice or dust to property not in a fully enclosed building. This exclusion does not apply to property in the custody of a carrier for hire, nor "loss" due to collapse of a structure caused by weight of rain, sleet, snow, hail, ice or dust.
  - d. Unexplained loss, mysterious disappearances or shortage disclosed upon taking inventory. This exclusion does not apply to property while in the custody of a carrier for hire or public warehouseman.
3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."
- a. Collapse or weather conditions. But this exclusion only applies if weather conditions or collapse contribute in any way with a cause or event excluded in Paragraph 1. above to produce the "loss."
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Gradual deterioration, hidden or latent defects, any quality in the property that causes it to damage or destroy itself, wear and tear, depreciation, corrosion, rust, dampness or dryness, cold or heat, insects, rodents, birds or other animals.

d. Settling, cracking, shrinking, bulging or expansion of the earth, foundations, footings or structures.

4. We will not pay for "loss" caused by or resulting from the following causes. But, if as a result of the following there is "loss" to other Covered Property by a Covered Cause of Loss, we will pay for that resulting "loss."

a. Artificially generated electric current that creates a short circuit or other electric disturbance within electrical devices, appliances or wires. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

b. Mechanical breakdown of machinery including rupture or bursting caused by centrifugal force.

c. Faulty, inadequate or defective:

(1) planning, zoning, development, surveying, siting;

(2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) materials used in repair, construction, renovation or remodeling; or

(4) maintenance.

5. We will not pay for:

a. Penalties for noncompletion or non-compliance with contract conditions, or liquidated damages (as defined in the construction contract for the specific insured project).

b. Any "loss" covered under any guarantee, warranty or other expressed or implied obligation of any contractor, manufacturer or supplier. This exclusion applies whether or not such contractor, manufacturer or supplier is a Named Insured.

### C. Limits of Insurance

The most we will pay for "loss" due to Covered Causes of Loss is the applicable Limit of Insurance shown in the Declarations. The Limits of Insurance applicable to Additional Coverages and Optional Coverages are in addition to the Limits of Insurance, unless stated otherwise.

### D. Deductible

We will pay the amount of the adjusted "loss" in excess of the Deductible amount shown in the Declarations, up to the applicable Limit of Insurance.

### E. Additional Conditions

The following conditions apply in addition to the **Commercial Inland Marine** Conditions and **Common Policy** Conditions.

#### 1. Coinsurance

Covered Property, (except property at temporary storage locations or in transit), must be insured for its total "completed value" at the time of loss or you will incur a penalty. The penalty is that we will pay only the proportion of any "loss" that the applicable Limit of Insurance shown in the Declarations bears to the total "completed value" of Covered Property.

#### 2. Valuation

General Condition **F. Valuation** in the **Commercial Inland Marine** Conditions is replaced by the following:

##### a. Building or Structure

We will adjust a "loss" to buildings or structures on the basis of replacement cost, at the time of loss, including the contractor's reasonable overhead and profit.

##### b. Other Covered Property

We will adjust "loss" to:

- (1) owned property at the actual cash value, including labor and delivery charges;

- (2) property of others at the cost to repair or replace but not more than the amount for which you are legally liable.

Property will be valued as of the time the "loss" occurs.

The most we will pay is:

- (1) the amount necessary to repair the Covered Property; or
- (2) the amount necessary to replace the Covered Property with materials of the same kind or quality; or
- (3) the applicable Limit of Insurance;

whichever is less.

### 3. Duty to Preserve Rights of Recovery

- a. Before a "loss" you may waive your rights of recovery against any individual, corporation or other entity except:

- (1) any architect, engineer, or other party or entity responsible for any design, specifications, or plans for the fabrication, erection or completion of the property insured with respect to any loss or damage that may be caused by:

- (i) fault, defect, error or omission in such design, specifications, or plans;

- (ii) performance of, or failure to perform, supervisory or management functions related to the construction project(s).

- (2) Any contractor, manufacturer or supplier of Covered Property that has agreed to make good any loss or damage under a guarantee or warranty.

If any act or agreement of yours impairs our right to recover for "loss" as described above, we will not cover the "loss."

- b. We will not cover any "loss" which you settle or compromise without our written consent.

#### 4. Cancellation

The following is added to **Common Policy** Conditions, Paragraph 5. If the first Named Insured cancels this policy, we will retain at least the Minimum Premium amount shown in the Declarations.

#### 5. Where Coverage Applies

Coverage applies while Covered Property is:

- a. at the construction job-site premises described in the Declarations; or
- b. in transit by truck or railroad to the covered job-site, to off site fabrication or to temporary safekeeping locations;

all while within the United States, the District of Columbia, or Canada, but excluding while in transit to and from Alaska; to and from Hawaii.

#### 6. When Coverage Begins and Ends

We cover from the time the Covered Property is at your risk starting on or after the date this policy begins.

This coverage will end on each structure when any of the following occurs:

- a. the purchaser accepts it;
- b. your interest in the Covered Property ceases; or you abandon the construction;
- c. 90 days after the structure is "substantially completed" (if no work on the structure has taken place during that period);
- d. when a structure is occupied or put to its intended use, without our written consent;
- e. any other insurance covers the property as a completed building or structure;

- f. this Coverage Form is cancelled; or

- g. the end of the policy period.

#### F. Optional Coverages

Coverage under this section is provided only if a Limit of Insurance for the coverage selected appears in the Declarations. The coverage limits selected apply per location, and are in addition to the Limit of Insurance, except for Equipment Breakdown where coverage is included in the Section **A. Limit of Insurance**. If there is no separate deductible indicated, the policy deductible will apply to these optional coverages.

##### 1. Equipment Breakdown

###### a. Coverage

- (1) We will pay for "loss" caused by or resulting from Accident to "Covered Equipment." As used in this Coverage Form, an Accident means direct physical "loss" as follows:

- (a) mechanical breakdown of machinery including rupture or bursting caused by centrifugal force;
- (b) artificially generated electric current that creates a short circuit or other electric disturbance within electrical devices, appliances or wires; or
- (c) explosion of steam boilers, steam piping, steam engines or steam turbines.

If an initial Accident causes other Accidents, all will be considered one Accident. All Accidents that are the result of the same event will be considered one Accident.

- (2) The following additional coverages also apply to "loss" caused by or resulting from an Accident:

**(a) Expediting Expenses**

With respect to your damaged Covered Property, we will pay up to \$25,000 for your reasonable extra expenses to:

- (i) make temporary repairs; and
- (ii) expedite permanent repairs or replacement.

**(b) Hazardous Substances**

We will pay for the additional costs, up to \$5,000, to repair or replace Covered Property because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property.

Hazardous Substances means any substance other than ammonia that has been declared to be hazardous to health by a government agency. Additional Costs mean those beyond that which would have been required had no hazardous substance been involved.

- (3)** As respects this Optional Coverage, Section **B. Exclusions** is amended as follows:

- (a)** Paragraph 4. is deleted in its entirety.
- (b)** The following exclusion is added:

We will not pay under this Coverage Form for "loss" caused by or resulting from any of the following:

- (i) the breakdown of any structure, foundation, cabinet, compartment or air-supported structure or building;

- (ii) the breakdown of any insulating or refractory material;

- (iii) the breakdown of any sewer piping; any underground vessels or piping; any piping forming a part of a sprinkler system; or any water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system; or

- (iv) the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- (4)** As respects this Optional Coverage, the following condition is added to Section **E. Additional Conditions**:

**Suspension**

When any "Covered Equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an Accident to that equipment. We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or to the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by written notice from us. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.



- (5) As respects this Optional Coverage, the following definitions are added to Section **G. Definitions**:

**"Covered Equipment"** means Covered property including fired or unfired pressure vessels built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy. However, "Covered Equipment" does not include "Production Machinery."

**"Production Machinery"** means any machine or apparatus, including any cylinder containing a movable plunger or piston, that processes or produces a product intended for eventual sale.

## 2. Plans and Records

We will pay up to the Limit of Insurance shown in Section **C.** of the Declarations to reproduce, replace or restore valuable papers or records (such as blueprints, plans, drawings, or data stored on electronic media, such as tapes, discs or CDs) located at any construction premises covered by this Optional Coverage.

The **Coinsurance** Additional Condition of your policy does not apply to valuable papers and records.

## 3. Fire Protection Equipment

We will pay your:

- a. "loss" to your fire protection equipment from a Covered Cause of Loss; and
- b. actual expense to recharge such equipment which was discharged while fighting a fire at, or while in transit to, a construction job-site described in the Declarations.

The most we will pay for this Optional Coverage is the Limit of Insurance shown in Section **C.** of the Declarations for the sum of the "loss" and expense coverage provided.

The **Coinsurance** Additional Condition of your policy does not apply to fire protection equipment.

## 4. Inflation Protection

We will pay up to the Limit of Insurance shown in Section **C.** of the Declarations for your actual increased cost of labor and/or substantially identical materials to repair or replace Covered Property lost or damaged by a Covered Cause of Loss.

We will pay this additional amount only:

- a. if the job-site limit is insufficient at the time of loss, but was in compliance with the Coinsurance condition when coverage began; and
- b. to the extent that the increase in cost is the direct result of inflation of your costs and not changes in the job.

This coverage does not apply to, and we will not pay to rebuild, any structure that existed before the construction job insured by this policy began, even if coverage for "loss" to such structure is provided by endorsement to the Coverage Form.

## 5. Extra Expense

We will pay up to the Limit of Insurance shown in Section **C.** of the Declarations for your actual, necessary, additional expense to continue normal construction operations at a construction job-site described in the Declarations, which is incurred as a direct result of a "loss" to Covered Property from a Covered Cause of Loss, at such job-site.

## 6. Flood Coverage

### a. Coverage

Coverage added by this Optional Coverage applies only to locations which are not within the flood plain as determined by the Federal Emergency Management Agency and identified in Section **C.** of the Declarations.

Covered Causes of Loss added by **Flood Coverage** are:

- (1) Flood meaning a general and temporary condition of partial or complete inundation of normally dry land area from inland or tidal waters.
- (2) Tsunami meaning a large wave caused by earthquake or volcanic eruption.
- (3) Release of water impounded by a dam.

#### **b. Limit of Insurance**

The most we will pay for water damage from a Covered Cause of Loss in any one "loss" is the Limit of Insurance or sub-limit shown in Section **C.** of the Declarations. If a Covered Cause of Loss begins in one "policy year" and continues into the subsequent "policy year," the Limit of Insurance for the first "policy year" will apply to the entire flooding event. The subsequent "policy year" Limit of Insurance will not apply.

#### **c. Deductible**

As respects your claim for "loss" to Covered Property caused by Covered Causes of Loss listed in Paragraph **a.** above, we will pay the amount of the adjusted "loss" in excess of the applicable deductible up to the applicable Limit of Insurance.

#### **d. Additional Coverages**

The following additional coverages apply to direct physical "loss" at a covered location if they are a direct result of the **Flood Coverage** causes of loss shown in Paragraph **6.a.** above.

The limits for these Additional Coverages are included in the Limit of Insurance shown in Section **C.** of the Declarations for Flood.

##### **(1) "Fungus," Wet Rot, Dry Rot, Bacteria**

We will pay your direct physical "loss" caused by "fungus," wet rot, dry rot and bacteria including

the cost of removal of the "fungus," wet rot, dry rot or bacteria; and the following related costs:

- i. the costs to tear out and replace any part of the building or other property to gain access to the "fungus," wet rot, dry rot or bacteria;
- ii. the cost of testing performed during the "remediation" process;
- iii. the cost of testing performed after such removal, repair or restoration is completed.

If **Time Element Coverage** applies to the Covered Location and

- (i) there is a covered "suspension" of "operations" due to a covered direct physical "loss" from a Covered Cause of Loss listed in **6.a.** above; and
- (ii) "remediation" of the resulting "fungus," wet rot, dry rot or bacteria is not completed by the time other repairs are completed, the "period of delay in completion" and "post loss period of reconstruction" will be extended up to 30 days.

The most we will pay for your direct physical "loss" and **Time Element** loss under this Additional Coverage is \$15,000. Regardless of the number of claims, number of locations, or number of occurrences of a Cause of Loss, this limit is the most we will pay for the total of all "loss," damage, expenses and **Time Element** loss sustained in any one "policy year."

##### **(2) Debris Removal**

The following applies to direct physical "loss" from a Covered Cause of Loss listed in **6.a.** above:

- i. We will pay your expense to remove debris of Covered Property and other debris

that is on the premises of a Covered Location, when such debris is the direct result of a Covered Cause of Loss listed in **6.a.** above.

However, we will not pay to remove mud or earth from grounds of Covered Locations.

- ii. Also, we will pay to remove the debris of Covered Property which has floated from or been removed from a Covered Location by a Covered Cause of Loss listed in **6.a.** above.

The most we will pay for Debris Removal is the lesser of:

- i. \$250,000, or
- ii. 25% of the amount we pay for direct physical "loss" to Covered Property at all Covered Locations, caused by Flood Covered Causes of Loss listed in **6.a.** above.

#### **e. Exclusions**

The following exclusion is added to Section **B.** Paragraph **1.** of this coverage form:

We will not pay for any "loss," caused by a flood, which begins before the inception of this insurance.

### **7. Earthquake and Volcanic Eruption Coverage**

#### **a. Coverage**

Coverage added by this Optional Coverage includes:

1. Earthquake; and
2. Volcanic Eruption, meaning the eruption, explosion, or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168 hour period will constitute a

single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168 hour period.

#### **b. Limit of Insurance**

The Limit of Insurance is shown in Section **C.** of the Declarations Page and is the most we will pay for loss caused by an Earthquake or Volcanic Eruption.

If an earthquake or volcanic eruption begins in one "policy year" and continues into the subsequent "policy year," the Limit of Insurance for the first "policy year" will apply to the entire Earthquake or Volcanic Eruption event. The subsequent "policy year" Limit of Insurance will not apply.

#### **c. Deductible**

1. As respects your claim for "loss" to Covered Property caused by Earthquake or Volcanic Eruption, we will pay the amount of the adjusted "loss" in excess of the applicable deductible up to the applicable Limit of Insurance.
2. Time Element Waiting Period - if your policy covers time element losses (such as loss of income, rental value or extra expense), we will pay for only the portion of the covered loss which exceeds the applicable waiting period.

#### **d. Exclusions**

1. In addition to Section **B. Exclusions**, we will not pay for "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
  - (a) Fire, explosion (other than volcanic explosion), tidal wave, tsunami, flood, surface water, water which backs up through sewers or drains, water below the sur-

face of the ground (including that which flows, leaks or seeps on or into Covered Property), mudslide or mud-flow, release of water impounded by a dam, even if attributable to an Earthquake or Volcanic Eruption.

- (b) Any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
- (c) Earth movement other than Earthquake, such as landslide or earth sinking, rising or shifting. But if loss or damage by another Covered Cause of Loss results, we will pay for that resulting loss.
- (d) The cost to remove volcanic ash, dust or particulate matter that does not cause direct physical loss to Covered Property.
- (e) The failure of power or other utility service supplied to a covered location, however caused, if the failure occurs away from the covered locations.

## G. Definitions

**"Completed Value"** means the total value of all Covered Property (including buildings, fences, foundations, underground pipes, drains, paving and pilings that are a permanent part of the covered job) when the job will have been finished at the end of the construction period. The "Completed Value" includes labor, cost of materials and the contractors reasonable overhead and profit.

"Completed Value" does not include:

1. the cost of land; nor
2. the cost of developing land to make it suitable for building (e.g., clearing, filling, grading).

**"Fungus"** means any type or form of fungus, including mold, mildew, yeast, or mushroom and any toxin, mycotoxin, spore, scent, waste product or byproduct produced or released by any fungus or by metabolism, growth, death or decay of any fungus.

**"Loss"** means accidental loss or damage.

**"Policy Year"** means a twelve-month period starting with the beginning of the current policy period.

**"Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**"Remediation"** means:

- b. the tearing out and replacing any part of the building to gain access to the "fungus," wet rot, dry rot or bacteria;
- c. the removal of "fungus," wet rot, dry rot or bacteria;
- d. testing performed during the remedial process;
- e. testing performed after such removal, repair or restoration is complete.

**"Sinkhole Collapse"** means the sudden sinking or collapse of the land into underground empty space(s) created by action of water on limestone or similar rock formations.

It does not include:

- a. the value of land;
- b. the cost of filling sinkhole(s);
- c. indirect or consequential loss, the loss of use arising from sinkhole collapse;
- d. sinking of the land into man-made structures.

**"Substantially Completed"** means construction project structure(s) is usable for its intended purpose.