

HO-3 EARTHQUAKE ENDORSEMENT (EXTENSION OF COVERAGES A, B, and C)

WHAT WE INSURE UNDER THIS EXTENSION OF COVERAGES

For the additional premium paid, **we** agree to extend Coverages A, B, and C to **accidental direct physical loss** caused by **earthquake**, subject to all the terms and conditions of those coverages except as modified by this endorsement.

EXCLUSIONS TO THIS EXTENSION OF COVERAGES

For **claims** made under this endorsement **we** will apply all exclusions related to any applicable coverage except exclusion 2 under the heading: "EXCLUSIONS APPLICABLE TO COVERAGES A & B". The following exclusions are added and will also apply to **claims** made under this endorsement:

ADDITIONAL EXCLUSIONS APPLICABLE TO COVERAGES A & B

We do not cover any loss or damage if it would not have occurred in the absence of any event or condition listed below. That loss or damage is excluded from coverage regardless of:

- (a) the proximate cause of that event or condition;
 - (b) the efficient proximate cause of that event or condition;
 - (c) the fact that other events or conditions, which are not excluded, caused the loss or damage;
 - (d) the fact that other events or conditions, which are not excluded, contributed to the loss or damage;
 - (e) the sequence of the events or conditions that caused the loss or damage;
 - (f) whether the events and conditions that caused the loss or damage occurred suddenly or gradually;
 - (g) whether the loss or damage is isolated or widespread;
 - (h) whether the loss or damage arises from natural forces or human forces or a combination of such forces; or
 - (i) whether the loss or damage was caused by internal forces, external forces, or a combination of such forces.
1. Movement of materials that support, or surround, a structure, unless it is caused directly by an **earthquake**.
 2. The sinking, rising, shifting, expanding, or contracting, of earth, or any other supporting or surrounding material, unless it is caused directly by an **earthquake**.
 3. Landslides, sinking of ground, subsidence, or erosion, unless it is caused directly by an **earthquake**.
 4. Flood or tidal wave, irrespective of its cause and irrespective of the fact that an **earthquake** contributed to its cause.
 5. Volcanic explosions, lava flow, mudflow, or mudslides, irrespective of its cause and irrespective of the fact that an **earthquake** contributed to its cause.
 6. Movement of materials surrounding covered property resulting from improper construction or compaction, or improper site selection, irrespective of the fact that an **earthquake** contributed to its movement.

We do cover **accidental direct physical loss** caused by fire, if that fire occurs subsequent to any of these causes.

We do not cover damage caused by any **earthquake** or aftershock that occurs after the expiration of this policy.

We do not cover any cost:

1. required to replace, rebuild, stabilize, or otherwise restore, supporting, or surrounding, material, irrespective of the fact that an **earthquake** necessitated such replacement, rebuilding, stabilization or restoration;
2. associated with any repair technique designed to compensate for, or prevent, the instability of supporting, or surrounding, material, irrespective of the fact that an **earthquake** necessitated such repair technique.

HOW WE WILL SETTLE CLAIMS MADE UNDER THIS EXTENSION OF COVERAGES

We will settle all **claims** made under this endorsement in accordance with the section of the policy headed: "HOW LOSSES UNDER SECTION I ARE SETTLED" except that **we** will apply the **deductibles** set out in this endorsement and not those set out in the policy.

DEDUCTIBLES THAT APPLY TO THIS EXTENSION OF COVERAGES

The **deductibles** stated in the policy and all provisions related to that **deductible** do not apply to **claims** made under this endorsement.

When paying **claims** made under this endorsement, **we** will apply a separate **earthquake deductible** to all **claims** paid under each specific coverage. This is a different method of applying **deductibles** than that used under other portions of this policy and is used only for **earthquake** related **claims**.

(For example: if the limit of Coverage A were \$100,000, the limit of Coverage B \$10,000, the limit of Coverage C \$55,000; and the **deductible** percentage shown in the **Declarations** for this endorsement were 15%; a separate **earthquake deductible** for Coverage A **claims** of \$15,000 would be applied; a separate **earthquake deductible** for Coverage B **claims** of \$1,500 would be applied; and a separate **earthquake deductible** of \$8,250 for Coverage C **claims** would be applied.)

ADDITIONAL DEFINITIONS USED IN THIS EXTENSION OF COVERAGES

All of the definitions stated in the policy apply to **claims** made under this endorsement and, in addition, the following definitions are added:

1. **Earthquake** means seismic event consisting of one or more scientifically measurable tremors or shocks. All such tremors or shocks that occur within any period of seventy-two hours constitute a single **earthquake** under the terms of this endorsement.
2. **Earthquake deductible** means the specified percentage of the coverage amount shown in the **Declarations** related to this endorsement.