

Hawaii Hurricane Relief Fund Condominium Association Policy

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

Throughout this policy, the words "we", "us", and "our" refer to the Hawaii Hurricane Relief Fund or our designee. "You" and "your" refer to the Named Insured shown in the Declarations.

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

In this policy:

1. "All Other Perils Master Property Policy" refers to the insurance policy, or group of policies, a condominium association must purchase as a companion policy to this policy. It must cover all perils other than Hurricane for the full replacement cost of all insured buildings on the policy. It may be purchased in combination with the Hurricane Master Property Policy.
2. "Covered Property" as defined in the COVERED PROPERTY section.
3. "Deductible" as defined in the DEDUCTIBLE section.
4. "Hurricane" means a storm or storm system that has been declared and defined by the Central Pacific Hurricane Center of the National Weather Service to be a Hurricane and to include the time period in each island in the State of Hawaii defined as follows:
 - a. Beginning at the time a Hurricane watch or warning is issued by the Central Pacific Hurricane Center of the National Weather Service for the island where the Covered Property is located; and
 - b. Ending 72 hours following the cancellation of the watch or warning for the island where the Covered Property is located by the Central Pacific Hurricane Center of the National Weather Service.
5. "Hurricane Excess Policy" refers to the insurance policy, or group of policies, a condominium association may purchase as a companion policy to this policy. The coverage is defined in the Other Insurance Condition of this policy.
6. "Hurricane Master Property Policy" refers to the insurance policy a condominium association must purchase as a companion policy to this policy. The coverage is defined in the Other Insurance Condition of this policy. It may be purchased in combination with the All Other Perils Master Property Policy.
7. "Limit of Insurance" as defined in the LIMIT OF INSURANCE section.
8. "Named Insured" means the condominium association who is protected by an All Other Perils Master Property Policy and a Hurricane Master Property Policy, which covers the

building structure, common areas, and liability for the association as shown in the Declarations.

9. "Property Not Covered" as defined in the PROPERTY NOT COVERED section.
10. "Waiting Period" means the time period:
 - a. Beginning at the time a Hurricane watch or warning is issued by the Central Pacific Hurricane Center of the National Weather Service for any island in the State of Hawaii; and
 - b. Ending 72 hours following the cancellation of the Hurricane watch or warning for all islands in the State of Hawaii by the Central Pacific Hurricane Center of the National Weather Service.
11. "Windstorm" means wind or hail during a Hurricane, which results in direct physical loss or damage to Covered Property. Any ensuing damage to the interior of a building, or to Covered Property inside a building caused by rain, snow, sleet, sand or dust will be considered covered damage only if the direct force of the Windstorm first damages the building, causing an opening by which rain, snow, sleet, sand, or dust enters and causes damages.

COVERAGES

COVERED PROPERTY

Covered Property, as used in this policy, means the following types of property for which a Limit of Insurance is shown in the Declarations.

COVERAGE A (Building)

We cover:

1. Building or structure, meaning everything which is legally part of any building or structure described in the Declarations, unless defined as Property Not Covered. However, we do not cover machinery which is not used solely in the service of the building.
2. Personal property owned by you that is used for the service of and located on the described location as shown in the Declarations, including:
 - a. Fire extinguishing equipment;
 - b. Outdoor furniture;
 - c. Maintenance equipment and supplies;
 - d. Floor coverings;
 - e. Window shades;
 - f. Furnishings of corridors and stairs; and
 - g. Appliances used for refrigerating, ventilating, cooking, dishwashing or laundry.

This coverage does not apply to land, including land on which the building as shown in the Declarations is located.

3. Materials and supplies located on or next to the described location within 100 feet of the described premises used to construct, alter, or repair the building or other structures on the described location.

COVERAGE C (Business Personal Property)

We cover:

Business personal property located in or on any building described in the Declarations, or in the open on the described location, or in a vehicle or railroad car located within 100 feet of the described building, consisting of the following unless otherwise specified in the Declarations:

1. Personal property owned by you or owned indivisibly by all unit-owners;
2. Your interest in the labor, materials, or services furnished or arranged by you on personal property of others; and
3. Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

However, we do not cover property in or on the described location owned only by a unit-owner.

Personal Property of Others that is:

1. In your care, custody, or control; and
2. Located in or on any building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

PROPERTY NOT COVERED

We do not cover:

1. Animals;
2. Accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt; letters of credit, tickets and stamps, manuscripts, medals, money, notes other than bank notes, passports, personal records, or securities;
3. Credit cards, debit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds, script, prepaid instruments including stored value cards, gift cards, smart cards;
4. Virtual currency and digital assets of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency, non- fungible tokens, or any other type of electronic currency or token;
5. Articles of gold, goldware, gold-plated ware; or silver, silverware, silver-plated ware; platinum, platinum ware, platinum-plated ware; or pewter, pewterware or pewter-plated ware. This includes flatware, holloware, tea sets, trays, trophies made of or including silver, gold, pewter, or platinum;
6. Aircraft, and their parts and accessories. Aircraft means any contrivance used or designed for flight or designed to carry people or cargo.

This includes model aircraft, hobby aircraft and drones, whether or not designed to carry people or cargo;

7. Motor vehicles and all motorized land conveyances; trailers on wheels;

This includes:

- a. Their equipment and accessories; or
- b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized conveyances;

Electronic apparatus includes:

- (1) Accessories or antennas; or
- (2) Tapes, wires, records, discs, or other media for use with any electronic apparatus described in this item 7;

The exclusion of property described in **7.a** and **7.b** above applies only while the property is in or upon the vehicle or conveyance;

However, we cover vehicles or conveyances, not subject to motor vehicle registration on the described premises which are:

- (1) Contained inside of an enclosed building described in the Declarations;
- (2) Used to solely service the described premises, or designed solely for assisting the handicapped;
- (3) Are self-propelled machines; and
- (4) Are not autos or vehicles you hold for sale;

8. Watercraft, hovercraft, and their parts and furnishings, other than rowboats and canoes out of water at the described premises in the Declarations, unless located in or within 100 feet of any building described in the Declarations;

9. Electronic Data;

“Electronic Data” means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other repositories which are used with electronically controlled equipment;

“Computer programs” means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data;

10. The cost to replace or restore the information on valuable papers and records, including those which exist as Electronic Data;

“Valuable papers and records” include, but are not limited to, proprietary information, books of account, deeds, manuscripts, abstracts, drawings, and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

11. Business Personal Property while airborne, waterborne, or in transit;

12. Paint or waterproofing material including stain, applied to the exterior of any building or structure;

13. Pilings, piers, wharves, retaining walls, seawalls, bulkheads, beach or diving platforms or appurtenances, docks, or boathouses;

However, we cover pilings that are part of the Covered Property for that portion of the piling which is above the undersurface of the ground or the basement, if there is a basement, or above the low water mark if located in whole or in part over water;

14. Pipes, flues, and drains, which are underground;
15. Cost of excavations, grading, or filling, foundations, machinery, boilers, or engines, where foundations are below the undersurface of the lowest basement floor, or if there is no basement, below the surface of the ground;
16. Contraband, or property in the course of illegal transportation or trade;
17. Trees, shrubs, plants, flowers, or lawns;
18. Windmills, wind pumps or their towers, or smokestacks;
19. Awnings;
20. Steeples and fountains;
21. Grain, hay, straw, and other crops, crop silos or their contents;
22. Bridges, boardwalks, trestles, catwalks, dune walks, ramps, roadways, walks, decks, and patios and similar structures, or other paved or graveled surfaces, whether or not attached to a building;
23. Amusement equipment;
24. Fabric windscreens on fences;
25. Any structure or attachment, whether attached or separate from the Covered Property, where that structure's roof coverings are of fabric, screen, thatch, lattice, or slats and similar material; or where that structure's exterior wall coverings are of fabric, thatch, lattice, or slats and similar material, and personal property contained within or on these structures;
26. Any illegal additions or portions of structures inconsistent with tax and real property records;
27. Slat houses, chickees, tiki huts, gazebos, and pergolas or similar structures and personal property contained within, or on these structures;
28. Signs, radio or television antennas or aerials, satellite dishes (including lead-in wiring, masts or towers and their supports), and utility poles including light fixtures. However, we cover solar paneling and other similar water heating or electrical apparatus when:
 - a. Outside a building (including lead-in pipes, wiring, masts, or tower and their supports);
 - b. Permanently installed;
 - c. Located on the described premises as shown in the Declarations; and
 - d. Used for the service of the Covered Property;
29. Travel trailers and similar structures and conveyances, (including Business Personal Property contained in or on or pertaining to, these structures or conveyances);
30. Land, including land on which the other structures are located;
31. Fences, property walls, and similar structures separating parcels of land;
32. Greenhouses, glasshouses, hothouses, open-sided sheds, carports, cabanas, swimming pools, jacuzzis, hot tubs, or similar structures, including:
 - a. Decking;
 - b. Business Personal Property or contents contained within or on these structures; or
 - c. When these structures are comprised of fabric, thatch, lattice, slats, or similar material;

33. Enclosed garages, enclosed tool sheds, enclosed sheds, enclosed pump houses, enclosed boiler sheds, enclosed pool houses, enclosed air conditioning sheds, enclosed guard houses, enclosed workshops, enclosed maintenance sheds and the Business Personal Property or contents contained within or on the structures;
34. Any structure, including the contents and Business Personal Property contained within or on the structure, that is located in whole or in part over water; and
35. Mobile and manufactured homes and buildings (including Business Personal Property contained in or on or pertaining to, these structures or conveyances).

We cover the following property if, and only if, it is described as separate and specific item(s) in the Declarations and a Limit of Insurance is shown in the Declarations for each of such items:

1. Enclosed garages, enclosed tool sheds, enclosed sheds, enclosed pump houses, enclosed boiler sheds, enclosed pool houses, enclosed air conditioning sheds, enclosed guard houses, enclosed workshops, enclosed maintenance sheds and the Business Personal Property or contents contained within or on the structures; or
2. Mobile and manufactured homes and buildings (including Business Personal Property contained in or on or pertaining to, these structures or conveyances).

However, we do not cover Business Personal Property or contents of any structure or other property regardless of whether it is described as separate and specific item(s) in the Declarations and a Limit of Insurance is shown in the Declarations, when:

1. Such structure is comprised of fabric, thatch, lattice, slats, or similar material; or
2. Not covered, as explained in other sections of this policy.

EXTENSIONS OF COVERAGE

1. Debris Removal.

We will pay your expenses to remove debris of Covered Property caused by or resulting from Windstorm that occurs during the policy period. However, we will not pay more than the amount of insurance, nor such proportion of such expense as the amount of insurance bears to the total amount of all insurance, whether such insurance includes this clause or not. This does not increase the Limit of Insurance that applies to the damaged property.

- a. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage
- b. Debris Removal does not apply to costs to:
 - (1) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (2) Remove any property that is Property Not Covered,
 - (3) Remove property of others of a type that would not be Covered Property under this form;
 - (4) Remove deposits of mud or earth from the grounds of the described premises as shown in the Declarations;

2. Property Removed.

We insure for direct physical loss to Covered Property caused by Windstorm that was removed from the described premises endangered by Windstorm. This coverage applies only to property contained within a fully enclosed building in the State of Hawaii and for no more than 30 days while removed.

This does not increase the Limit of Insurance that applies to the damaged property.

3. Reasonable Repairs.

If property is damaged by Windstorm, we will pay the reasonable cost you incur for necessary repairs made solely to protect Covered Property from future damage.

This coverage does not increase the Limit of Insurance that applies to the property being repaired.

4. Electronic Data.

- a. Electronic Data has the meaning described under Property Not Covered, Electronic Data.
- b. We will pay for the cost to replace or restore Electronic Data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that Electronic Data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the Electronic Data was stored, with blank media of substantially identical type.
- c. The most we will pay for Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy period, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy period. With respect to an occurrence which begins in one policy period and continues or results in additional loss or damage in a subsequent policy period(s), all loss or damage is deemed to be sustained in the policy period in which the occurrence began.

5. Ordinance or Law Additional Coverage

- a. You may use up to 10% of the Limit of Insurance that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law that requires or regulates any of the items listed in 1.a to 1.c directly below. This 10% of the Limit of Insurance that applies to Coverage A for Ordinance or Law Coverage is in addition to the Limit of Insurance that applies to Coverage A.
 - (1) The construction, demolition, remodeling, renovation, or repair of that part of a covered building structure damaged by Windstorm.
 - (2) The demolition or reconstruction of the undamaged part of covered building structure which must be totally demolished because of damage by Windstorm to a different part of that covered building structure.

- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building structure necessary to complete the remodeling, repair, or replacement of that part of the covered building structure damaged by Windstorm.
- b. You may use all or part of this ordinance or law additional coverage to pay for the increased costs you incur to remove the debris that results from the construction, demolition, remodeling, renovation, repair, or replacement of property as stated in 1.a above.

The amount of coverage that may be provided by this ordinance or law additional coverage is only payable as incurred and only if the covered building structure is repaired or replaced with a building structure of like kind, quality and use at the described location.

- c. We do not cover any of the items listed in c.(1) and c.(2) directly below:
 - (1) The loss in value of any covered building structure due to the requirements of an ordinance or law.
 - (2) The cost to comply with an ordinance or law that requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building structure.

COVERED CAUSES OF LOSS

We insure against risks of direct physical loss or damage to property described in Coverages A and C caused by Windstorm provided the coverage has been selected by you and is shown in the Declarations. We do not insure, however, for loss or damage excluded under Exclusions.

EXCLUSIONS

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.

The following exclusions apply to loss to Covered Property:

1. Ordinance or Law.

This means any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation, or repair of property, including removal of any resulting debris.

This exclusion 1. Does not apply to the amount of coverage that may be provided for in 5.a. Ordinance or Law Additional Coverage under -Extensions of Coverage.

2. Nuclear Hazard.

We will not pay for loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

3. War.

We will not pay for loss or damage caused by or resulting from:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

4. Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus.

This means the presence, growth, proliferation, spread or any activity of mold, fungus, wet rot, dry rot, bacteria, or virus, however caused.

5. Earth Movement.

We will not pay for loss or damage caused by:

- a. Earthquake, including tremors and aftershocks and any earth sinking, rising, or shifting related to such event;
- b. Landslide, including any earth sinking, rising, or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased; or
- d. Earth sinking, 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.

6. Governmental Action.

We will not pay for loss or damage caused by or resulting from seizure or destruction of property by order of governmental authority.

7. Artificially generated electrical current.

We will not pay for loss or damage to electrical devices or wiring caused by electricity resulting from artificial causes. Including electric arcing, that disturbs electrical devices, appliances, or wires including loss to a tube, transistor or similar electronic component.

8. Water.

We will not pay under any and all circumstances for loss or damage caused by or resulting from flood, surface water, waves, storm surge, tides, tidal water, tidal waves, tsunami, seiche, overflow of streams or other bodies of water, or spray from any of these, all whether driven by wind or not.

9. Wear, Tear, Marring, Deterioration.

10. Intentional Loss.

We will not pay for loss arising out of any act committed or conspiracy to commit:

- a. By or at the direction of you, any Named Insured, or any person or organization named as an additional Named Insured; and
- b. With the intent to cause a loss.

In the event of such loss, no Named Insured or any person or organization is entitled to coverage, even if they did not commit or conspire to commit the act causing the loss.

11. Neglect.

We will not pay for loss resulting from neglect to use all reasonable means to save and preserve property before, at, or after the time of loss.

LIMIT OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

DEDUCTIBLE

We will not pay for loss or damage to any item in any one occurrence until the amount of loss or damage exceeds the Deductible and Hurricane Master Property Policy limit amount shown in the Declarations for that item. We will then pay the amount of loss or damage for that item in excess of the Deductible and Hurricane Master Property Policy limit amount, up to the applicable Limit of Insurance.

CONDITIONS

1. Policy Period.

This policy only applies to losses which occur to Covered Property which occur during the policy period, subject to the Waiting Period.

2. Insurable Interest and Limit of Insurance.

Even if more than one person has an insurable interest in the Covered Property, we will not be liable in any loss:

- a. for an amount greater than the interest of a person Named Insured under this policy; or
- b. for more than the applicable Limit of Insurance.

3. Concealment or Fraud.

Concealment or misrepresentation by one or more Named Insured, whether made before, during, or after a Windstorm, shall prevent recovery if:

- a. Any Named Insured intentionally concealed or misrepresented any material fact or circumstance;
- b. Any Named Insured engaged in fraudulent conduct;
- c. The concealment or misrepresentation was made with actual intent to deceive; or
- d. The concealment or misrepresentation materially affects either our acceptance of the risk or the hazard assumed by us.

4. Duties After Loss.

a. You must see that all of the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any Named Insured under oath, while not in the presence of any other Named Insured and at such times as may be reasonably required, about any matter relating to this insurance or a claim, including a Named Insured's books and records. In the event of an examination, a Named Insured's answers must be signed.

5. Loss Payment.

- a. In the event of loss or damage covered by this form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild, or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged Covered Property, or the cost of its repair or replacement, in accordance with the applicable terms of the Replacement Cost Condition in this form or any applicable provision which amends or supersedes the Replacement Cost Condition.

- b. The cost to repair, rebuild, or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intention within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property.
- g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

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.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Replacement Cost and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Subrogation (Transfer Of Rights Of Recovery Against Others To Us) condition in this policy.

6. Recovered Property.

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

7. Mortgage Clause (Without Contribution).

- a. The term "mortgagee" includes any applicable trustee(s).
- b. We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown in the Declarations as interests appear.
- c. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on any building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgagee has the right to receive loss payment if the mortgagee:
 - (1) At our request, pays any premiums due under this policy, if you have failed to do so.
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgagee.

All of the terms of this policy will then apply directly to the mortgagee.

- e. If we pay the mortgagee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
 - (1) The mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay;
 - (2) The mortgagee's right to recover the full amount of the mortgagee's claim will not be impaired.

At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgagee at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgagee at least 10 days before the expiration date of this policy.

8. Other Insurance.

Coverage provided by this policy is excess insurance with respect to Windstorm. You must maintain an All Other Perils Master Property Policy covering all other perils except for Windstorm. A Hurricane Master Property Policy will cover you for the peril of Windstorm for losses below the attachment of this policy shown in the Declarations. The minimum attachment of the Hurricane Master Property Policy must be \$10,000,000 in excess of the per location Deductible; however, the attachment may be higher than this amount. Loss caused by Windstorm will first be paid under the Hurricane Master Property Policy and then under this policy.

A Hurricane Excess Policy not provided by us may also cover you for the peril of Windstorm for losses that exceed the Limit of Insurance shown in the Declarations of this policy. If so, loss caused by Windstorm will first be paid under the Hurricane Master Property Policy, then this policy, then the Hurricane Excess Policy, but only if the Hurricane Excess Policy specifically states that it shall be deemed excess insurance over the Limit of Insurance shown on the Declarations of this policy. In aggregate, the coverage provided for losses relating to Windstorm must be equal to or exceed the coverage provided by the All Other Perils Master Property Policy, with no gaps in coverage.

If a loss covered by this policy is also covered by other insurance not provided by us which does not specifically state that it is additional excess insurance over the Limit of Insurance shown on the Declarations of this policy, we will pay only the proportion of the loss that the Limit of Insurance that applies under this policy bears to the total amount of insurance covering the loss.

9. Suit Against Us.

No action can be brought against us unless the policy provisions have been complied with and the action is started within one year after the date of loss.

10. Glass Replacement.

Loss for damage to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

11. Appraisal.

If you and we fail to agree on the amount of loss, either party may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, either party may request that the choice be made by a judge of a court of record in the State of Hawaii. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. Pay its own appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

12. Subrogation (Transfer of Rights of Recovery Against Others to Us).

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing, prior to a loss to your Covered Property.

13. Abandonment.

There can be no abandonment of property to us.

14. Liberalization Clause.

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change, provided that this implementation date falls within 60 days prior to or during the policy period stated on the Declarations.

This Liberalization Clause does not apply to changes implemented through the introduction of:

- a. A subsequent edition of this policy; or
- b. An amendatory endorsement.

15. Waiver or Change of Policy Provisions.

This policy contains all the agreements between you and us concerning the insurance afforded. You are authorized to make changes in the terms of this policy with our consent; however, this policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy. Your producer is not our authorized representative.

16. Cancellation.

- a. Cancellation by us. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown on the Declarations.

Proof of mailing will be sufficient proof of notice:

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) We may cancel:
 - (a) If there has been a material misrepresentation of fact, which if known to us, would have caused us not to issue the policy;
 - (b) If the risk has changed substantially since the policy was issued; or
 - (c) If any Named Insured has, related to this, or any other insurance issued by us:

- (i) Intentionally concealed or misrepresented any material fact or circumstance;
- (ii) Engaged in fraudulent conduct; or
- (iii) Made false statements.

This can be done by letting you know at least thirty (30) days before cancellation takes effect.

- (3) If this policy is cancelled by us, the premium for the period from the date of cancellation to the expiration date will be refunded pro-rata within 60 days after the date of cancellation.

b. Cancellation by you.

- (1) You may cancel this policy by written request to us to cancel on a certain future date. We will mail a notice confirming cancellation to the policyholder within five business days.
- (2) This policy is fully earned on inception, therefore no refunds are applicable.

17. Assignment.

Assignment of your rights and duties under the policy will not be valid unless we give our prior written consent.

18. Assignment of Benefits.

Any person or entity that performs repairs or remediation to property insured under this policy is not entitled to perform the repairs or remediation, or to receive compensation for services, using an assignment of benefits or any instrument that transfers any rights after loss under this policy without our prior written consent.

19. Replacement Cost.

a. This Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence; or
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains, and bric-a-brac.

Under the terms of this Replacement Cost condition, personal property owned indivisibly by all unit-owners are not considered to be the personal property of others.

b. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced; and
- (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

c. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to d. below:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or

- (4) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in c.(2) above is limited to the cost which would have been incurred if any building had been rebuilt at the original premises.

- d. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

20. Waiting Period.

During the Waiting Period, no new Windstorm coverage or increase in Windstorm limits of liability under this policy shall be in effect.