

EXHIBIT A

(TO PLAINTIFF'S ATTORNEY: PLEASE CIRCLE TYPE OF ACTION INVOLVED:
TORT - MOTOR VEHICLE TORT - CONTRACT -
EQUITABLE RELIEF - OTHER)

COMMONWEALTH OF MASSACHUSETTS

NORFOLK, ss.

SUPERIOR COURT
CIVIL ACTION

NO. 2682CV0455

Swerling Milton Winnick Public
Insurance Adjusters, Inc.

....., *Plaintiff(s)*

v.

Velocity Risk Underwriters, LLC.

....., *Defendant(s)*

SUMMONS

To the above-named Defendant:

Kara Thorvaldsen, Esq.

You are hereby summoned and required to serve upon
plaintiff's attorney, whose address is 88 Black Falcon Ave., Ste. 345, Boston, MA 02210,
an answer to the complaint which is herewith served upon you, within 20 days after service of this
summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken
against you for the relief demanded in the complaint. You are also required to file your answer to the
complaint in the office of the Clerk of this court at Dedham either before service upon the plaintiff's
attorney or within a reasonable time thereafter.

Unless otherwise provided by Rule 13(a), your answer must state as a counterclaim any claim
which you may have against the plaintiff which arises out of the transaction or occurrence that is the
subject matter of the plaintiff's claim or you will thereafter be barred from making such claim in any other
action.

WITNESS, Michael D. Ricciuti, Esquire, at Norfolk the 24

day of April, in the year of our Lord two thousand and 26

Walter F. Fairley Clerk

NOTES:

- 1. This summons is issued pursuant to Rules 4 of the Massachusetts Rules of Civil Procedure.
- 2. When more than one defendant is involved, the names of all such defendants should appear in the caption.
If a separate summons is used for each such defendant, each should be addressed to the particular defendant.

PROOF OF SERVICE OF PROCESS

I hereby certify and return that on, 20 , I served a copy of the within summons, together with a copy of the complaint in this action, upon the within-named defendant, in the following manner (See Mass. R. Civ. P. 4 (d) (1-5):

.....
.....
.....

Dated: , 20

N. B. TO PROCESS SERVER:-

PLEASE PLACE DATE YOU MAKE SERVICE ON DEFENDANT IN THIS BOX ON THE ORIGINAL AND ON COPY SERVED ON DEFENDANT.

, 20 .

COMMONWEALTH OF MASSACHUSETTS

NORFOLK, ss. SUPERIOR COURT
CIVIL ACTION

NO. 2682CV0455

Swerling Milton Winnick Public
Insurance Adjusters, Inc., Plaintiff

v.
Velocity Risk Underwriters, LLC
....., Defendant

SUMMONS

(Mass. R. Civ. P.4)

SUMMONS AND ORDER OF NOTICE	DOCKET NUMBER 2682CV00455	Trial Court of Massachusetts The Superior Court
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CASE NAME: Swerling Milton Winnick Public Insurance Adjusters, Inc. vs. Velocity Risk Underwriters, LLC	Walter F. Timilty Norfolk County
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To: Velocity Risk Underwriters, LLC	COURT NAME & ADDRESS Norfolk County Superior Court 650 High Street Dedham, MA 02026
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To the above named defendant(s):
 You are hereby summoned and required to serve upon:
Kara Thorvaldsen, Esq.
Lawson and Weitzen LLP
88 Black Falcon Ave Suite 345
Boston, MA 02210

an answer to the complaint which is herewith served upon you. This must be done within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, Judgment by default will be taken against you for the relief demanded in the complaint. You are also required to file your answer to the complaint in the office of the Clerk of this Court at Dedham either before service upon plaintiff's attorney or within a reasonable time thereafter.

Unless otherwise provided by Rule 13(a), your answer must state as a counterclaim any claim which you may have against the plaintiff which arises out of the transaction or occurrence that is the subject matter of the plaintiff's claim or you will thereafter be barred from making such claim in any other action.

WE ALSO NOTIFY YOU that application for a Preliminary Injunction and temporary restraining order under prayers A-H has been made in said action, as it appears in the complaint. A hearing on this matter has been scheduled for:

Date: 05/05/2026

Time: 02:00 PM

Session/ Courtroom Location:

Event Type: Virtual

The QR Code below can be used with a cell phone QR Code scanner to open the Zoom meeting from a cell phone.

Zoom Conference Call Details
Meeting ID: 160 489 5466
Meeting URL: <https://www.zoomgov.com/j/1604895466>



at which time you may appear and show cause why such application should not be granted.

DATE ISSUED 04/23/2026	CHIEF JUSTICE OF THE SUPERIOR COURT Witness: Hon. Michael D Ricciuti	ASSOCIATE JUSTICE Hon. Rosemary Connolly	
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RETURN OF SERVICE

I hereby certify and return that on _____, I served a copy of this summons, together with a copy of the Complaint.

PARTY NAME:

X

CIVIL TRACKING ORDER
(STANDING ORDER 1-88)DOCKET NUMBER
2682CV00455**Trial Court of Massachusetts**
The Superior Court

CASE NAME:

Swering Milton Winnick Public Insurance Adjusters, Inc. vs. Velocity Risk Underwriters, LLC

Walter F. Timilty
Norfolk County

TO:

Kara Thorvaldsen, Esq.
Lawson and Weitzen LLP
88 Black Falcon Ave Suite 345
Boston, MA 02210

COURT NAME & ADDRESS

Norfolk County Superior Court
650 High Street
Dedham, MA 02026**TRACKING ORDER - F - Fast Track**

You are hereby notified that this case is on the track referenced above as per Superior Court Standing Order 1-88. The order requires that the various stages of litigation described below must be completed not later than the deadlines indicated.

STAGES OF LITIGATION**DEADLINE**

	SERVED BY	FILED BY	HEARD BY
Service of process made and return filed with the Court		07/20/2026	
Response to the complaint filed (also see MRCP 12)		08/19/2026	
All motions under MRCP 12, 19, and 20	08/19/2026	09/18/2026	10/19/2026
All motions under MRCP 15	08/19/2026	09/18/2026	10/19/2026
All discovery requests and depositions served and non-expert depositions completed	02/16/2027		
All motions under MRCP 56	03/17/2027	04/16/2027	
Final pre-trial conference held and/or firm trial date set			08/16/2027
Case shall be resolved and judgment shall issue by			04/20/2028

The final pre-trial deadline is not the scheduled date of the conference. You will be notified of that date at a later time.
Counsel for plaintiff must serve this tracking order on defendant before the deadline for filing return of service.

This case is assigned to

DATE ISSUED

04/23/2026

ASSISTANT CLERK

PHONE

(781)326-1600

Docketed 4/21/26

COMMONWEALTH OF MASSACHUSETTS
NORFOLK, ss SUPERIOR COURT

SWERLING MILTON WINNICK PUBLIC
INSURANCE ADJUSTERS, INC.

Plaintiff

v.

VELOCITY RISK UNDERWRITERS, LLC

Defendant

No. 2682cv0455

COMPLAINT

Plaintiff Swerling Milton Winnick Public Insurance Adjusters, Inc. (“Plaintiff” or “SMW”) brings this action for relief against Velocity Risk Underwriters, LLC for its unfair and deceptive acts and practices, unfair methods of competition, tortious interference with advantageous business relationships, and civil conspiracy, all relating to its illegal boycott of Public Adjusters. Plaintiff seeks preliminary and permanent injunctive and declaratory relief, along with actual and statutory damages, attorneys’ fees, and costs.

INTRODUCTION

1. Defendant Velocity Risk Underwriters, LLC (“Velocity”) acting in concert with numerous out of state surplus line insurers, seeks to prevent Public Adjusters from representing their insureds to assist them in the face of complex and catastrophic losses.
2. Public Adjusters are licensed professionals who investigate, estimate, present, negotiate, and settle insurance claims on behalf of policy holders.
3. In recent years, Velocity has begun deploying an “Anti-Public Adjuster Endorsement” (“Endorsement”) in its insurance policies. This Endorsement purports to impose a condition on coverage that the insured shall not hire a Public Adjuster to represent them.

4. If a policyholder nonetheless retains a licensed Public Adjuster, Defendant refuses to deal with the Public Adjuster, refuses to process the policyholder's claim, and threatens to void the policyholder's coverage until the insured accedes to its demands and terminates its Public Adjuster.
5. In doing so, Velocity improperly interferes with the business relationships between its insureds and their chosen representatives. The insureds are left with a choice between proceeding with a potentially complex insurance claim without expert assistance on one hand and losing coverage on the other.
6. Many insureds are thus deterred from retaining Public Adjusters and those Public Adjusters lose significant business as result.
7. This improper practice harms consumers, businesses, and other entities, as well as Public Adjusters.
8. Velocity is not the only carrier employing Anti-Public Adjuster Endorsements. Other surplus lines carriers engaging in this anti-competitive practice include American Integrity Insurance Company, Orange Insurance Exchange, Safe Harbor Insurance, US Coastal Property and Casualty Insurance Co., Interstate Fire & Casualty Company, and Independent Specialty Insurance Company.
9. In this case, Plaintiff was approached by a nonprofit entity client for assistance in making an insurance claim for property damage caused by a March 2026 fire.
10. This client is insured by a policy issued by Velocity that includes an Anti-Public Adjuster Endorsement.

11. Following the Loss, when the Endorsement and its possible ramifications on coverage were brought to the client's attention, it decided not to retain SMW to adjust the Loss because of the Endorsement.
12. SMW now seeks a declaration that this Endorsement is unenforceable, that Velocity may not attempt to prevent SMW from adjusting the loss by threatening cancellation of coverage and that Velocity is prohibited from refusing to deal with SMW as the Public Adjuster of its insured's choice.
13. SMW further seeks a declaration that, as employed in this case, Velocity's invocation of the Anti-Public Adjuster Endorsement to interfere with SMW's advantageous business relationship with its client would be improper and wrongful and that its use to prevent a Massachusetts Public Adjuster from representing a client is an unfair method of competition and constitutes an unfair or deceptive act or practice in violation of G.L. c. 93A, § 11 and c. 176D, § 3.
14. In addition, Plaintiffs seeks a preliminary and permanent injunction prohibiting Velocity from denying coverage based on the Endorsement, refusing to communicate with SMW, refusing to negotiate with SMW, or otherwise exerting its perceived contractual leverage over SMW's client to prevent SMW from adjusting the Loss on behalf of its client.

PARTIES

15. SMW is a Massachusetts corporation with usual place of business in Wellesley, Massachusetts.
16. SMW is the largest public adjusting firm in New England. Its Public Adjusters are licensed in California, Connecticut, Florida, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Montana, New Hampshire, New Jersey, New

York, North Carolina, Rhode Island, South Carolina, Texas, Utah, Vermont, Washington D.C. and the U.S. Virgin Islands.

17. SMW represents individuals, businesses, nonprofit organizations, and associations and works closely with experts in building estimation, forensic accounting, and other specialized areas to accurately and properly adjust property and casualty losses.
18. SMW employs a professional in-house staff of personal property and business personal property adjusters as well as a certified public accountant with experience in specialized time element claims.
19. Velocity is a Delaware limited liability company with a principal place of business in Nashville, Tennessee. It is registered to do business in Massachusetts and its registered agent for service of process in the Commonwealth is Corporation Service Company, 84 State Street, Boston, MA 02109.
20. Velocity is a managing general agent for insurers which are not admitted to write policies in the jurisdictions in which they are doing business, also known as nonadmitted or surplus lines insurers.

JURISDICTION

21. This Court has jurisdiction over the subject matter of this action pursuant to G.L. c. 212, § 3.
22. This Court has jurisdiction over Velocity pursuant to G.L. c. 233A, § 3(c) and (d).
23. Venue is proper in this county as the Plaintiff's usual place of business is in this county.

FACTS

Plaintiff's Client Sustained a Covered Loss to its Property in March 2026.

24. On March 28, 2026, a fire erupted at one of the buildings of the Aquidneck Country Club, a private, member-owned club in Portsmouth, Rhode Island (the "Club").
25. The three alarm fire caused extensive damage to the building and its contents (the "Loss"). In addition to fire and smoke damage, firefighter efforts to extinguish the fire resulted in water damage.
26. Velocity issued Property Insurance Policy No. 2021-9003785-05 to the Club with effective dates December 26, 2025 to December 26, 2026 (the "Policy"). The Policy is a surplus lines policy.
27. The cost of the coverage, including premium, carrier policy fee, broker fee, inspection fee, and Rhode Island Surplus Lines Tax totaled over \$90,000.
28. Surplus lines policies are underwritten by insurance carriers that are not admitted to write policies in the standard insurance market and are therefore not subject to regulation by in the same way admitted carriers are. For example, surplus lines carriers are not required to have their policy forms vetted and approved by state regulators.
29. Surplus lines coverage is only available to those insureds who are not able to purchase insurance in the regulated, "admitted" market because admitted carriers will not insure them. Insureds in the surplus lines market are thus already at a disadvantage in terms of being able to choose their coverage.
30. Surplus lines carriers are not backed by state guaranty fund protections if the insurer becomes insolvent, they typically carry higher premium costs, and there is reduced regulatory oversight on policy forms and rates.

31. Overall, surplus lines policyholders face greater financial risk and less recourse if a claim is denied or unpaid as compared to those insured by admitted carriers.
32. The Policy at issue in this case is full of complex provisions, endorsements, limits and sublimits, terms and conditions.
33. The Policy provides coverage for many types of losses, including loss of accounts receivable, builders risk, electronic data and media, errors and omissions, limited pollution coverage, compliance with ordinances and laws, landscaping, books and records, and others that address time element claims, such as soft costs, rental value, loss of use and service interruption.
34. The Policy's covered causes of loss provisions are similarly complex, with many coverage exclusions for particular causes of loss.
35. Under a section heading titled "Valuation," the Policy sets out a lengthy list of categories of damage and a description of how each should be valued which is replete with technical definitions, terms of art, insurance jargon, and valuation formulas.
36. The Policy states, "[w]e will pay for covered damage within thirty days within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this POLICY, and (1) we have reached agreement with you on the amount of loss or (2) an arbitration award has been made.
37. In the event of a loss, the Policy imposes a litany of obligations on the insured:

The NAMED INSURED shall:
 - a. Give immediate written notice of any damage to the INSURER;
 - b. Promptly contact the applicable authority having jurisdiction in the event a law has been broken, and promptly file a written report with such authority;
 - c. Protect the property from further damage;
 - d. Separate the damaged and undamaged personal property;

- e. Maintain such property in the best possible order;
- f. Furnish a complete inventory of the lost, destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed to the INSURER;
- g. Furnish all other documents or insurance policies that may be reasonably required by the INSURER;
- h. Allow access and inspection of any of the damaged or undamaged COVERED PROPERTY by the INSURER;
- i. Cooperate with the Insurer(s) and any other person or persons designated by the Insurer(s) in the investigation, adjustment or settlement of any claim; and
- j. All claims, made under this POLICY, must be made within one-year of the date of the occurrence giving rise to a COVERED CAUSE OF LOSS.

2. The NAMED INSURED, ADDITIONAL INSURED(S), and any officers, directors, or employees of the same, or any related members of the household and others shall:

- a. Submit to examination under oath, as often as may be reasonably required, and while not in the presence of any other party or NAMED INSURED or ADDITIONAL INSURED. The INSURER may as often as may be reasonably required, request that you produce for examination all documents, photographs, computer records, writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the INSURER or our representatives and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of ours or any of our employees or representatives in connection with the investigation of any loss hereunder, shall be deemed a waiver of any POLICY provision, condition or defense we might otherwise have with respect to any loss, but all such examinations and acts shall be deemed to have been made or done without prejudice to our liability.
- b. Within ninety (90) days after the loss, unless such time is extended in writing, the NAMED INSURED shall provide to the INSURER proof of loss, signed and sworn to by the NAMED INSURED, stating the knowledge and belief of the NAMED INSURED as to the following:
 - 1. The time and origin of the loss;
 - 2. The interest of the NAMED INSURED and of all others in the property;
 - 3. The value of each item thereof determined in accordance with the VALUATION PROVISIONS of this POLICY and the amount of loss thereto and all encumbrances thereon;
 - 4. All other contracts of insurance, whether collectible or not, covering any of said property; and

5. Any changes in the title, use, occupation, LOCATION, possession or exposures of said property subsequent to the issuance of this POLICY, by whom and for what purpose any BUILDING herein described and the several parts thereof were occupied at the time of loss whether or not it then stood on leased ground.

38. Understanding the complex coverage issues, valuation methods, and preparation of inventories, values, and completing proof of loss forms in compliance with policy requirements is exactly what Public Adjusters such as SMW do for their clients. Reaching an agreement with an insurer on value or assisting an insured with an arbitration is SMW's role as a Public Adjuster.

Velocity's Endorsement is Preventing the Club from Engaging Plaintiff to Adjust the Loss

39. In light of all of the duties and obligations imposed by the Policy on the insured in the event of a loss, along with the need for expertise in multiple fields such as remediation, construction, valuation, and accounting, the Club determined it would be best served by retaining a Public Adjuster to adjust the Loss.
40. SMW represents insureds in the investigation, preparation, filing and adjusting of insurance claims.
41. Its licensed Public Adjusters assist insureds in understanding complex insurance policy language, the extent of coverage for a loss, complying with post-loss duties, preparing a claim for covered losses, estimating the monetary value of the loss, assessing the insurer's loss estimate; and working with the insurer to reach a full and fair settlement of the loss claim for the benefit of the insured.
42. The assistance of a Public Adjuster in circumstances like those faced by the Club is crucial in order to obtain as complete an insurance recovery as the insured is entitled to as possible.

43. Knowing that SMW possessed the necessary licenses, qualifications, and expertise to protect its interests with respect to the Loss, the Club wants to retain SMW as its Public Adjuster.
44. However, Velocity will not adjust the claim if SMW is representing the Club due to the Anti-Public Adjuster Endorsement and it has an established practice of threatening cancellation of coverage if its insureds retains a Public Adjuster.
45. The Anti-Public Adjuster Endorsement at issue here provides:

ANTI-PUBLIC ADJUSTER ENDORSEMENT
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

It is understood and agreed that a condition of this POLICY is that the NAMED INSURED shall not hire, engage, retain, contract with, or otherwise utilize the services of a Public Adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the POLICY.

To the extent this Endorsement conflicts with Texas law, this Endorsement would not be applicable.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

Public Adjusting as a Regulated Profession

46. Both Massachusetts and Rhode Island have adopted an express public policy allowing for the profession of Public Adjusters.

47. Public Adjusters are licensed professionals who specialize in evaluating and valuing damages for insurance claims in both Massachusetts and Rhode Island. *See* G.L. c. 175, § 172; R.I.G.L. § 27-10-1, *et seq.*
48. Insurance companies universally employ adjusters to perform this function on their behalf, either their own employees, known as “company adjusters” or third as party “independent adjusters,” individuals whose sole business and reason for being is to adjust insurance claims on behalf insurance companies.
49. Only licensed Public Adjusters, not company adjusters or independent adjusters, can represent insureds.
50. Both Massachusetts and Rhode Island require that Public Adjusters be licensed. *See, e.g.,* G.L. c. 175, §§ 172; R.I.G.L. § 27-10-1.2. Public Adjusters are regulated in both states by the respective state’s insurance commissioners. Both states require that Public Adjusters pass an exam that evaluates their knowledge of building construction and materials, claims adjusting, and relevant insurance principles and coverage.
51. It is a crime to act as a Public Adjuster without proper licensure in both Massachusetts and Rhode Island.
52. Rhode Island law requires that Public Adjusters be “trustworthy, reliable, and of good reputation,” not have committed “that is a ground for probation, suspension, revocation, or refusal of a professional license as set forth in § 27-10-12.”
53. Pursuant to Rhode Island regulations, a Public Adjuster “is obligated, under his or her license, to serve with objectivity and complete loyalty to the interest of his client alone; and to render to the insured such information, counsel and service, as within the

knowledge, understanding and opinion in good faith of the licensee, as will best serve the insured's insurance claim needs and interest." 230 R.I. Code 20-50-4.

54. Massachusetts similarly requires Public Adjusters to be trustworthy and competent, never have had an insurance license revoked or suspended, and have at least two years' experience in performing services in connection with adjusting property losses.
55. In Massachusetts, Public Adjusters must submit their contracts to the Insurance Commissioner for approval.
56. In Rhode Island, Public Adjusters are required to provide disclosures prior to contracting with insureds which state, among other terms, that "[t]he insured is not required to hire a Public Adjuster to help the insured meet his or her obligations under the policy **but has the right to do so.**" 230 R.I. Code R. 20-50-4.11. (Emphasis added).
57. Public Adjusters typically work on a contingent basis, with their compensation based on a percentage of the insurance claim settlement payment, generally about ten to twenty percent of the settlement amount, which can be negotiable.
58. A statistical analysis of insurance claims has shown that when an insured was represented by a Public Adjuster, their claims were paid at significantly higher rates than claims made by insureds who are not represented and obtained more complete insurance recoveries. *See Public Adjuster Representation in Citizens Property Insurance*, available at <https://oppaga.fl.gov/Products/ReportDetail?rn=10-06>.

Velocity is Boycotting Public Adjusters

59. Velocity's purpose in requiring its property insurance policies to include an Anti-Public Adjuster Endorsement is to increase its profitability. It admits that it derives significant

financial benefit from preventing Public Adjusters from assisting their insureds to maximize their insurance claims.

60. Velocity recognizes that when an insured works with a Public Adjuster, its underwriters will pay more for claims because the Public Adjuster has a better understanding of the insurance coverage and the tools to maximize the insurance recovery.
61. Velocity has publicly taken the position that it requires insureds to accept the Anti-Public Adjuster Endorsement because the use of this endorsement across the board will result in an overall decrease in premiums for property coverage in the surplus lines market.
62. However, there is no evidence that this practice has resulted in lower premiums for insureds as opposed to greater profits for the insurers.
63. Velocity would prefer to negotiate directly with insureds rather than with Public Adjusters. Insureds typically lack the specialized knowledge required to evaluate different types of claims and damages, when to employ appropriate experts, and what is in fact reasonable, as well as what is evidence of bad faith on the part of an insurer.
64. This is true even in the commercial context, where the complexity of coverage and size of claims leave even sophisticated business people at a disadvantage in negotiating with the insurance company's adjuster.
65. In the case at bar, the Club's insurance is provided by multiple out of state insurers, specifically:
 - a. Harleysville Insurance Company of New York;
 - b. Certain Underwriters at Lloyd's, London – Syndicate 2357;
 - c. Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025;

d. Velocity Specialty Insurance Company; and

e. United Specialty Insurance Company

(referred to collectively as the “Insurers”).

66. Velocity has entered into an agreement with the Insurers to add the Endorsement to the Policy in order to ensure that the Club will not avail itself of the services of a Public Adjuster to evaluate the loss and negotiate settlement of the claim.
67. That agreement is evidenced by the fact that the Insurers have subscribed to this Policy.
68. Velocity has conspired with numerous other surplus lines carriers to engage in similar exclusionary agreements, including in Massachusetts.
69. Other surplus lines insurers have also begun using some form of Anti-Public Adjuster Endorsement to prevent insureds from retaining Public Adjusters.
70. The spread of this unfair practice is threatening the entire industry of public adjusting by reducing the pool of prospective clients. This will eventually drive Public Adjusters out of the market, reducing the number of competitors, all to the detriment of their industry and the general public.
71. Velocity cannot demonstrate that its use of this Endorsement has benefitted insureds by leading to lower premium prices in the surplus lines market.
72. However, it and its coconspirators have benefited financially as a result of paying out smaller settlements on its unrepresented insureds’ property claims.
73. Velocity uses the Endorsement as a weapon in its unfair claims settlement processes.
74. Velocity’s adjusters are instructed to refuse any contact from insureds’ Public Adjusters.

75. Velocity's adjusters are instructed to stop processing the claims of insureds represented by Public Adjusters. This results in a de facto claim denial if the insureds do not back down and fire their Public Adjusters.
76. On information and belief, Velocity's own internal policies and procedures explicitly require Velocity's claims people to:
- a. refuse to communicate with insureds' Public Adjusters;
 - b. instruct field experts and staff assigned to a claim investigation not to communicate with insureds' Public Adjusters;
 - c. instruct field experts and staff not to conduct any inspection with a Public Adjuster present;
 - d. reject any written communication from a Public Adjuster, in writing to the insured, including estimates and proofs of loss submitted by a Public Adjuster;
 - e. threaten insureds with denial of coverage if they fail to disengage from a Public Adjuster;
 - f. stop any further investigation or adjustment until termination of the Public Adjuster is confirmed.

Velocity's Anti-Public Adjuster Endorsement is Unfair, Deceptive, Anti-Competitive, and Violates Public Policy

77. The Anti-Public Adjuster Endorsement and Velocity's policies and procedures relating to the Endorsement are unfair and deceptive.
78. A prohibition on an insured's retention of a Public Adjuster is contrary to the public policy of Massachusetts and Rhode Island, both of which provide for licensure and regulation of Public Adjusters to assist the public in making insurance claims and recognize the right of insureds to hire Public Adjusters.

79. The Endorsement violates public policy and is unfair and deceptive. Such a condition subsequent is unenforceable under Massachusetts and Rhode Island law.
80. The Endorsement, which purports to impose a forfeiture or contractual penalty, is unenforceable under Massachusetts and Rhode Island law, and so its use to deter insureds from retaining a Public Adjuster is unfair and deceptive.
81. Likewise, where the Endorsement is unenforceable, it is an unfair and deceptive practice to threaten its insured with cancellation of coverage if they hire a Public Adjuster
82. Velocity's agreement with the Insurers in this case, and with other surplus lines carriers with which it does business in other cases, to prohibit its insureds from utilizing Public Adjusters in order to exclude them from the market, constitutes an unlawful boycott in violation of Massachusetts law.
83. Because Velocity's policy forms and endorsements are not subject to state insurance commissioners' regulatory review and approval, because insureds are disincentivized to challenge the Anti-Public Adjuster Endorsement by the threat of losing their coverage, and because SMW has lost and will continue to lose advantageous business relationships with insureds wishing to retain it due to the Endorsement, SMW is a proper Plaintiff to bring this action, and the injunctive and declaratory relief sought herein is necessary and proper.

CAUSES OF ACTION

Count One

Violation of G.L. c. 93A, § 11

84. Plaintiff restates all allegations in the foregoing paragraphs as if set forth fully here.

85. Plaintiff is a Massachusetts corporation engaged in trade and commerce in Massachusetts.
86. Velocity engages in unfair and deceptive acts intended to harm Plaintiff in Massachusetts, including by interfering with its advantageous business relationship with the Club by threatening it with a loss or forfeiture of its insurance coverage if the Club contracts or consults with Plaintiff with regard to the Loss.
87. Velocity acts unfairly and deceptively by falsely representing that it is entitled to cancel its insured's paid-for insurance coverage based on an Endorsement that violates public policy and is unfairly and unconscionable.
88. Velocity acts unfairly and deceptively by falsely representing that it is entitled to cancel its insured's paid-for insurance coverage based on an Endorsement that, if enforced, would result in a penalty or forfeiture.
89. Velocity acts unfairly and deceptively by falsely representing that it is entitled to cancel its insured's paid-for insurance coverage based on an Endorsement that violates public policy.
90. Velocity acts unfairly in refusing to engage with or communication with its insureds' Public Adjusters, while simultaneously making it a condition of coverage that its insured must cooperate with its adjusters.
91. Plaintiff has suffered or will suffer a loss of money or property as a result of Velocity's unfair and deceptive acts and practices, including but not limited to, fees from adjusting the Club's loss.
92. Plaintiff is entitled to an award of its actual damages, statutory damages, attorneys' fees and costs pursuant to G.L. c. 93A, § 11.

93. Plaintiff is entitled to an injunction prohibiting Velocity from engaging in its unlawful conduct, including but not limited to:
- a. Directly or indirectly interfering in the advantageous business relationship between SMW and the Club with respect to the Club's desire to retain SMW as its Public Adjuster in connection with a loss under the property insurance policy issued by Velocity;
 - b. Misrepresenting the Policy by asserting that the Endorsement is valid and enforceable;
 - c. Misrepresenting the Policy by asserting that if the Club engages the services of SMW to adjust its loss, its insurance coverage may be adversely affected, terminated, cancelled, or forfeited;
 - d. Threatening to decline or declining coverage to its insured under the Policy unless the insured ceases consulting with a Public Adjuster, including Plaintiff, with respect to the Loss.
 - e. Threatening to decline or declining coverage to its insured under the Policy unless the insured agrees not to retain a Public Adjuster, including Plaintiff with respect to the Loss;
 - f. Refusing to negotiate or communicate with Plaintiff with respect the Loss;
 - g. Refusing to adjust the Loss so long as its insured continues to consult with Plaintiff;
 - h. Taking any adverse action against its insured which is reasonably likely to result in interference with the advantageous relationship between Plaintiff and its client.

Count Two

Violation of G.L. c. 93A, § 11 and G.L. c. 176D, § 3(9)

94. Plaintiff restates all allegations in the foregoing paragraphs as if set forth fully here.
95. Plaintiff is a Massachusetts corporation engaged in trade and commerce in Massachusetts.
96. Velocity engages in unfair and deceptive acts intended to harm Plaintiff in Massachusetts.
97. Velocity's use of the Endorsement as described herein violates G.L. c. 176D, § 3(9), which prohibits:
 - a. Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;
 - b. Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;
 - c. Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;
 - d. Refusing to pay claims without conducting a reasonable investigation based upon all available information;
 - e. Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;
 - f. Failing to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;
 - g. Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds.

98. Plaintiff has suffered or will suffer a loss of money or property as a result of Velocity's unfair and deceptive acts and practices, including but not limited to, fees from adjusting the Club's loss.
99. Plaintiff is entitled to an award of its actual damages, statutory damages, attorneys' fees and costs pursuant to G.L. c. 93A, § 11.
100. Plaintiff is entitled to an injunction prohibiting Velocity from engaging in its unlawful conduct, including but not limited to:
 - a. Directly or indirectly interfering in the advantageous business relationship between SMW and the Club with respect to the Club's desire to retain SMW as its Public Adjuster in connection with a loss under the property insurance policy issued by Velocity;
 - b. Misrepresenting the Policy by asserting that the Endorsement is valid and enforceable;
 - c. Misrepresenting the Policy by asserting that if the Club engages the services of SMW to adjust its loss, its insurance coverage may be adversely affected, terminated, cancelled, or forfeited;
 - d. Threatening to decline or declining coverage to its insured under the Policy unless the insured ceases consulting with a Public Adjuster, including Plaintiff, with respect to the Loss;
 - e. Threatening to decline or declining coverage to its insured under the Policy unless the insured agrees not to retain a Public Adjuster, including Plaintiff with respect to the Loss;
 - f. Refusing to negotiate or communicate with Plaintiff with respect the Loss;

- g. Refusing to adjust the Loss so long as its insured continues to consult with Plaintiff;
- h. Taking any adverse action against its insured which is reasonably likely to result in interference with the advantageous relationship between Plaintiff and its client.

Count Three

Unlawful Restraint of Trade, G.L. 93A, § 11 and G.L. c. 176D, § 3(4)

- 101. Plaintiff restates all allegations in the foregoing paragraphs as if set forth fully here.
- 102. Plaintiff is a Massachusetts corporation engaged in trade and commerce in Massachusetts.
- 103. Velocity engages in unfair and deceptive acts intended to harm Plaintiff in Massachusetts.
- 104. By entering into an agreement with the Insurers to include the Anti-Public Adjuster Endorsement and by implementing its terms via its policies and procedures, Velocity has engaged in unfair methods of competition, and unfair or deceptive acts or practices prohibited by G.L. c. 176D, specifically, “entering into an agreement to commit, or by concerted action committing, an act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance.” G.L. c. 176D, § 3(4).
- 105. A boycott is a refusal to deal in a collateral transaction as a means to coerce terms respecting a primary transaction.
- 106. Velocity and the Insurers as well as other coconspirator surplus lines carriers sell surplus lines insurance coverage in Massachusetts, Rhode Island, and other New England States. The sale of insurance policies are the primary transactions.

107. Velocity acts as the coordinator of an unlawful horizontal conspiracy among itself and the competing surplus lines carriers who underwrite and sign onto the Velocity form with the Anti-Public Adjuster Endorsement to use that Endorsement to boycott Public Adjusters in a collateral transaction between insureds and Public Adjusters.
108. Velocity and its coconspirators have knowingly and intentionally agreed to act in concert to prevent their insureds from retaining Public Adjusters. Interference with insureds' retention of Public Adjusters constitute a refusal to deal in a collateral transaction.
109. Velocity and its coconspirators use their refusal to deal in these collateral transactions coercively in the primary transaction with the insureds when it comes to adjusting a loss.
110. This agreement among Velocity and other surplus lines carrier to boycott transactions involving Public Adjusters is an unreasonable restraint of trade or commerce as prohibited by Massachusetts' statute barring unfair methods of competition in the business of insurance, M.G.L. c. 176D, *et seq.*, which is actionable under to M.G.L. c. 93A, §11.
111. The insured's retention of a Public Adjuster is a transaction unrelated to the insureds' purchase of a surplus lines policy to which Velocity and its coconspirators are not parties.
112. Yet the boycott has a coercive effect on the insureds in the primary transaction between them and their insurer by ostensibly taking away their right to be represented by a Public Adjuster for post loss services.
113. Velocity and its coconspirators exchanged information about the Endorsement and its purpose and intended effect of boycotting Public Adjusters, and it was a condition of underwriting Velocity's policies that the coconspirators agree to the Endorsement.

114. Velocity and its coconspirators have a common motive and economic interest in the coordinated boycott against the Public Adjusters, which is commercially, and not politically, motivated. Such a boycott is per se an unfair method of competition.
115. Velocity and its coconspirators use the boycott to disadvantage their insureds in negotiating claims settlements so that they are paying out smaller settlements than they would if Public Adjusters were advocating for their insureds.
116. Velocity and its coconspirators have coordinated their use of the Anti-Public Adjuster Endorsement to ensure that all of the competing surplus lines carriers in a particular market are agreeing to the Endorsement so that no one carrier can gain a competitive advantage by issuing a policy that does not contain the Endorsement. By ensuring all coconspirators comply with this agreement, they restrain trade and competition, resulting in fewer choices for parties purchasing insurance in the surplus market.
117. Velocity and its coconspirators are boycotting Public Adjusters, which prevents them from providing post-loss claims services to insureds.
118. In this specific case, SMW has suffered an antitrust injury. It has lost business as a result of Velocity's anticompetitive conduct. Likewise the public is injured as a result of an artificial restraint on Public Adjusters' ability to provide post-loss services to them.
119. As a result of Velocity's illegal conduct, Plaintiff is entitled to an award of damages, statutory damages, and injunctive relief.

Count Four

Tortious Interference With Advantageous Business Relationship

120. Plaintiff restates all allegations in the foregoing paragraphs as if set forth fully here.

121. Following the Loss, representatives of the Club approached Plaintiff to act as its Public Adjuster with respect to the Claim.
122. Plaintiff is ready, willing, and able to adjust the Loss.
123. Velocity is aware that the Club wishes to hire SMW to adjust the Loss.
124. However, per Velocity's Endorsement and publicly known business practices, the Club has been threatened with cancellation of its insurance coverage if it contracts with SMW.
125. By using the Endorsement to prevent the Club from contracting with SMW, Velocity is knowingly and intentionally interfering with Plaintiff's advantageous business and prospective contractual relationship with the Club.
126. Velocity has improper motives in threatening to deny coverage. It seeks to put its insured at a disadvantage in settling a complex property loss claim by coercing it into foregoing its right to retain SMW. It also seeks to harm the economic interests of SMW as a Public Adjuster by preventing it from adjusting the Loss.
127. Velocity acts unfairly and deceptively in invoking the Endorsement and claiming that it is entitled to cancel its insured's paid-for insurance coverage based on an Endorsement that violates public policy and is unenforceable as a matter of law.
128. It was wholly foreseeable—in fact desirable—to Velocity that the Club would not go ahead with retaining SMW due to the threat of losing coverage per the Endorsement.
129. As a direct and proximate result of Velocity's wrongful conduct in employing the Anti-Public Adjuster Endorsement, SMW has been harmed by the loss of its advantageous business relationship with the Club.

Count Five

Civil Conspiracy (Coercive Power)

130. Velocity has entered into an agreement with the Insurers to add the Endorsement to the Policy in order to ensure that the Club will not avail itself of the services of a Public Adjuster to evaluate the loss and negotiate settlement of the claim.
131. That agreement is evidenced by the fact that the Insurers have subscribed to this Policy.
132. By acting in concert in this manner, Velocity and the Insurers are able to place undue economic pressure on its insured to accede to Velocity's demands to cut ties with its chosen Public Adjuster.
133. Under the terms of the Policy, each Underwriter is severally liable for its portion of the risk and each Underwriter has the right to be separately represented in an arbitration if the parties cannot agree on a valuation of a loss.
134. Were the insured to decide to fight the Endorsement and demand arbitration, it would be facing the possibility of fighting multiple insurers in an arbitral setting, all of whom have the right under the terms of the Policy to participate and to be represented.
135. Any attempt by the insured to mount a legal challenge to the Endorsement would result in huge legal expense, uncertainty, and likely years long delays in making repairs to the damaged property and receiving compensation for the Loss.
136. Accordingly, as a result of the coercive conspiracy in which Velocity and the Insurers engaged to prevent, the Club has not followed through on its intent to retain SMW as its Public Adjuster.

137. It was wholly foreseeable—in fact desirable—to Velocity that the Club would not enter into a contract with SMW, despite it wishing to do so, due to the threat of the Endorsement.
138. As a direct and proximate result of Velocity’s wrongful conduct in conspiring with the Insurers, SMW has been harmed by the loss of its advantageous business relationship with the Club.

Count Six

Declaratory Judgment G.L. c. 231A, § 1

139. Plaintiff restates all allegations in the foregoing paragraphs as if set forth fully here.
140. Plaintiff seeks declaratory relief pursuant to G.L. c. 231A, § 1 that the Anti-Public Adjuster Endorsement is unenforceable as a matter of law.
141. There is an actual, justiciable controversy presented in this case, where a client wishing to retain SMW as its Public Adjuster has not done so due to the threat of its insurance coverage being cancelled as a result, resulting in damage to both SMW and its client.
142. Pursuant to Mass. R. Civ. P. 57, the court may order a speedy hearing of an action for declaratory judgment and may advance it on the calendar
143. Accordingly, Plaintiff respectfully requests a declaratory judgment on an expedited basis, providing:
- a. Velocity’s use of the Anti-Public Adjuster Endorsement is an unfair method of competition;
 - b. Velocity’s use of the Anti-Public Adjuster Endorsement is an unfair or deceptive act or practice;

- c. Velocity's use of the Anti-Public Adjuster Endorsement is an unlawful restraint of trade;
- d. Velocity's Anti-Public Adjuster Endorsement is unenforceable as against public policy;
- e. Velocity's Anti-Public Adjuster Endorsement is unenforceable because it is a condition subsequent that does not contribute to a loss or affect the risks covered by its policies, and thus would cause no legally cognizable prejudice to Velocity if not complied with;
- f. Velocity's Anti-Public Adjuster Endorsement is an unenforceable penalty or forfeiture provision;
- g. Velocity's Anti-Public Adjuster Endorsement is unconscionable and therefore unenforceable;
- h. Such other relief as is just and equitable.

PRAYER FOR RELIEF

Wherefore, Plaintiff Swerling Milton Winnick Public Adjusters, Inc. prays that the Court grant the following relief:

1. Enter judgment in favor of Plaintiff on all counts of its Complaint;
2. Order that Defendant Velocity Risk Underwriters, LLC is preliminarily and permanently enjoined from:
 - a. Directly or indirectly interfering in the advantageous business relationship between SMW and The Aquidneck Club with respect to the Club's desire to retain SMW as its Public Adjuster in connection with a loss under the property insurance policy issued by Velocity;

- b. Misrepresenting the Policy by asserting that the Endorsement is valid and enforceable;
 - c. Misrepresenting the Policy by asserting that if the Club engages the services of SMW to adjust its loss, its insurance coverage may be adversely affected, terminated, cancelled, or forfeited;
 - d. Threatening to decline or declining coverage to its insured under the Policy unless the insured ceases consulting with a Public Adjuster, including Plaintiff, with respect to the Loss;
 - e. Threatening to decline or declining coverage to its insured under the Policy unless the insured agrees not to retain a Public Adjuster, including Plaintiff, with respect to the Loss;
 - f. Refusing to negotiate or communicate with Plaintiff with respect the Loss;
 - g. Refusing to adjust the Loss so long as its insured continues to consult with Plaintiff;
 - h. Taking any adverse action against its insured which is reasonably likely to result in interference with the advantageous relationship between Plaintiff and its client.
3. Enter judgment declaring:
- a. Velocity's use of the Anti-Public Adjuster Endorsement is an unfair method of competition;
 - b. Velocity's use of the Anti-Public Adjuster Endorsement is an unfair or deceptive act or practice;

- c. Velocity's use of the Anti-Public Adjuster Endorsement is an unlawful restraint of trade;
 - d. Velocity's Anti-Public Adjuster Endorsement is unenforceable as against public policy;
 - e. Velocity's Anti-Public Adjuster Endorsement is unenforceable because it is a condition subsequent that does not contribute to a loss or affect the risks covered by its policies, and thus would cause no legally cognizable prejudice to Velocity if not complied with;
 - f. Velocity's Anti-Public Adjuster Endorsement is an unenforceable penalty or forfeiture provision;
 - g. Velocity's Anti-Public Adjuster Endorsement is unconscionable and therefore unenforceable;
4. Award Plaintiff its actual damages;
 5. Award Plaintiff statutory damages pursuant to G.L. c. 93A, § 11;
 6. Award Plaintiff its costs, expenses, and reasonable attorneys' fees pursuant to G.L. c. 93A, § 11;
 7. Waive security as provided under Mass. R. Civ. P. 65; and
 8. Grant such other and further relief as is just and equitable.

JURY DEMAND

Plaintiff demands a trial by jury on all claims which are so triable.

Dated: April 21, 2026

Respectfully submitted,
Plaintiff,
Swerling Milton Winnick Public Insurance
Adjusters, Inc.,
By its counsel,

/s/ Kara Thorvaldsen
Jeffrey P. Allen BBO #015500
E-mail: jallen@lawson-weitzen.com
Kara Thorvaldsen BBO #660723
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LAWSON & WEITZEN, LLP
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Facsimile: (617) 439-3987

CIVIL ACTION COVER SHEET

DOCKET NUMBER

2682cv455

**Massachusetts Trial Court
Superior Court**



COUNTY Norfolk Superior Court (Dedham)

Plaintiff Swerling Milton Winnick Public Insurance Adjusters, Inc.	Defendant: Velocity Risk Underwriters, LLC
ADDRESS:	ADDRESS:
Plaintiff Attorney: Jeffrey P. Allen, Kara Thorvaldsen	Defendant Attorney:
ADDRESS: Lawson & Weitzen LLP	ADDRESS:
88 Black Falcon Ave., Suite 345	
Boston, MA 02210	
BBO: JPA 015500; KT 660723	BBO:

TYPE OF ACTION AND TRACK DESIGNATION (see instructions section on next page)

CODE NO. D03	TYPE OF ACTION (specify) Action for injunctive relief	TRACK F	HAS A JURY CLAIM BEEN MADE? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
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*If "Other" please describe:

Is there a claim under G.L. c. 93A?

YES NO

Is there a class action under Mass. R. Civ. P. 23?

YES NO

STATEMENT OF DAMAGES REQUIRED BY G.L. c. 212, § 3A

The following is a full, itemized and detailed statement of the facts on which the undersigned plaintiff or plaintiff's counsel relies to determine money damages. (Note to plaintiff: for this form, do not state double or treble damages; indicate single damages only.)

TORT CLAIMS

A. Documented medical expenses to date

- 1. Total hospital expenses _____
 - 2. Total doctor expenses _____
 - 3. Total chiropractic expenses _____
 - 4. Total physical therapy expenses _____
 - 5. Total other expenses (describe below) _____
- Subtotal (1-5): \$0.00

B. Documented lost wages and compensation to date _____

C. Documented property damages to date _____

D. Reasonably anticipated future medical and hospital expenses _____

E. Reasonably anticipated lost wages _____

F. Other documented items of damages (describe below) _____

TOTAL (A-F): over \$50,000

G. Briefly describe plaintiff's injury, including the nature and extent of the injury:

Loss of economic opportunity

CONTRACT CLAIMS

This action includes a claim involving collection of a debt incurred pursuant to a revolving credit agreement. Mass. R. Civ. P. 8.1(a).

Item #	Detailed Description of Each Claim	Amount
1.		
Total		

Signature of Attorney/Self-Represented Plaintiff: X /s/ Kara Thorvaldsen

Date: April 21, 2026

RELATED ACTIONS: Please provide the case number, case name, and county of any related actions pending in the Superior Court.

CERTIFICATION UNDER S.J.C. RULE 1:18(5)

I hereby certify that I have complied with requirements of Rule 5 of Supreme Judicial Court Rule 1:18: Uniform Rules on Dispute Resolution, requiring that I inform my clients about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various methods of dispute resolution.

Signature of Attorney: X /s/ Kara Thorvaldsen

Date: April 21, 2026

CIVIL ACTION COVER SHEET INSTRUCTIONS

SELECT A CATEGORY THAT BEST DESCRIBES YOUR CASE*

AC Actions Involving the State/Municipality†*

- AA1 Contract Action involving Commonwealth, Municipality, MBTA, etc. (A)
- AB1 Tortious Action involving Commonwealth, Municipality, MBTA, etc. (A)
- AC1 Real Property Action involving Commonwealth, Municipality, MBTA etc. (A)
- AD1 Equity Action involving Commonwealth, Municipality, MBTA, etc. (A)
- AE1 Administrative Action involving Commonwealth, Municipality, MBTA, etc. (A)

CN Contract/Business Cases

- A01 Services, Labor, and Materials (F)
- A02 Goods Sold and Delivered (F)
- A03 Commercial Paper (F)
- A04 Employment Contract (F)
- A05 Consumer Revolving Credit - M.R.C.P. 8.1 (F)
- A06 Insurance Contract (F)
- A08 Sale or Lease of Real Estate (F)
- A12 Construction Dispute (A)
- A14 Interpleader (F)
- BA1 Governance, Conduct, Internal Affairs of Entities (A)
- BA3 Liability of Shareholders, Directors, Officers, Partners, etc. (A)
- BB1 Shareholder Derivative (A)
- BB2 Securities Transactions (A)
- BC1 Mergers, Consolidations, Sales of Assets, Issuance of Debt, Equity, etc. (A)
- BD1 Intellectual Property (A)
- BD2 Proprietary Information or Trade Secrets (A)
- BG1 Financial Institutions/Funds (A)
- BH1 Violation of Antitrust or Trade Regulation Laws (A)
- A99 Other Contract/Business Action - Specify (F)

* See Superior Court Standing Order 1-88 for an explanation of the tracking deadlines for each track designation: F, A, and X. On this page, the track designation for each case type is noted in parentheses.

†* Choose this case type if ANY party is the Commonwealth, a municipality, the MBTA, or any other governmental entity UNLESS your case is a case type listed under Administrative Civil Actions (AA).

‡ Choose this case type if ANY party is an incarcerated party, UNLESS your case is a case type listed under Administrative Civil Actions (AA) or is a Prisoner Habeas Corpus case (E97).

ER Equitable Remedies

- D01 Specific Performance of a Contract (A)
- D02 Reach and Apply (F)
- D03 Injunction (F)
- D04 Reform/ Cancel Instrument (F)
- D05 Equitable Replevin (F)
- D06 Contribution or Indemnification (F)
- D07 Imposition of a Trust (A)
- D08 Minority Shareholder's Suit (A)
- D09 Interference in Contractual Relationship (F)
- D10 Accounting (A)
- D11 Enforcement of Restrictive Covenant (F)
- D12 Dissolution of a Partnership (F)
- D13 Declaratory Judgment, G.L. c. 231A (A)
- D14 Dissolution of a Corporation (F)
- D99 Other Equity Action (F)

PA Civil Actions Involving Incarcerated Party ‡

- PA1 Contract Action involving an Incarcerated Party (A)
- PB1 Tortious Action involving an Incarcerated Party (A)
- PC1 Real Property Action involving an Incarcerated Party (F)
- PD1 Equity Action involving an Incarcerated Party (F)
- PE1 Administrative Action involving an Incarcerated Party (F)

TR Torts

- B03 Motor Vehicle Negligence - Personal Injury/Property Damage (F)
- B04 Other Negligence - Personal Injury/Property Damage (F)
- B05 Products Liability (A)
- B06 Malpractice - Medical (A)
- B07 Malpractice - Other (A)
- B08 Wrongful Death - Non-medical (A)
- B15 Defamation (A)
- B19 Asbestos (A)
- B20 Personal Injury - Slip & Fall (F)
- B21 Environmental (F)
- B22 Employment Discrimination (F)
- BE1 Fraud, Business Torts, etc. (A)
- B99 Other Tortious Action (F)

RP Summary Process (Real Property)

- S01 Summary Process - Residential (X)
- S02 Summary Process - Commercial/ Non-residential (F)

RP Real Property

- C01 Land Taking (F)
- C02 Zoning Appeal, G.L. c. 40A (F)
- C03 Dispute Concerning Title (F)
- C04 Foreclosure of a Mortgage (X)
- C05 Condominium Lien & Charges (X)
- C99 Other Real Property Action (F)

MC Miscellaneous Civil Actions

- E18 Foreign Discovery Proceeding (X)
- E97 Prisoner Habeas Corpus (X)
- E22 Lottery Assignment, G.L. c. 10, § 28 (X)

AB Abuse/Harassment Prevention

- E15 Abuse Prevention Petition, G.L. c. 209A (X)
- E21 Protection from Harassment, G.L. c. 258E(X)

AA Administrative Civil Actions

- E02 Appeal from Administrative Agency, G.L. c. 30A (X)
- E03 Certiorari Action, G.L. c. 249, § 4 (X)
- E05 Confirmation of Arbitration Awards (X)
- E06 Mass Antitrust Act, G.L. c. 93, § 9 (A)
- E07 Mass Antitrust Act, G.L. c. 93, § 8 (X)
- E08 Appointment of a Receiver (X)
- E09 Construction Surety Bond, G.L. c. 149, § 29, 29A (A)
- E10 Summary Process Appeal (X)
- E11 Worker's Compensation (X)
- E16 Auto Surcharge Appeal (X)
- E17 Civil Rights Act, G.L. c.12, § 11H (A)
- E24 Appeal from District Court Commitment, G.L. c.123, § 9(b) (X)
- E94 Forfeiture, G.L. c. 265, § 56 (X)
- E95 Forfeiture, G.L. c. 94C, § 47 (F)
- E99 Other Administrative Action (X)
- Z01 Medical Malpractice - Tribunal only, G.L. c. 231, § 60B (F)
- Z02 Appeal Bond Denial (X)

SO Sex Offender Review

- E12 SDP Commitment, G.L. c. 123A, § 12 (X)
- E14 SDP Petition, G.L. c. 123A, § 9(b) (X)

RC Restricted Civil Actions

- E19 Sex Offender Registry, G.L. c. 6, § 178M (X)
- E27 Minor Seeking Consent, G.L. c.112, § 12S(X)

TRANSFER YOUR SELECTION TO THE FACE SHEET

EXAMPLE:

CODE NO.	TYPE OF ACTION (specify)	TRACK	HAS A JURY CLAIM BEEN MADE?
B03	Motor Vehicle Negligence-Personal Injury	<u>F</u>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

STATEMENT OF DAMAGES REQUIRED BY G.L. c. 212, § 3A

DUTY OF THE PLAINTIFF — On the face of the Civil Action Cover Sheet (or on attached additional sheets, if necessary), the plaintiff shall state the facts on which the plaintiff relies to determine money damages. A copy of the completed Civil Action Cover Sheet, including the statement concerning damages, shall be served with the complaint. **A clerk-magistrate shall not accept for filing a complaint, except as otherwise provided by law, unless it is accompanied by such a statement signed by the attorney or self-represented litigant.**

DUTY OF THE DEFENDANT — If the defendant believes that the statement of damages filed by the plaintiff is inadequate, the defendant may file with the defendant's answer a statement specifying the potential damages which may result if the plaintiff prevails.

**A CIVIL ACTION COVER SHEET MUST BE FILED WITH EACH COMPLAINT.
IF THIS COVER SHEET IS NOT FILLED OUT THOROUGHLY AND
ACCURATELY, THE CASE MAY BE DISMISSED.**

Docketed 4/23/2026

COMMONWEALTH OF MASSACHUSETTS

NORFOLK, ss SUPERIOR COURT

SWERLING MILTON WINNICK PUBLIC
INSURANCE ADJUSTERS, INC.

Plaintiff

v.

No. 2682CV00455

VELOCITY RISK UNDERWRITERS, LLC

Defendant

**PLAINTIFF'S MOTION FOR TEMPORARY RESTRAINING ORDER AND
PRELIMINARY INJUNCTION**

Plaintiff Swerling Milton Winnick Public Insurance Adjusters, Inc. ("Plaintiff" or "SWM") hereby moves pursuant to Mass. R.Civ. P. 65(b) for a temporary restraining order and entry of preliminary injunction to prevent Defendant Velocity Risk Underwriters, LLC ("Velocity") from engaging in unfair and deceptive acts and practices in violation of M.G.L. c. 93A, § 11, c. 176D, § 3, in using an Anti-Public Adjuster Endorsement ("Endorsement") to boycott and cause insureds to boycott Public Adjusters, including Plaintiff, tortiously interfering with Plaintiff's advantageous business relationship with one of its insured, and conspiring with a group of insurers to prevent SMW from representing its insured.

For the reasons set forth in the Plaintiff's Complaint, accompanying memorandum of law and supporting affidavit, Plaintiff states that it is entitled to injunctive relief because it is likely to succeed on the merits of its claims against the Defendant, Plaintiff will suffer irreparable harm if injunctive relief is not granted, the balance of hardships weighs in Plaintiff's favor, and public policy mandates granting a temporary restraining order and preliminary injunction.

Plaintiff further requests that the Court waive the requirement that it post security in the event the requested injunctive relief is granted on grounds that the Defendant will suffer no harm if the requested injunctive relief is granted and later vacated as it would merely be restrained from interfering in SWM's retention by its client.

A proposed Order is appended hereto as Exhibit A.

Wherefore, Plaintiff prays that the Court grant the following relief:

1. Issue a temporary restraining order and, after a hearing, a preliminary injunction, pursuant to Mass. R. Civ. P. 65, prohibiting Defendant Velocity from:
 - a. Directly or indirectly interfering in the advantageous business relationship between SMW and The Aquidneck Club (the "Club") with respect to the Club's desire to retain SMW as its Public Adjuster in connection with a loss under the property insurance policy issued by Velocity;
 - b. Misrepresenting the Policy by asserting that the Endorsement is valid and enforceable;
 - c. Misrepresenting the Policy by asserting that if the Club engages the services of SMW to adjust its loss, its insurance coverage may be adversely affected, terminated, cancelled, or forfeited;
 - d. Threatening to decline or declining coverage to its insured under the Policy unless the insured ceases consulting with a Public Adjuster, including Plaintiff, with respect to the Loss;
 - e. Threatening to decline or declining coverage to its insured under the Policy unless the insured agrees not to retain a Public Adjuster, including Plaintiff with respect to the Loss;

- f. Refusing to negotiate or communicate with Plaintiff with respect the Loss;
 - g. Refusing to adjust the Loss so long as its insured continues to consult with Plaintiff;
 - h. Taking any adverse action against its insured which is reasonably likely to result in interference with the advantageous relationship between Plaintiff and its client.
2. Waive security as provided under Mass. R. Civ. P. 65; and
 3. Grant such other and further relief as is just and equitable.

Dated: April 21, 2026

Respectfully submitted,
Plaintiff,
Swerling Milton Winnick Public Insurance
Adjusters, Inc.,
By its counsel,

/s/ Kara Thorvaldsen
Jeffrey P. Allen BBO #015500
E-mail: jallen@lawson-weitzen.com
Kara Thorvaldsen BBO #660723
E-mail: kthorvaldsen@lawson-weitzen.com
LAWSON & WEITZEN, LLP
88 Black Falcon Avenue, Suite 345
Boston, MA 02210
Telephone: (617) 439-4990
Facsimile: (617) 439-3987

Exhibit A

NORFOLK, ss

COMMONWEALTH OF MASSACHUSETTS

SUPERIOR COURT

SWERLING MILTON WINNICK PUBLIC
INSURANCE ADJUSTERS, INC.

Plaintiff

v.

VELOCITY RISK UNDERWRITERS, LLC

Defendant

No. 2682CV00455

[PROPOSED] ORDER

Plaintiff's Motion For Temporary Restraining Order and Preliminary Injunction having come before the Court, and after due notice and an opportunity to be heard having been given to all parties in interest, and a hearing thereon having been held, the Court concludes that the requested temporary relief is warranted and therefore the motion is ALLOWED.

The Court makes the following findings:

There is a likelihood that Plaintiff will succeed on the merits of one or more of its claims against the Defendant;

Plaintiff will suffer irreparable harm absent the requested relief;

The risk of harm to the Plaintiff outweighs the potential harm to the Defendant in granting the relief;

The requested relief serves the public interest.

WHEREFORE, IT IS HEREBY ORDERED:

Defendant Velocity is preliminarily enjoined from:

- a. Directly or indirectly interfering in the advantageous business relationship between SMW and The Aquidneck Club (the "Club") with respect to the Club's desire to

retain SMW as its Public Adjuster in connection with a loss under the property insurance policy issued by Velocity;

- b. Misrepresenting the Policy by asserting that the Endorsement is valid and enforceable;
- c. Misrepresenting the Policy by asserting that if the Club engages the services of SMW to adjust its loss, its insurance coverage may be adversely affected, terminated, cancelled, or forfeited;
- d. Threatening to decline or declining coverage to its insured under the Policy unless the insured ceases consulting with a Public Adjuster, including Plaintiff, with respect to the Loss.
- e. Threatening to decline or declining coverage to its insured under the Policy unless the insured agrees not to retain a Public Adjuster, including Plaintiff with respect to the Loss;
- f. Refusing to negotiate or communicate with Plaintiff with respect the Loss;
- g. Refusing to adjust the Loss so long as its insured continues to consult with Plaintiff;
- h. Attempting to enforce the Anti-Public Adjuster Endorsement through arbitration or litigation;
- i. Taking any adverse action against its insured which is reasonably likely to result in interference with the advantageous relationship between Plaintiff and its client.

It is further ORDERED that security for the injunction is waived for good cause shown.

Dated: _____, J.

Docketed 4/23/2026

COMMONWEALTH OF MASSACHUSETTS
NORFOLK, ss SUPERIOR COURT

SWERLING MILTON WINNICK PUBLIC
INSURANCE ADJUSTERS, INC.
Plaintiff

v.

VELOCITY RISK UNDERWRITERS, LLC
Defendant

No. 2682CV00455

**MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF’S MOTION FOR
TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION**

Plaintiff Swerling Milton Winnick Public Insurance Adjusters, Inc. (“Plaintiff” or “SWM”) respectfully submits this Memorandum of Law in support of its motion pursuant to Mass. R.Civ. P. 65(b) for a temporary restraining order and preliminary injunction to prevent Defendant Velocity Risk Underwriters, LLC (“Velocity”) from engaging in unfair and deceptive acts and practices in violation of M.G.L. c. 93A, § 11, c. 176D, § 3, in using an Anti-Public Adjuster Endorsement (“Endorsement”) to boycott and cause insureds to boycott Public Adjusters, including Plaintiff, tortiously interfering with Plaintiff’s advantageous business relationship with one of its insured, and conspiring with a group of insurers to prevent SMW from representing its insured.

I. INTRODUCTION

This is a dispute between Public Adjusting firm and a nonadmitted insurance company that is attempting to effect an industry-wide boycott of Public Adjusters by threatening its insureds with forfeiture of their coverage if they retain a Public Adjuster.

When an insured covered by a property and casualty insurance policy suffers a loss and seeks insurance coverage for it, the insurer assigns its own adjuster to evaluate and adjust the loss. This may be a company employee or an independent, third party adjuster. *See* Affidavit of Paul Winnick (“Winnick Aff.”) at ¶ 15, attached as **Exhibit 1**. The insurance company’s adjusters are full-time professionals with expertise in insurance coverage and claim evaluation. *Id.* ¶ 16. The insurance company has many resources available to it to adjust a claim, such as construction experts, remediation experts, accountants, and other professionals. *Id.* ¶ 17.

On the other hand, when an insured suffers a loss, whether it is an individual, company, nonprofit organization, or association, the insured is at a severe disadvantage in negotiating the claim settlement process. *Id.* ¶ 18. The insured has just been through catastrophe of some type, whether fire, flood, or hurricane. *Id.* They may be displaced, their business interrupted, their property destroyed, lost, or stolen. *Id.* For the insured suffering a loss, any delay can compound the harm. *Id.* ¶ 19. Moreover, given the complexities of insurance policies and specialized knowledge needed to properly evaluate a loss, the insured often needs assistance. *Id.*

SWM, based in Wellesley Massachusetts, is the largest Public Adjusting firm in New England. *Id.* ¶ 1, 3. It employs Public Adjusters licensed in every New England state and beyond, along with a professional in-house staff of building, personal property and business personal property adjusters which also include an in-house certified public accountant who is involved with several types of time element claims, which include loss of rental income, business interruption, and cyber related claims. *Id.* ¶ 3-4.

A Public Adjuster is a licensed professional who assists individuals and entities prepare, negotiate, and settle claims with their insurance companies. *Id.* ¶ 5. Public Adjusters only represent insureds. Insureds are not required to retain Public Adjusters, but they have the right to do so. *Id.*

¶ 6. Public Adjusters are required to act in their clients' best interest. *Id.* They have the experience and expertise to bring in appropriate consultants and to negotiate with the insurance company's adjusters on a more equal footing than the insured. *Id.* ¶ 7. Statistical studies have shown that when an insured hires a Public Adjuster, it is likely to receive more complete compensation for its losses. *Id.* ¶ 8.

Velocity is a managing general agent for surplus lines property and casualty insurers. *Id.* ¶ 10. Surplus lines insurers are insurers which are not licensed in a particular state to write policies there, but are nonetheless permitted to do so. Because they are not licensed, surplus lines insurers are not regulated by state insurance commissioners as to rates and policy forms. In contrast, admitted insurers must present proposed policy forms, changes to forms, rates, endorsements, and other policy information to state regulators for review and approval. *Id.* ¶ 11.

Surplus lines carriers typically offer coverage to those who cannot get it in the admitted market, whether because of the specialized nature of the property or the higher risk the insured presents. Thus, customers in the surplus lines market are already operating at a disadvantage as they are relegated to working with unregulated insurers who specialize in higher risk coverage. *Id.* ¶ 12.

In recent years, Velocity has adopted an innovative new way to disadvantage its insureds. It, in coordination with the insuring entities which subscribe to its policies, has created an Anti-Public Adjuster Endorsement (the "Endorsement"). The specific Endorsement at issue in this case provides:

ANTI-PUBLIC ADJUSTER ENDORSEMENT
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This

endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

It is understood and agreed that a condition of this POLICY is that the NAMED INSURED shall not hire, engage, retain, contract with, or otherwise utilize the services of a public adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the POLICY.

To the extent this Endorsement conflicts with Texas law, this Endorsement would not be applicable.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

Id. ¶ 25.

Now, when one of Velocity's insureds suffers a catastrophic loss, such as a tornado, fire, or flood, resulting in property damage and related intangible losses, instead of being able to turn to a professional, knowledgeable Public Adjuster for help in obtaining the benefits to which they are entitled under their policy, they are threatened with a loss of their insurance coverage if they dare to even consult with a Public Adjuster.

After a loss, if an insured hires a Public Adjuster, Velocity threatens the insured with forfeiture of coverage unless the insured stops working with the Public Adjuster. *Id.* ¶ 39. Its own internal policies require that if an insured hires a Public Adjuster, Velocity's adjuster is not to communicate with the PA, Velocity's experts are not to communicate with the PA, Velocity's investigation and testing may not take place in the PA's presence, processing of the claim is not to continue while the PA is involved, communications from the PA such as estimates and proofs of loss are to be rejected, and Velocity advises the insured that it is in breach of the insurance policy and its claim will not be adjusted while it is in breach. *See* Complaint at ¶ 75.

This Endorsement is not legally enforceable, these practices are prohibited by law, and so Velocity should be enjoined from engaging in them.

II. FACTUAL BACKGROUND

Velocity issued Property Insurance Policy No. 2021-9003785-05 to the Aquidneck Country Club, Inc. (the “Club”) with effective dates December 26, 2025 to December 26, 2026 (the “Policy”). *Id.* ¶ 24; Policy, attached as **Exhibit 2**. The Club’s Policy is underwritten by multiple out of state, nonadmitted insurers, specifically:

- a. Harleysville Insurance Company of New York;
- b. Certain Underwriters at Lloyd’s, London – Syndicate 2357;
- c. Certain Underwriters at Lloyd’s and Other Insurers subscribing to Binding Authority B604510568622025;
- d. Velocity Specialty Insurance Company; and
- e. United Specialty Insurance Company

(referred to collectively as the “Underwriters”). *Id.* The cost of the coverage, including premium, carrier policy fee, broker fee, inspection fee, and Rhode Island Surplus Lines Tax, totaled over \$90,000. *Id.*

Just three months into the policy year, the Club suffered a fire loss on March 28, 2026. Winnick Aff. at ¶¶ 20-21. The three alarm fire and attendant efforts to extinguish it, caused damage to a building and its contents, including furniture, fixtures, carpets, and electronics. *Id.* It is estimated that the fire caused \$500,000 to \$1 million in damage to the Club. *Id.* ¶ 22.

Immediately after the fire, representatives of the Club approached SWM about acting as the Public Adjuster for the Club to negotiate with Velocity. SWM has several Rhode Island licensed Public Adjusters on its staff and was ready, willing, and able to take on the engagement. Understanding the complex coverage issues, valuation methods, and preparation of inventories, values, and completing proof of loss forms in compliance with policy requirements is exactly what Public Adjusters such as SMW do for their clients. Reaching an agreement with an insurer on value

or assisting an insured with an arbitration is SMW's role as a Public Adjuster. *Id.* ¶ 33. In light of all of the duties and obligations imposed by the Policy on the insured in the event of a loss, along with the need for expertise in multiple fields such as remediation, construction, valuation, and accounting, the Club determined it would be best served by retaining a Public Adjuster to adjust the Loss. *Id.* ¶ 34.

SWM's licensed Public Adjusters assist insureds in understanding complex insurance policy language, the extent of coverage for a loss, complying with post-loss duties, preparing a claim for covered losses, estimating the monetary value of the loss, assessing the insurer's loss estimate; and working with the insurer to reach a full and fair settlement of the loss claim for the benefit of the insured. *Id.* ¶ at 36. The assistance of a Public Adjuster in circumstances like those faced by the Club is crucial in order to obtain as complete an insurance recovery as the insured is entitled to as possible. *Id.* ¶ 37.

However, Velocity will not adjust the claim if the Club retains SMW as its Public Adjuster due to the Anti-Public Adjuster Endorsement. In addition, it has been publicly reported that Velocity has a practice of threatening its insureds with cancellation of their coverage if they hire a Public Adjuster because they are purportedly breaching a condition of coverage. *Id.* ¶ 39. Because of the threat of losing coverage, the Club has not retained SMW. *Id.* ¶ 40. If Velocity is not enjoined from interfering with this relationship, SMW will lose the economic benefit of the fee it could earn for adjusting this loss, which would be 10% of the claim settlement. *Id.* ¶ 40.

Velocity's policies and procedures regarding the Endorsement and related litigation in other jurisdictions show that Velocity is known for using heavy handed tactics to deter its insureds from using Public Adjusters. *See, e.g., Florida Assoc. of Public Insurance Adjusters v. Velocity Risk Underwriters, LLC*, Fl. Cir. Ct. No. 2025-019878-CA-01, Amended Complaint, at ¶ 40,

attached as **Exhibit 3**. For example, if an insured retained a Public Adjuster in derogation of the Endorsement, Velocity would refuse to communicate with Public Adjusters and refuse to investigate claims while Public Adjusters were involved, effectively denying the claims. It would also threaten to cancel coverage altogether if the insured refused to terminate the relationship.

By purporting to bar its insured from hiring a Public Adjuster, Velocity put the Club in a position of having to deal with the complexities of a potentially seven-figure fire loss without professional representation, all to recover the proceeds of an insurance policy for which it has paid premiums. Insureds like the Club are disincentivized to challenge the enforceability of the Endorsement because of the expense and delays litigation can entail. Already facing a loss, an insured typically wants to get their claim paid so that they can undertake repairs as soon as possible, whereas fighting an insurance company in court can take years.

Accordingly, to protect its own interests in the instant case, and to prevent Velocity from continuing to employ this unfair and oppressive practice, SWM filed this action seeking injunctive and declaratory relief.

III. ARGUMENT

A. Standard for Granting a Preliminary Injunction.

Mass. R. Civ. P. 65(b) permits the Court to issue an injunction, after notice to the adverse party. A party seeking a preliminary injunction must establish: “(1) a likelihood of success on the merits; (2) that irreparable harm will result from denial of the injunction; and (3) that, in light of the [moving party’s] likelihood success on the merits, the risk of irreparable harm to the [moving party] outweighs the potential harm to the [nonmoving party] in granting the injunction.” *Loyal Order of Moose, Inc. v. Bd. Of Health of Yarmouth*, 439 Mass. 597, 601 (2003) (internal quotations omitted).

The Court may accept as true “well-pleaded allegations [in the complaint] and uncontroverted affidavits.” *Rohm & Haas Elec. Materials, LLC v. Elec. Circuits*, 759 F.Supp.2d 110, 114, n. 2 (D.Mass.2010) (quoting *Elrod v. Burns*, 427 U.S. 347, 350, n.1 (1976)). The Court may also rely on otherwise inadmissible evidence, including hearsay. *Kevin Cobb & Assocs., Inc. v. Ralston*, No. WOCV201201415C, 2012 WL 4049015 (Mass. Super. Aug. 1, 2012) (citing *Planned Parenthood League of Mass., Inc. v. Operation Rescue*, 406 Mass. 701, 711 n. 9 (1990)); *see also Asseo v. Pan American Grain Co., Inc.*, 805 F.2d 23, 26 (1st Cir.1986).

B. Plaintiff is Likely to Succeed on the Merits of its Claims.

Plaintiff needs to show a likelihood of success on the merits on any one count of its Complaint in order to meet the first criteria for issuance of a preliminary injunction, but submits that it can demonstrate a likelihood of success on each of its claims for substantive relief.

1. Violations of M.G.L. c. 93A, § 11

“It is impossible to frame definitions which embrace all unfair practices. There is no limit to human inventiveness in this field.” *Levings v. Forbes & Wallace, Inc.*, 8 Mass. App. Ct. 498, 503, 396 N.E.2d 149, 153 (1979) (quoting H.R.Conf.Rep. No. 1142, 63rd Cong., 2d Sess. (1914)). A plaintiff with a Chapter 93A claim must demonstrate the use or employment of an unfair method of competition or an unfair or deceptive act or practice that “falls within at least the penumbra of some common-law, statutory, or other established concept of unfairness” or is “immoral, unethical, oppressive, or unscrupulous.” *Id.* (citing 29 Fed. Reg. 8325 (1964)). For a claim under G.L. c. 93A, § 11, “[t]he objectionable conduct must attain a level of rascality that would raise an eyebrow of someone inured to the rough and tumble of the world of commerce.” *Levings v. Forbes & Wallace, Inc.*, 8 Mass. App. Ct. 498, 504 (1979).

The facts of this case rise to that level. Velocity is engaged in a targeted campaign to cause economic harm to Public Adjusters as an industry. In this specific case, the mere existence of the Endorsement Velocity attached to the Policy has prevented Plaintiff from being able to enter into an agreement with its client to adjust its loss. This is an unfair business practice.

Velocity is known for acting unfairly and deceptively in threatening its insureds, with cancellation of coverage if it hires a Public Adjuster when in reality it is not entitled to do so. The Endorsement is contrary to public policy. Even if not barred by public policy, it is an unenforceable condition, and/or contractual penalty in a contract of adhesion that would result in an extreme forfeiture if enforced.

Although Massachusetts courts recognize and respect the principle of freedom of contract, “[a]s was early recognized contract rights are [not] absolute; for government cannot exist if the citizen may at will exercise his freedom of contract to work harm to his fellow citizens. Equally fundamental with the private right is [the right] of the public to regulate it in the common interest.” *Beacon Hill Civic Ass'n v. Ristorante Toscano, Inc.*, 422 Mass. 318, 320 (1996) (internal quotations and citations omitted). Accordingly, a court has the authority to determine that a contractual provision is unenforceable as against public policy. “‘Public policy’ in this context refers to a court's conviction, grounded in legislation and precedent, that denying enforcement of a contractual term is necessary to protect some aspect of the public welfare.” *Id.* at 321 (collecting authorities)

Contractually prohibiting insureds from hiring Public Adjusters is in derogation of the express public policy of both Massachusetts and Rhode Island. Both states' legislatures have deemed public insurance adjusting to be a legitimate profession that should be available to serve the public. *See* G.L. c. 175, § 172; R.I.G.L. § 27-10-1, *et seq.* They have created licensing

frameworks, regulatory schemes, and criminal penalties for persons engaging in public adjusting without proper licensure, evidencing an intent to protect the integrity of the profession. Allowing insurers such as Velocity to ban its insureds from hiring licensed Public Adjusters would deprive the insureds of the ability to hire the professionals that the state has deemed to be qualified, and should not be countenanced.

Even if not barred by public policy, under principles of insurance law, the Anti-Public Adjuster Endorsement purports to impose a condition cannot be enforced. Conditions in an insurance policy may be conditions precedent to coverage, i.e., which must be met in order for coverage to attach, or conditions subsequent, i.e., conditions that must continue to exist in order for coverage to continue. *See Edmonds v. United States*, 492 F. Supp. 970 (D. Mass. 1980), *aff'd*, 642 F.2d 877 (1st Cir. 1981) (applying Massachusetts law). If a condition precedent is breached, coverage may be avoided. “If, on the other hand, the conditions are conditions subsequent or are forfeiture provisions, coverage will be avoided only if the breach contributed to the accident or increased the insurer’s risk of loss.” *Id.* Here, the Anti-Public Adjuster Endorsement is a condition subsequent, and so it cannot be enforced as it only comes into play after a Loss, and does nothing to increase Velocity’s risk that a loss will occur.

Even under the law of Rhode Island, where the Club is located, the clause is unenforceable. Breach of a policy condition will not be enforced so as to effect a forfeiture in the absence of a showing of prejudice by the insurer. Rhode Island courts recognize that “an insurance contract is not the end result of the give-and-take that goes on at a bargaining table. . . but one that is available to the premium-paying customer on a take-it-or-leave-it basis.” *Pickering v. Am. Emps. Ins. Co.*, 282 A.2d 584, 593 (R.I. 1971). *See also Bush v. Nationwide Mut. Ins. Co.*, 448 A.2d 782, 784 (R.I. 1982) (insurance policies are contracts of adhesions and as such are to be construed against

drafter). Accordingly, the Rhode Island Supreme Court has held that a breach of a policy condition, such as a notice provision, will not allow a carrier to declare a forfeiture of the bargained-for protection unless the carrier is prejudiced by the breach. *Id.* It is the carrier's burden to show prejudice. *Id.* Rhode Island courts have applied a similar analysis when it comes to cooperation clauses in insurance policies, holding that “[a]ny alleged breach of a cooperation clause ... has to be substantial as well as material in order to relieve the insurer of its liability under the policy, and a mere technical or inconsequential lack of cooperation would be insufficient to void the policy and the liability of the insurer.” *Ogunsuada v. Gen. Accident Ins. Co.*, 695 A.2d 996, 999 (R.I. 1997).

The same principle would be applied here. There can be no question that the Anti-Public Adjuster Endorsement, if enforced, would result in a severe and outsized forfeiture. The Club would lose the contractual benefits for which it paid over \$90,000, specifically, insurance coverage for a property damage claim in the hundreds of thousands of dollars. Velocity can show no cognizable prejudice to its interests that would result if the Club retains a Public Adjuster. Nullifying Velocity's desire to have the upper hand in negotiating with its insured by depriving it of professional help cannot legitimately be deemed prejudicial.

Even applying general principles of contract law to the Policy, the Endorsement is unenforceable as a penalty under Rhode Island law. *See, e.g., ADP Marshall, Inc. v. Noresco, LLC*, 710 F. Supp. 2d 197, 234–35 (D.R.I. 2010) (“If no loss has been sustained as a result of the breach, a liquidated damages provision may amount to an unenforceable penalty,” collecting authorities). *See also* Restatement (Second) Contracts, § 302 (“A condition may be excused without other reason if its requirement (1) will involve extreme forfeiture or penalty, and (b) its existence or occurrence forms no essential part of the exchange for the promisor's performance”).

Accordingly, where this Endorsement is legally unenforceable, it is unfair and deceptive for Velocity to threaten to enforce it in order to prevent the insured from retaining SWM as its Public Adjuster. Moreover, Velocity's attempts to use it to deter the retention of Public Adjusters violate G.L. c. 176D, § 3(9), which prohibits an insurer from misrepresenting pertinent facts about its policies and the coverages at issue. Velocity's practices of refusing to deal with Public Adjusters, refusing to investigate and adjust claims while Public Adjusters are involved, and failing to make coverage determinations and reach settlements are violations of that provision as well. It is of course well settled that a violation of chapter 176D is actionable as a violation of chapter 93A. *Appleton v. Nat'l Union Fire Ins. Co. of Pittsburgh*, 145 F.4th 177, 185 (1st Cir. 2025) (citing *Bobick v. U.S. Fidelity & Guar. Co.*, 439 Mass. 652, (2003)).

2. Unfair Methods of Competition, G.L. c. 176D(4) and G.L. 93A.

Velocity has engaged in unfair methods of competition by entering into an agreement to boycott Public Adjusters and to coerce their insureds into joining that boycott. Massachusetts' statutory prohibition on unfair methods of competition and unfair and deceptive acts and practices in the business of insurance expressly prohibits "entering into an agreement to commit, or by concerted action committing, an act of boycott, coercion or intimidation resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance."¹ G.L. c. 176D, § 3(4).

¹ The federal McCarran-Ferguson Act, which exempts the business of insurance from claims under the federal Sherman Antitrust Act (subject to certain limitations), was enacted in order to preserve state regulation of the activities of insurance companies. *Grp. Life & Health Ins. Co. v. Royal Drug Co.*, 440 U.S. 205, 99 S. Ct. 1067, 59 L. Ed. 2d 261 (1979) (citing McCarran-Ferguson Act, § 2(b), 15 U.S.C.A. § 1012(b)). Any argument that Velocity is exempt from this claim pursuant to the McCarran-Ferguson Act should be rejected where Massachusetts' legislature included a specific antitrust provision in its statute regulating unfair competition in the business of insurance, G.L. c. 176, § 3(4).

As shown in the Policy, with respect to this specific case, Velocity entered into an agreement with the Policy Underwriters, Harleysville Insurance Company of New York, Certain Underwriters at Lloyd's, London – Syndicate 2357, Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025, Velocity Specialty Insurance Company, and United Specialty Insurance Company (the "Underwriters") whereby they subscribed to the Policy bearing the Anti-Public Adjuster Endorsement. Velocity has conspired with untold numbers of other out of state surplus lines carriers to include the same or similar endorsements in other policies in Massachusetts, Rhode Island, and beyond. The purpose and effect of these endorsements is to boycott Public Adjusters and to coerce insureds into boycotting them as well.

A boycott is a refusal to deal in a collateral transaction as a means to coerce terms respecting a primary transaction. *See, e.g., Hartford Fire Ins. Co. v. California*, 509 U.S. 764, 801 (1993). Velocity and the Underwriters as well as other coconspirator surplus lines carriers sell surplus lines insurance coverage in Massachusetts, Rhode Island, and other New England states. The insurance policies are the primary transactions. Velocity acts as the coordinator of an unlawful horizontal conspiracy among itself and the competing surplus lines carriers who underwrite and sign onto the Velocity form with the Anti-Public Adjuster Endorsement to use that Endorsement to effect a boycott Public Adjusters in a collateral transaction between insureds and Public Adjusters.

Velocity and its coconspirators have knowingly and intentionally agreed to act in concert to prevent their insureds from retaining Public Adjusters. Velocity and its coconspirators use their refusal to deal in these collateral transactions coercively in the primary transaction with the insureds when it comes to adjusting a loss. This agreement among Velocity and other surplus lines

carriers is prohibited by Massachusetts' statute barring unfair methods of competition in the business of insurance, M.G.L. c. 176D, *et seq.*, which is actionable under to M.G.L. c. 93A, §11.

Chapter 93A regulates trade and commerce “directly or indirectly affecting the people of this commonwealth.” *Ciardi v. F. Hoffmann-La Roche, Ltd.*, 436 Mass. 53, 58, 762 N.E.2d 303, 308 (2002) (quoting G.L. c. 93A, § 1). Velocity’s use of the Endorsement on the Club’s Policy has directly impacted SWM in Massachusetts insofar as the Endorsement and threat of losing coverage has thus far prevented the Club from retaining SWM. The use of these endorsements is also indirectly affecting SWM and other public adjusting firms insofar as there are an unknown number of insureds who have not retained SWM or another Public Adjuster because they were threatened with a loss of their coverage if they did so.

3. Tortious Interference With Prospective Business Relationship

“The tort of interference with business relations requires a []claimant to show that it had an ‘advantageous business relationship with a third party’ and that the defendant caused the third party ‘not to enter into or continue that business relationship.’” *Sensitech, Inc. v. LimeStone FZE*, 581 F. Supp. 3d 342 (D. Mass. 2022) (quoting *Karmaloop, Inc. v. Sneider*, 2013 WL 5612721 at *9 (Mass Super. Ct. Apr. 25, 2013); *Buster v. George W. Moore, Inc.*, 438 Mass. 635 (2003)). “An advantageous business relationship is an existing business relationship or contemplated business relationship with probable economic benefit.” *Karmaloop, Inc. v. Sneider*, No. CIV.A. 08-3580, 2013 WL 5612721, at *9 (Mass. Super. Apr. 25, 2013) *(citing *Weber v. Cmty. Teamwork, Inc.*, 434 Mass. 761, 781(2001); *Shafir v. Steele*, 431 Mass. 365, 370 n. 10 (2000); *Cavicchi v. Koski*, 67 Mass. App. Ct. 654, 657 (2006)). Improper conduct, beyond the interference itself, is an element of the claim. *Cavicchi v. Koski*, 67 Mass. App. Ct. 654, 657 (2006). “The improper conduct ‘may include ulterior motive (e.g., wishing to do injury) or wrongful means (e.g., deceit or economic

coercion).” *Id.* (quoting *Schwanbeck v. Federal-Mogul Corp.*, 31 Mass. App. Ct. 390, 412, (1991), *S.C.*, 412 Mass. 703 (1992)). Improper means include violation of a statute or common-law precept, e.g., by means of threats, misrepresentation, or defamation. *Id.* (citing *United Truck Leasing Corp. v. Geltman*, 406 Mass. 817 (1990)).

Knowing that SWM possessed the necessary licenses, qualifications, and expertise to protect its interests with respect to the Loss, the Club wants to retain SWM as its Public Adjuster. However, Velocity would treat this as a breach of a condition of insurance. Based on the Anti-Public Adjuster Endorsement, Velocity will not adjust the claim if the Club retains SWM. In addition, it has been publicly reported that Velocity has a practice of threatening its insureds with cancellation of their coverage if they hire a Public Adjuster.

Because of the threat of losing coverage, the Club has not retained SWM. If Velocity is not enjoined from interfering with this relationship, SWM will lose the economic benefit of the fee it could earn for adjusting this loss, which would be 10% of the claim settlement.

Velocity’s use of the Endorsement to prevent its insureds from retaining Public Adjusters is improper. As discussed above, it effects a threat of losing coverage, economic coercion, and is deceptive insofar as the Endorsement cannot be enforced. Its means in interfering with the advantageous relationship are thus improper. Its purpose is also improper. It intends to harm its insured by requiring it to negotiate a highly complex, high value insurance claim without qualified representation, all while imposing highly complex and onerous conditions of coverage on its insured. It also intends to injure SWM by depriving it of the economic benefit of earning a fee from representing the Club in this particular case, and broader terms, by depriving SWM of an entire pool of potential clients who are similarly prevented from retaining it due to the Endorsement.

Each of the elements of this cause of action are presented and supported by evidence here.

4. Civil Conspiracy (Coercive Power)

Massachusetts recognizes a common law cause of action for civil conspiracy of a coercive type where, though there is no independent underlying tortious conduct, “there was some ‘peculiar power of coercion of the plaintiff possessed by the defendants in combination which any individual standing in a like relation to the plaintiff would not have had.’” *Neustadt v. Emps. Liab. Assur. Corp.*, 303 Mass. 321, 325 (1939). “Collusive behavior among market competitors is a good example of one of those rare instances in which it is the act of agreeing that constitutes the wrong.” *Snyder v. Collura*, 812 F.3d 46, 52 (1st Cir. 2016) (citing *Neustadt*, 303 Mass. 321).

Here, by acting together with the Underwriters to add the Endorsement to the Policy, Velocity was able to create a threat that the Club would lose coverage if it hired SWM to adjust its Loss. Preventing SWM from securing this engagement was one of Velocity’s motives for using the Endorsement. Velocity would not have been able to make this threat without the unanimous agreement and cooperation of the Underwriters. The tactic is reminiscent of that employed by a union in *Plant v. Woods*. In that case, a union, seeking to increase its membership at the expense of a rival union, threatened businesses with adverse consequences, such as boycotting, if they hired members of the rival union. The court enjoined that action, reasoning,

‘Every one has a right to enjoy the fruits and advantages of his own enterprise, industry, skill, and credit. He has no right to be protected against competition, but he has a right to be free from malicious and wanton interference, disturbance, or annoyance. If disturbance or loss come as the result of competition, or the exercise of like rights by others, it is *damnum absque injuria*, unless some superior right by contract, or otherwise, is interfered with. But if it come from the merely wanton or malicious acts of others, without the justification of competition, or the service of any interest or lawful purpose, it then stands upon a different footing.’ In this case the acts complained of were calculated to cause damage to the plaintiffs, and did actually cause such damage; and they were intentionally done for that purpose. Unless, therefore, there was justifiable cause, the acts were malicious and unlawful.

Plant v. Woods, 176 Mass. 492, 498, 57 N.E. 1011, 1013 (1900) (quoting *Walker v. Cronin*, 107 Mass. 555 (1871)).

Velocity and its coconspirators have leverage over its insureds to force a boycott of Public Adjuster services by its insureds only by virtue of their collusive agreement to use the Anti-Public Adjuster Endorsement. This is precisely the rare type of situation that the “coercive” type of civil conspiracy claim is intended to address.

C. Plaintiff Will Suffer Irreparable Harm if Injunctive Relief is Not Granted.

If immediate injunctive relief is not granted, SWM will suffer irreparable harm. The opportunity to represent the Club in adjusting its fire loss—a one time event—will be lost by any significant delay. Winnick Affidavit at ¶ 45. In the event of this type of loss it is imperative for the property owner to work with its own Public Adjuster as quickly as possible to evaluate the damage, prepare appropriate estimates, and work towards settling its claim and beginning repairs. *Id.* ¶46. Prompt action is needed, for example, to remediate water damage in order to prevent mold contamination, and otherwise prevent further damage and degradation of the damaged property. *Id.* If Velocity is not enjoined from preventing the Club’s retention of SWM, the window of opportunity to assist it in adjusting this loss will close. *Id.* ¶ 46.

Even more, SWM’s business is likely to be impacted beyond this one case. *Id.* ¶ 47. If SWM is barred from working with clients insured by surplus lines carriers, it will lose access to an entire pool of potential clients. Relationships with other ongoing and anticipated client relationships may be permanently disrupted. *Id.* Allowing this type of boycott also undermines the legitimacy of Public Adjusters and their legally recognized role in assisting insureds and interferes with the public’s right to choose representation. *Id.* ¶ 48.

The denial of injunctive relief here will only embolden Velocity in pursuing its unlawful boycott of SWM and other Public Adjusters in Massachusetts and beyond. This is the first known case of the Anti-Public Adjuster Endorsement being challenged in a Massachusetts court. Insureds are unlikely to challenge the Endorsement, due to the expense of litigating the issue, the harms that would inevitably follow from delays in getting their claims adjusted, and the concern of losing coverage completely. It is not known how many insureds have been and will continue to be induced to give up their right to retain a Public Adjuster because of these concerns, and thus, how much business SWM is currently losing due to this Endorsement. Thus, even though the harm to SWM from this one particular assignment could be estimated, the cumulative effect of allowing Velocity to continue to prevent insureds from retaining Public Adjusters in terms of lost referrals, diminished future business, and its market position is impossible to calculate, and will be ongoing.

In sum, if the requested injunction is not granted, SWM will be systematically prevented from operating, building relationships, and maintaining its reputation with an entire class of insureds, all of which are difficult or impossible to fully restore with money later. *Id.* ¶ 49; *see, e.g. In re Ward*, 194 B.R. 703, 711 (Bankr. D. Mass. 1996) (recognizing that courts readily grant an injunction to maintain a status quo that prevents the accrual of damages and avoids the difficulty of proving and collecting damages).

D. The Balance of Hardships Weighs in Plaintiffs' Favor.

Plaintiff anticipates that Velocity will argue that if enjoined from cancelling or threatening to cancel the Club's insurance coverage if it retains SWM, it will lose the benefit of its contractual bargain. However, where the contractual provision on which it relies is itself unfair, oppressive, anti-competitive and against public policy, its interest in enforcing the provision should be given no weight.

E. The Public Interest will be Served By an Injunction.

Massachusetts, where SWM is domiciled, and where it is suffering harm as a result of Velocity's action, has an express public policy recognizing the legitimacy of the profession of public insurance adjusting. This public policy is embodied by Massachusetts' statutory scheme authorizing Public Adjusters, creating a licensing framework, and imposing penalties for engaging in that business without a license. The recognition of this profession is a recognition that the public is benefited by its services. Any restriction or limitation on Public Adjusters' practices should come not from a coercive boycott but from the legislature or administering agency.

In a broader sense, it is axiomatic that "[t]he public interest is best served by fair competition in the marketplace." *Bear Rep. Brewing Co. v. Vent City Brewing Co.*, 716 F.Supp.2d 134, 152 (D.Mass. 2010). Chapter 176D, § 3(4) expressly prohibits boycotts, coercion, and intimidation as unfair method of competition in the business of insurance. Velocity's Anti-Public Adjuster Endorsement and its coercive tactics to enforce it are an unlawful restraint of trade, in violation of statutes enacted to protect the public. Accordingly, an injunction will be in the public's interest.

IV. CONCLUSION

Wherefor, Plaintiff SWM Milton Winnick Public Insurance Adjusters, Inc. respectfully requests that its motion for a temporary restraining order and preliminary injunction be granted and pray that the Court grant the following relief:

Issue a temporary restraining order and, after a hearing, a preliminary injunction, pursuant to Mass. R. Civ. P. 65, prohibiting Defendant Velocity from:

- a. Directly or indirectly interfering in the advantageous business relationship between SWM and The Aquidneck Club (the "Club") with respect to the Club's desire to

- retain SWM as its Public Adjuster in connection with a loss under the property insurance policy issued by Velocity;
- b. Misrepresenting the Policy by asserting that the Endorsement is valid and enforceable;
 - c. Misrepresenting the Policy by asserting that if the Club engages the services of SWM to adjust its loss, its insurance coverage may be adversely affected, terminated, cancelled, or forfeited;
 - d. Threatening to decline or declining coverage to its insured under the Policy unless the insured ceases consulting with a Public Adjuster, including Plaintiff, with respect to the Loss.
 - e. Threatening to decline or declining coverage to its insured under the Policy unless the insured agrees not to retain a Public Adjuster, including Plaintiff with respect to the Loss;
 - f. Refusing to negotiate or communicate with Plaintiff with respect the Loss;
 - g. Refusing to adjust the Loss so long as its insured continues to consult with Plaintiff;
 - h. Taking any adverse action against its insured which is reasonably likely to result in interference with the advantageous relationship between Plaintiff and its client;
2. Waive security as provided under Mass. R. Civ. P. 65; and
 3. Grant such other and further relief as is just and equitable.

Dated: April 21, 2026

Respectfully submitted,
Plaintiff,
Swerling Milton Winnick Public Insurance
Adjusters, Inc.,
By its counsel,

/s/ Kara Thorvaldsen
Jeffrey P. Allen BBO #015500
E-mail: jallen@lawson-weitzen.com
Kara Thorvaldsen BBO #660723
E-mail: kthorvaldsen@lawson-weitzen.com
LAWSON & WEITZEN, LLP
88 Black Falcon Avenue, Suite 345
Boston, MA 02210
Telephone: (617) 439-4990
Facsimile: (617) 439-3987

Exhibit 1

NORFOLK, ss COMMONWEALTH OF MASSACHUSETTS SUPERIOR COURT

SWERLING MILTON WINNICK PUBLIC
INSURANCE ADJUSTERS, INC.
Plaintiff

v.

No.

VELOCITY RISK UNDERWRITERS, LLC
Defendant

AFFIDAVIT OF PAUL WINNICK

I, Paul Winnick, an adult over the age of eighteen, make the following affidavit under oath:

1. I am President of Swerling Milton Winnick Public Insurance Adjusters, Inc. ("SMW"). SMW is a Massachusetts corporation with usual place of business in Wellesley, Massachusetts.
2. I have been licensed as a Public Adjuster since 1976. I am a member of the National Association of Public Insurance Adjusters and the Massachusetts Association of Public Insurance Adjusters.
3. SMW is the largest public adjusting firm in New England. Its Public Adjusters are licensed in California, Connecticut, Florida, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Montana, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, South Carolina, Texas, Utah, Vermont, Washington D.C. and the U.S. Virgin Islands.

4. SMW employs a professional in-house staff of building, personal property and business personal property adjusters which also include an in-house certified public accountant who is involved with several types of time element claims, which include loss of rental income, business interruption, and cyber related claims.
5. A Public Adjuster is a licensed professional who assists individuals and entities prepare, negotiate, and settle claims with their insurance companies.
6. Public Adjusters only represent insureds. Insureds are not required to retain Public Adjusters, but they have the right to do so. Public Adjusters are required to act in their clients' best interest.
7. They have the experience and expertise to bring in appropriate consultants and to negotiate with the insurance company's adjusters on a more equal footing than the insured.
8. Statistical studies have shown that when an insured hires a Public Adjuster, it is significantly likely to receive more complete compensation for its losses.
9. SMW represents individuals, businesses, nonprofit organizations, and associations and works closely with experts in building estimation, forensic accounting, and other specialized areas to accurately and properly adjust property and casualty losses.
10. It is my understanding that Velocity Risk Underwriters, LLC ("Velocity") is a managing general agent ("MGA") for surplus lines property and casualty insurers. Velocity acts as an MGA for insurers which are not admitted to write policies in the jurisdictions in which they are doing business, also known as nonadmitted or surplus lines insurers.
11. Because they are not licensed, surplus lines insurers are not regulated by state insurance commissioners as to rates and policy forms. In contrast, admitted insurers must present

proposed policy forms, changes to forms, rates, endorsements, and other policy information to state regulators for review and approval.

12. Surplus lines carriers typically offer coverage to those who cannot get it in the admitted market, whether because of the specialized nature of the property or the higher risk the insured presents. Thus, customers in the surplus lines market are already operating at a distinct disadvantage as they are relegated to working with unregulated insurers who specialize in higher risk coverage.
13. Surplus lines carriers are not backed by state guaranty fund protections if the insurer becomes insolvent, they typically carry higher premium costs, and there is reduced regulatory oversight on policy forms and rates.
14. Overall, surplus lines policyholders face greater financial risk and less recourse if a claim is denied or unpaid as compared to those insured by admitted carriers.
15. When an insured covered by a property and casualty insurance policy suffers a loss and seeks insurance coverage for it, the insurer assigns its own adjuster to evaluate and adjust the loss. This may be a company employee or an independent, third party adjuster.
16. The insurance company's adjusters are full-time professionals with expertise in insurance coverage and claim evaluation.
17. The insurance company has many resources available to it to adjust a claim, such as construction experts, remediation experts, accountants, and other professionals.
18. In contrast, when an insured suffers a loss, whether it is an individual, company, nonprofit organization, or association, the insured is at a severe disadvantage in negotiating the claim settlement process. The insured has just been through catastrophe of some type, for

- example a fire, flood, or storm. They may be displaced, their business interrupted, their property destroyed, lost, or stolen.
19. For the insured suffering a loss, any delay can compound the harm. Moreover, given the complexities of insurance policies and specialized knowledge needed to properly evaluate a loss, the insured often needs assistance.
 20. On March 28, 2026, a fire erupted at the main building of the Aquidneck Country Club, a private, member-owned club in Portsmouth, Rhode Island (the “Club”).
 21. The three alarm fire caused extensive damage to the building and its contents (the “Loss”). In addition to fire and smoke damage, firefighter efforts to extinguish the fire resulted in significant water damage.
 22. Based on my experience as a Public Adjuster, I would estimate that the fire has caused \$500,000 to \$1 million dollars in damage to the Club.
 23. However, I have not taken steps to evaluate or adjust the loss due to a prohibition in the Club’s insurance policy which purports to prohibit it from retaining a Public Adjuster.
 24. The Club is insured under a Property Insurance Policy, No. 2021-9003785-05, with effective dates December 26, 2025 to December 26, 2026 (the “Policy”), which was issued by Velocity Risk Underwriters, LLC. Velocity is not an admitted carrier in Massachusetts or Rhode Island but it is approved to do business in both states as a surplus lines insurer.
 25. The Anti-Public Adjuster Endorsement at issue here provides:

ANTI-PUBLIC ADJUSTER ENDORSEMENT
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

It is understood and agreed that a condition of this POLICY is that the NAMED INSURED shall not hire, engage, retain, contract with, or otherwise utilize the services of a Public Adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the POLICY.

To the extent this Endorsement conflicts with Texas law, this Endorsement would not be applicable.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

26. The cost of the Club's coverage, including premium, carrier policy fee, broker fee, inspection fee, and Rhode Island Surplus Lines Tax totaled over \$90,000.
27. The Policy at issue in this case is full of complex provisions, endorsements, limits and sublimits, terms and conditions.
28. The Policy provides coverage for many types of losses, including loss of accounts receivable, builders risk, electronic data and media, errors and omissions, limited pollution coverage, compliance with ordinances and laws, landscaping, books and records, and others that address intangible losses, such as soft costs, rental value, loss of use and service interruption.
29. The Policy's covered causes of loss is similarly complex, with many coverage exclusions for losses as a result of causes such as war, fraud, carcinogens, mysterious disappearance of inventory, equipment breakdown, and many others.
30. Under a section heading titled "Valuation," the Policy sets out a lengthy list of categories of damage and a description of how each should be valued which is replete with technical definitions, terms of art, insurance jargon, and valuation formulas.

31. The Policy states, “[w]e will pay for covered damage within thirty days within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this POLICY, and (1) we have reached agreement with you on the amount of loss or (2) an arbitration award has been made.

32. In the event of a loss, the Policy imposes a litany of obligations on the insured:

The NAMED INSURED shall:

- a. Give immediate written notice of any damage to the INSURER;
- b. Promptly contact the applicable authority having jurisdiction in the event a law has been broken, and promptly file a written report with such authority;
- c. Protect the property from further damage;
- d. Separate the damaged and undamaged personal property;
- e. Maintain such property in the best possible order;
- f. Furnish a complete inventory of the lost, destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed to the INSURER;
- g. Furnish all other documents or insurance policies that may be reasonably required by the INSURER;
- h. Allow access and inspection of any of the damaged or undamaged COVERED PROPERTY by the INSURER;
- i. Cooperate with the Insurer(s) and any other person or persons designated by the Insurer(s) in the investigation, adjustment or settlement of any claim; and
- j. All claims, made under this POLICY, must be made within one-year of the date of the occurrence giving rise to a COVERED CAUSE OF LOSS.

2. The NAMED INSURED, ADDITIONAL INSURED(S), and any officers, directors, or employees of the same, or any related members of the household and others shall:

- a. Submit to examination under oath, as often as may be reasonably required, and while not in the presence of any other party or NAMED INSURED or ADDITIONAL INSURED. The INSURER may as often as may be reasonably required, request that you produce for examination all documents, photographs, computer records, writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the INSURER or our representatives and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of ours or any of our employees or

representatives in connection with the investigation of any loss hereunder, shall be deemed a waiver of any POLICY provision, condition or defense we might otherwise have with respect to any loss, but all such examinations and acts shall be deemed to have been made or done without prejudice to our liability.

b. Within ninety (90) days after the loss, unless such time is extended in writing, the NAMED INSURED shall provide to the INSURER proof of loss, signed and sworn to by the NAMED INSURED, stating the knowledge and belief of the NAMED INSURED as to the following:

1. The time and origin of the loss;
2. The interest of the NAMED INSURED and of all others in the property;
3. The value of each item thereof determined in accordance with the VALUATION PROVISIONS of this POLICY and the amount of loss thereto and all encumbrances thereon;
4. All other contracts of insurance, whether collectible or not, covering any of said property; and
5. Any changes in the title, use, occupation, LOCATION, possession or exposures of said property subsequent to the issuance of this POLICY, by whom and for what purpose any BUILDING herein described and the several parts thereof were occupied at the time of loss whether or not it then stood on leased ground.

33. Understanding the complex coverage issues, valuation methods, and preparation of inventories, values, and completing proof of loss forms in compliance with policy requirements is exactly what Public Adjusters such as SMW do for their clients. Reaching an agreement with an insurer on value or assisting an insured with an arbitration is SMW's role as a Public Adjuster.
34. In light of all of the duties and obligations imposed by the Policy on the insured in the event of a loss, along with the need for expertise in multiple fields such as remediation, construction, valuation, and accounting, the Club determined it would be best served by retaining a Public Adjuster to adjust the Loss.
35. SMW represents insureds in the investigation, preparation, filing and adjusting of insurance claims.

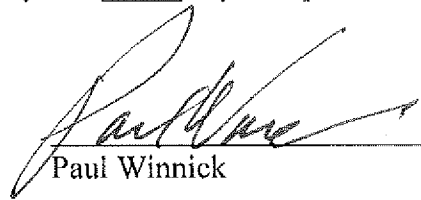
36. Its licensed Public Adjusters assist insureds in understanding complex insurance policy language, the extent of coverage for a loss, complying with post-loss duties, preparing a claim for covered losses, estimating the monetary value of the loss, assessing the insurer's loss estimate; and working with the insurer to reach a full and fair settlement of the loss claim for the benefit of the insured.
37. The assistance of a Public Adjuster in circumstances like those faced by the Club is crucial in order to obtain as complete an insurance recovery as the insured is entitled to as possible.
38. Knowing that SMW possessed the necessary licenses, qualifications, and expertise to protect its interests with respect to the Loss, the Club wants to retain SMW as its Public Adjuster.
39. However, Velocity will not adjust the claim the Club retains SMW as its Public Adjuster due to the Anti-Public Adjuster Endorsement. In addition, it has been publicly reported that Velocity has a practice of threatening its insureds with cancellation of their coverage if they hire a Public Adjuster because they are purportedly breaching a condition of coverage.
40. Because of the threat of losing coverage, the Club has not retained SMW. If Velocity is not enjoined from interfering with this relationship, SMW will lose the economic benefit of the fee it could earn for adjusting this loss, which would be 10% of the claim settlement.
41. Velocity has publicly taken the position that it requires insureds to accept the Anti-Public Adjuster Endorsement because the use of this endorsement across the board will result in a decrease in premiums for property coverage in the surplus lines market.

42. However, there is no evidence that this practice has resulted in lower premiums for insureds in the surplus lines market as opposed to greater profits for the insurers.
43. In my view, Velocity would prefer to negotiate directly with insureds rather than Public Adjusters because insureds typically lack the specialized knowledge required to evaluate different types of claims and damages, when to employ appropriate experts, and what is in fact reasonable, as well as what is evidence of bad faith on the part of an insurer.
44. This is true even in the commercial context, where the complexity of coverage and size of claims make leave even sophisticated business people at a disadvantage in negotiating with an insurance company's adjuster.
45. If immediate injunctive relief is not granted, SMW will suffer irreparable harm. The opportunity to represent the Club in adjusting its fire loss—a one time event—will be lost by any significant delay.
46. In the event of this type of loss it is imperative for the property owner to work with its own Public Adjuster as quickly as possible to evaluate the damage, prepare appropriate estimates, and work towards settling its claim and beginning repairs. Prompt action is needed, for example, to remediate water damage in order to prevent mold contamination, and otherwise prevent further damage and degradation of the damaged property. If Velocity is not enjoined from preventing the Club's retention of SMW, the window of opportunity to assist it in adjusting this loss will close.
47. Even more, SMW's business is likely to be impacted beyond this one case. If SMW is barred from working with clients insured by surplus lines carriers, it will lose access to an entire pool of potential clients. Relationships with other ongoing and anticipated client relationships may be permanently disrupted.

48. Allowing this type of boycott also undermines the legitimacy of Public Adjusters and their legally recognized role in assisting insureds and interferes with the public's right to choose representation. The prohibition gives the impression that there is some legitimate reason for banning the use of a Public Adjuster.

49. If the requested injunction is not granted, SMW will be systematically prevented from operating, building relationships, and maintaining its reputation with an entire class of insureds. The cost to SMW of this injury will be difficult, if not impossible, to value or fully restore with money later.

Signed, under pains and penalties of perjury this 15 day of April, 2026.


Paul Winnick

Norfolk, ss.

COMMONWEALTH OF MASSACHUSETTS

On this 15 day of April, 2026 before me, the undersigned notary public, Paul Winnick personally appeared, proved to me through satisfactory evidence of identification, which were license, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.


Notary Public
My commission expires:

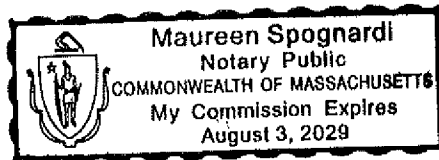


Exhibit 2

POLICYHOLDER NOTIFICATION

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
Maryland	Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

POLICYHOLDER NOTIFICATION

New York	<p>General: All applications for commercial insurance, other than automobile insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p>All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p>Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.</p> <p>The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
Oregon	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in Prison. The aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties.
Pennsylvania	<p>All Commercial Insurance, Except As Provided for Automobile Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p>Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.</p>
Puerto Rico	<p>Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.</p>
Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

POLICYHOLDER NOTIFICATION

Tennessee	<p>All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> <p>Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.</p>
Utah	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading information concerning any fact material thereto, may be a fraudulent insurance act, and could be a crime that might subject a person to criminal and/or civil penalties.

POLICYHOLDER NOTIFICATION

PRIVACY NOTICE

For commercial business customers with policies administered by Velocity Risk Underwriters, LLC (VRU) and insured by a non-admitted insurer, our privacy policy is as follows:

- VRU does not collect or require personal private information from our customers.
- VRU does not share any policyholder information for marketing purposes with any third party.
- VRU does share policy information as necessary with third party service providers for purposes of evaluating, processing, or servicing our business, inclusive but not restricted to information gathered in the application, inspection, or claims process.
- We require a non-disclosure with all third party service providers as respects information shared from us to our third party service providers which restricts use of information to functions required to perform the contracted services.
- Exception to all restrictions above will be as required by applicable law or regulatory agency.

Have a complaint or need help?

We are committed to providing you with a high-quality service, and we want to make sure that this is maintained at all times but sometimes things do go wrong.

If you wish to make a complaint, you may do so at any time by contacting your retail agent directly. Please provide the following information to expedite the process.

- Policy number
- Date of loss (if a claim is involved)
- Reason for the complaint

In the event that you remain dissatisfied and wish to make a complaint, you may send your complaint to:

RSG Specialty, LLC
Attn: Regulatory & Compliance
155 North Wacker Drive, Suite 4000
Chicago, Illinois 60606
Regulatorycompliance@ryansg.com
(888) 291-0045

We take complaints very seriously and aim to handle them in an expeditious but fair and proper manner, ensuring that any complaint is investigated competently, diligently, impartially and determining what is fair and reasonable in the circumstances.



10 Burton Hills Blvd., Ste. 300A
Nashville, TN 37215

Summary of Charges

Premium
Carrier Policy Fee
Broker Fee
Inspection Fee - Company
RI Surplus Lines Tax
Total
Zip Code 02871



Named Insured & Mailing Address:

Aquidneck Country Club, Inc.
125 Cory's Lane
Portsmouth, RI 02871

Producer:

Stephen Brennan
CRC
32 Old Slip
4th Floor
New York, NY 10005

NOTICE

THIS INSURANCE CONTRACT HAS BEEN PLACED WITH AN INSURER NOT LICENSED TO DO BUSINESS IN THE STATE OF RHODE ISLAND BUT APPROVED AS A SURPLUS LINES INSURER. THE INSURER IS NOT A MEMBER OF THE RHODE ISLAND INSURERS INSOLVENCY FUND. SHOULD THE INSURER BECOME INSOLVENT, THE PROTECTION AND BENEFITS OF THE RHODE ISLAND INSURANCE INSOLVENCY FUND ARE NOT AVAILABLE.

General Property Policy Declarations

This Declaration Page is attached to and forms part of the Policy as defined herein.

Business or Operations of the Named Insured:

Hospitality

Policy Term:

(12:01 A.M. Local time at each insured location.)

Effective Date: Friday, December 26, 2025

Expiration Date: Saturday, December 26, 2026

Coverage is provided by the Following Company(s) Policy Number:2021-9003785-05

Harleysville Ins Co of New York One Nationwide Plaza , Columbus, OH 43215	RYA-CN-0003785-05
Certain Underwriters at Lloyd's, London - Syndicate 2357 c/o Nephila Syndicate Management Limited 4th Floor, Walsingham House, 35 Seething Lane London EC3N 4AH United Kingdom	VNB-CN-0003785-05
Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025 Renaissance Re 18th Floor, 125 Old Broad Street London EC2N 1AR United Kingdom	VRN-CN-0003785-05
Velocity Specialty Insurance Company 10 Burton Hills Blvd Suite 300B, Nashville, TN 37215	VSI-CN-0003785-05
United Specialty Insurance Company 1900 L Don Dodson Drive , Bedford, TX 76021	VTX-CN-0003785-05



10 Burton Hills Blvd., Ste. 300A
Nashville, TN 37215

The insurance provided by this policy consists of the following coverage form(s). In return for payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.



10 Burton Hills Blvd., Ste. 300A
 Nashville, TN 37215

PROPERTY INSURANCE

PREMIUM and FEE SUMMARY (Policy and Inspection Fee retained by Velocity Risk Underwriters, LLC)

Annual Premium/Fees	Premium (x TRIA)	TRIA	Modeling Fee	Policy Fee	Inspection Fee	Total
Certain Underwriters at Lloyd's and Other Insurers Subscribing to Binding Authority UMR B604510568622025 RenaissanceRe	██████████	\$0.00	██████████	██████████	██████████	██████████
Certain Underwriters at Lloyd's, London - Syndicate 2357	██████████	\$0.00	██████████	██████████	██████████	██████████
Harleysville Ins Co of New York	██████████	\$0.00	██████████	██████████	██████████	██████████
United Specialty Insurance Company	██████████	\$0.00	██████████	██████████	██████████	██████████
Velocity Specialty Insurance Company	██████████	\$0.00	██████████	██████████	██████████	██████████
TOTAL	██████████0	Rejected	██████████	██████████	██████████	██████████

LOCATIONS OF PREMISES--Applicable to Coverages specified in these Declarations
 Locations on file with the Insurer(s) and/or Company(ies)

FORMS ATTACHED AT INCEPTION

Endorsements Attached

VRU-037-0323 Policyholder Notification – Fraud Notice



10 Burton Hills Blvd., Ste. 300A
Nashville, TN 37215

- VRU-038-0816 Policyholder Notification – Privacy Notice**
 - General Complaint 0125 Policyholder Notification - General Complaint**
 - VRU-041-0224 General Property Declaration (Syndicated)**
 - VRU-086-100125 Surplus Lines License Information Request Form**
 - VRU-017-031425 VRU Commercial Property Comprehensive Form**
 - VRU-001-100125 Service of Suit (Syndicated)**
 - VRU-003-0316 Office of Foreign Assets Control**
 - VRU-006-1121 Minimum Earned and Special CAT Minimum Earned Premium**
 - VRU-011-0516 Claims Reporting Information Notice**
 - VRU-012-100125 Allocation Endorsement**
 - VRU-016-0821 TRIA Rejection Notice**
 - VRU-031-0822 Protective Safeguards Endorsement**
 - VRU-032-1122 Roof Valuation Endorsement**
 - VRU-057-0718 Total Or Constructive Loss Earned Premium Condition**
 - VRU-062-0822 Water Damage Deductible**
 - VRU-066-1219 Property Cyber and Data Exclusion**
 - VRU-067-1219 Several Liability Clause**
 - VRU-075-1120 Sanction Limitation and Exclusion Clause**
 - VRU-076-020125 Certain Underwriters at Lloyds & Other Insurers Subscribing to Binding Authority
UMR B604510568622025 List**
 - VRU-078-0823 Anti-Public Adjuster Endorsement**
 - VRU-079-0721 Restricted Assignment of Post-Loss Benefits**
 - 111-111-1111 VRU Coverage Change Endorsement**
-



10 Burton Hills Blvd., Ste. 300A
Nashville, TN 37215

THESE DECLARATIONS TOGETHER WITH THE COVERAGE PART DECLARATIONS, COVERAGE FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE CONTRACT OF INSURANCE.

Date Countersigned: 1/8/2026

By:

A handwritten signature in black ink, appearing to read "Tina S. [unclear]".

Authorized Representative



SURPLUS LINES LICENSE INFORMATION REQUEST FORM

Surplus lines license and filing information are due at the time coverage is bound. Policy issuance may be delayed if this information is not provided. Return completed form to service@velocityrisk.com

Please complete fields below for licensee (Agency OR Individual Broker) responsible for filing surplus lines taxes

VRU Policy Number: **2021-9003785-05**

Policy Home State: RI

Corresponding Agency Surplus Lines License #: 77110

Corresponding Agency License # Expiration Date: 08/26/2026

Corresponding Legal Entity (Agency) Name: CRC Insurance Services LLC

Corresponding Agency Licensed Address: One Metroplex Drive, Suite 400, Birmingham, AL 35209

Corresponding Licensed Individual Broker Name: CRC Insurance Services LLC

Corresponding Individual Broker Surplus Lines License #: 77110

Corresponding Individual License # Expiration Date: 08/26/2026

Corresponding Individual Broker Surplus Lines Address: One Metroplex Drive, Suite 400,
Birmingham, AL 35209

BELOW FIELDS ONLY APPLICABLE IF POLICY HOME STATE IS NEW JERSEY

NJ Transaction-Sequence Numbers are required for each participating Carrier listed on the coverage binder

Velocity Specialty Insurance Company: _____ - ____ - _____

Certain Underwriters at Lloyd's, London c/o Nephila: _____ - ____ - _____

Certain Underwriters at Lloyd's, Renaissance Re: _____ - ____ - _____

United Specialty Insurance Company: _____ - ____ - _____

Emerald Bay Specialty Insurance Company: _____ - ____ - _____

Certain Underwriters at Lloyd's, Satinwood Consortium 4635: _____ - ____ - _____

Harleysville Ins Co of New York (HICONY – a Nationwide Company): _____ - ____ - _____

**THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR
NAMED STORM LOSSES, WHICH MAY RESULT IN HIGH
OUT-OF-POCKET EXPENSES TO YOU**

VRU COMMERCIAL PROPERTY COMPREHENSIVE FORM

In return for your payment of premium, this **POLICY** covers sudden and accidental direct physical damage to the **COVERED PROPERTY** at all covered **LOCATIONS** caused by a **COVERED CAUSE OF LOSS** occurring during the **POLICY** period. Coverage shall be subject to the terms, conditions, definitions, exclusions, limitations and provisions contained herein or endorsed hereto. This Commercial Property Comprehensive form, your insurance application, the Declarations and any endorsements issued, which may be changed or revised from time-to-time, make up your insurance policy ("**POLICY**") and form a legal contract between you and the Insurers.

SECTION I - COVERAGES AND LIMITS OF LIABILITY

Terms which appear in boldface type have special meaning. Most are defined in **Section VIII: POLICY DEFINITIONS**, however, some definitions are set forth in other sections.

- A. **NAMED INSURED: NAMED INSURED** (as shown in the **DECLARATIONS**) and/or its affiliated and subsidiary companies and/or corporations as now exist or may hereafter be constituted or acquired including their interests as may appear in partnerships or joint ventures which the Insured is responsible or legally obligated to insure but only as to **LOCATION(S)** specified in the **STATEMENT OF VALUES** or, subject to the terms herein including applicable **SUBLIMITS OF LIABILITY** as to **NEWLY ACQUIRED LOCATIONS** or **MISCELLANEOUS UNNAMED LOCATIONS**.
- B. **ADDITIONAL INSURED(S), MORTGAGEE(S), and LENDER'S LOSS PAYEE(S)**: Per endorsements or certificates of insurance issued or on file with Velocity Risk Underwriters, LLC (VRU). Any endorsements or certificates of insurance issued in connection with this **POLICY** shall be issued solely as a matter of convenience or information (and do not alter or amend coverage) except where any **ADDITIONAL INSURED(S), MORTGAGEE(S), and LENDER'S LOSS PAYEE(S)** are named pursuant to the Special Provisions of said endorsements or certificates of insurance and only if the endorsement or certificate of insurance is issued prior to a loss. Such endorsements or certificates of insurance adding any **ADDITIONAL INSURED(S), MORTGAGEE(S), and LENDER'S LOSS PAYEE(S)** will be deemed attached to the **POLICY** and the **NAMED INSURED** will pay any required premium.
- C. **COVERAGE TERRITORY**: Coverage under this **POLICY** applies to **OCCURRENCES** within the United States of America being the fifty (50) states plus the District of Columbia.
- D. **PARTICIPATION**: The **LIMITS OF LIABILITY** shown in I.E. and **SUBLIMITS OF LIABILITY** shown in I.F. or endorsements attached to this **POLICY** represent 100% from the ground up for all Insurance Companies combined whether issued as Co-Insurance or as separate policies to this one. The maximum share of the **LIMITS OF LIABILITY** and **SUBLIMITS OF LIABILITY** for the **INSURER** in any one **OCCURRENCE** as a result of **COVERED CAUSE OF LOSS** under this **POLICY** is 50%.
- E. **LIMIT OF LIABILITY**: The total maximum liability in any one **OCCURRENCE** as a result of a **COVERED CAUSE OF LOSS** regardless of the number of **LOCATION(S)**, coverages, or perils insured under this **POLICY** shall not exceed the lesser of 1 (a, b, and/or c; as indicated by an 'X'); OR 2.:

1.

____ a. As respects to each **LOCATION** insured by this **POLICY**: N/A of the total combined stated values for all categories of **COVERED PROPERTY** and **TIME ELEMENT COVERAGES** shown for that **LOCATION** on the latest **STATEMENT OF VALUES** or other documentation on file with VRU.

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X b. As respects to each **LOCATION** Insured by this **POLICY**: 100% of the total combined stated values for all categories of **COVERED PROPERTY** shown for that **LOCATION**; and separately, 100% of the total combined stated values for **TIME ELEMENT COVERAGES** shown for that **LOCATION**; all on the latest **STATEMENT OF VALUES** or **other** documentation on file with VRU.

_____ c. No single **LOCATION** limit shall exceed \$75,000,000.

OR

2. \$20,000,000 maximum **LIMIT OF LIABILITY**.

F. **SUBLIMITS OF LIABILITY: SUBLIMITS OF LIABILITY** stated below are included within and not in addition to the **LIMIT OF LIABILITY** shown in Paragraph E., above. These **SUBLIMITS OF LIABILITY** and the specified limits of liability contained in the forms, endorsements and extensions attached, if any, are per **OCCURRENCE**, unless otherwise indicated.

If the words "**NOT COVERED**" are shown, instead of a limit, sublimit dollar amount or number of days, or if a specified dollar amount or number of days is not shown corresponding to any coverage or **COVERED CAUSE OF LOSS**, then no coverage is provided for that coverage or **COVERED CAUSE OF LOSS**.

When a **SUBLIMIT OF LIABILITY** applies to property that **SUBLIMIT OF LIABILITY** also applies to any **TIME ELEMENT COVERAGE** associated with that property.

SUBLIMITS OF LIABILITY

a. EARTHQUAKE/EARTH MOVEMENT: NOT COVERED

- | | | |
|------|-------------|---|
| i. | Not Covered | Annual Aggregate, for all insured LOCATIONS , combined; further subject to: |
| ii. | Not Covered | Annual Aggregate for all insured LOCATIONS in California. |
| iii. | Not Covered | Annual Aggregate for all insured LOCATIONS in Alaska. |
| iv. | Not Covered | Annual Aggregate for all insured LOCATIONS in Hawaii. |
| v. | Not Covered | Annual Aggregate for all insured LOCATIONS in PACIFIC NORTHWEST STATES, combined. |
| vi. | Not Covered | Annual Aggregate for insured LOCATIONS in NEW MADRID EARTHQUAKE ZONE COUNTIES, combined. |
| vii. | Not Covered | Annual Aggregate, as respects LOCATIONS in:N/A |

b. FLOOD:

- | | | |
|----|-------------|---|
| i. | Not Covered | Annual Aggregate, for all insured LOCATIONS , combined; however, further subject to: |
|----|-------------|---|

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- ii. Not Covered Annual Aggregate as respects **FLOOD** for all **LOCATIONS** combined, wholly or partially within Special Flood Hazard Areas.
- iii. Not Covered Annual Aggregate, as respects **LOCATIONS** in: N/A

c. NAMED STORM:

Included Regardless of the number of coverages, **LOCATIONS** or perils involved including, but not limited to, all **wind**, wind gusts, tornados, cyclones, hail, or rain, all arising out of a **NAMED STORM** (a storm that has been declared by the National Weather Service to be a **HURRICANE**, Typhoon, Tropical Cyclone, Tropical Storm, or Tropical Depression), this is the maximum amount that will be paid per **OCCURRENCE** as respects any **COVERED CAUSE OF LOSS**. In the event covered damage by **FLOOD** arises out of a **NAMED STORM**, the maximum amount that will be paid per **OCCURRENCE** for all such damage by **FLOOD** shall be the **SUBLIMITS OF LIABILITY** for **FLOOD** as shown in Subparagraphs F.b.i and F.b.ii. above. However, if **FLOOD** is not covered, the maximum amount that will be paid per **OCCURRENCE** for all such damage by **NAMED STORM** shall exclude damage by **FLOOD**.

d. WIND DRIVEN PRECIPITATION:

- i. \$100,000 per **OCCURRENCE**, for all insured **LOCATIONS**, combined

Each peril's **SUBLIMIT** above (F.a. – F.d.) shall be considered a separate **SUBLIMIT** apart from the other peril's **SUBLIMITS** above.

However, the **SUBLIMITS** below (starting with e.) shall be considered **SUBLIMITS** within the above applicable covered peril **SUBLIMITS** (F.a. – F.d.).

e. ADDITIONAL COVERAGE SUBLIMITS

- a. **ACCOUNTS RECEIVABLE** \$500,000
- b. **BACKUP OF SEWERS AND DRAINS** \$250,000
- c. **BUILDERS RISK** \$100,000
Property in the course of construction or renovation, excluding
SOFT COSTS
- d. **DEBRIS REMOVAL**
Total liability for **DEBRIS REMOVAL** per **OCCURRENCE** for all insured **LOCATIONS**, combined, sustaining a **COVERED CAUSE OF LOSS** payable under this **POLICY** shall not exceed the lesser of:
 - i. 25% of the amount of covered physical loss or damage to **COVERED PROPERTY** (excluding **TIME ELEMENT COVERAGES**), payable for all insured **LOCATIONS**; or
 - ii. \$500,000
- e. **ELECTRONIC DATA AND MEDIA** \$100,000

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f.	ERRORS AND OMISSIONS, SUBJECT TO ALL OTHER SUBLIMITS CONTAINED HEREIN	\$25,000
g.	FINE ARTS	\$250,000
h.	FIRE BRIGADE CHARGES	\$100,000
i.	FUNGUS, MOLDS, MILDEW, SPORES, YEAST	\$15,000 Per Occurrence and Annual Aggregate
j.	LEASED OR RENTED EQUIPMENT but not to exceed:	\$25,000 \$1,000 any one item
k.	LEASEHOLD INTEREST	\$100,000
l.	LIMITED POLLUTION COVERAGE	\$100,000 Annual Aggregate
m.	LOCK REPLACEMENT	\$5,000
n.	MISCELLANEOUS UNNAMED LOCATIONS Subject to all other SUBLIMITS contained herein.	\$100,000
o.	NEWLY ACQUIRED PROPERTY In no event will this POLICY pay more than: Subject to all other SUBLIMITS contained herein.	60 Days \$1,000,000
p.	ORDINANCE OR LAW	
	i. Coverage A	Included in BUILDING Limit
	ii. Coverage B	10% of BUILDING Limit Per BUILDING or max \$500,000 per occurrence, whichever is less
	iii. Coverage C	10% of BUILDING Limit Per BUILDING or max \$500,000 per occurrence, whichever is less
	iv. Coverage D (if covered)	Included in TIME ELEMENT
q.	OUTDOOR PROPERTY	\$100,000
r.	PAIRS OR SETS	\$25,000
s.	PERSONAL PROPERTY OF OTHERS	\$10,000

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t.	PLANTS, LAWNS, TREES OR SHRUBS	\$100,000
	limited for any one plant, lawn, tree or shrub to:	\$25,000
u.	PROFESSIONAL FEES FOR ALL CLAIMS COMBINED	Lesser of 5% of Loss Amount Per Coverage Item; or \$5,000 Per Occurrence and Annual Aggregate
v.	PROPERTY REMOVED FROM INSURED LOCATIONS	\$25,000
w.	PROTECTION AND PRESERVATION OF PROPERTY	\$100,000
x.	RECLAIMING, RESTORING OR REPAIRING LAND IMPROVEMENTS	\$10,000
y.	REWARD REIMBURSEMENT	\$25,000
z.	SIDEWALKS, PAVED SURFACES, ROADWAYS	\$100,000
aa.	SPOILAGE	\$25,000
ab.	TRANSIT	\$100,000
ac.	UNDERGROUND PIPES, FLUES AND DRAINS	\$25,000
ad.	VALUABLE PAPERS OR RECORDS	\$500,000

Time Element Coverages

ORDINARY PAYROLL	30 Days
(provided values are included in the TIME ELEMENT VALUES on STATEMENT OF VALUES)	

Additional Time Element Coverages

1.	BUILDER'S RISK SOFT COSTS	\$50,000
2.	CONTINGENT TIME ELEMENT	
	The lesser of	30 Days or \$100,000
3.	EXTENDED PERIOD OF INDEMNITY	30 Days

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4.	EXTRA EXPENSE	\$100,000
5.	INGRESS & EGRESS COVERAGE but in no event will this POLICY pay more than subject to a 72 hour qualifying period	30 Days \$100,000
6.	INTERRUPTION BY CIVIL OR MILITARY AUTHORITY restricting access to LOCATIONS but in no event will this POLICY pay more than subject to a 72 hour qualifying period	30 Days \$100,000
7.	RENTAL VALUE	\$10,000
8.	ROYALTIES	\$10,000
9.	SERVICE INTERRUPTION but in no event will this POLICY pay more than subject to a 72 hour qualifying period (if TIME ELEMENT is covered)	3 Weeks \$100,000
10.	TIME ELEMENT MONTHLY LIMITATION Monthly, applicable to all TIME ELEMENT COVERAGES, except those that have a SUBLIMIT.	1/12

G. **MAXIMUM AMOUNT PAYABLE:** In the event of a **COVERED CAUSE OF LOSS** hereunder, total liability under this **POLICY** shall be limited to the least of the following in any one **OCCURRENCE**:

1. The actual adjusted amount of loss, after application of any **SUBLIMIT(S) OF LIABILITY** that apply, less the applicable **DEDUCTIBLE(S)**, or
2. The **LIMIT OF LIABILITY** or applicable **SUBLIMIT OF LIABILITY** shown in this **POLICY** or endorsed onto this **POLICY**.

H. **DEDUCTIBLE:** Each claim for damage under this **POLICY** shall be subject to a per **OCCURRENCE DEDUCTIBLE** amount of:

1. N/A Property Damage & **TIME ELEMENT COVERAGE** combined; OR
2. \$25,000 Property Damage; and
3. 72 Hours **TIME ELEMENT COVERAGE- Number of Hours WAITING PERIOD**

unless a specific **DEDUCTIBLE** shown below applies for the indicated peril(s) or a specific **QUALIFYING PERIOD** is shown in the **ADDITIONAL COVERAGE SUBLIMIT** above.

1. EARTHQUAKE/EARTH MOVEMENT:

- a. N/A per **OCCURRENCE**, except as follows in Subparagraphs H.1.b.,OR H.1.c.

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- b. 2% of the **TIV** at each **LOCATION** involved in the loss arising out of **WIND DRIVEN PRECIPITATION**, subject to minimum **DEDUCTIBLE** of \$50,000 any one **OCCURRENCE**, as respects **LOCATIONS** in: All Locations, as per **STATEMENT OF VALUES** on file with VRU.
- c. N/A per **UNIT OF INSURANCE** involved in the loss arising out of **WIND DRIVEN PRECIPITATION**, subject to a minimum **DEDUCTIBLE** of N/A any one **OCCURRENCE**; as respects **LOCATION(S)** in: N/A, as per **STATEMENT OF VALUES** on file with VRU.

The following two paragraphs apply to Subparagraphs H.1. through H.5., inclusive:

In each case of damage covered by this **POLICY**, there shall be no liability hereunder unless the **NAMED INSURED** sustains damage in a single **OCCURRENCE** greater than any applicable **DEDUCTIBLE** described herein. When this **POLICY** covers more than one **LOCATION**, the **DEDUCTIBLE** shall apply against the total damage covered by this **POLICY** in any one **OCCURRENCE**, unless otherwise stated in this Paragraph H.

If two or more peril **DEDUCTIBLE** amounts provided in this **POLICY** apply to a single **OCCURRENCE**, the total to be deducted from the total damage shall not exceed the largest **DEDUCTIBLE** applicable, unless otherwise stated in this **POLICY**. However, if a **TIME ELEMENT COVERAGE DEDUCTIBLE** and another **DEDUCTIBLE** apply to a single **OCCURRENCE**, then both **DEDUCTIBLES** shall be applied to the **OCCURRENCE**.

SECTION II - COVERED CAUSES OF LOSS

- A. **COVERED CAUSES OF LOSS:** This **POLICY** insures against all risks of sudden and accidental direct physical damage to **COVERED PROPERTY** and ensuing damage caused by a **DEFINED CAUSE OF LOSS**, except as excluded.
- B. **EXCLUSIONS:** There is no coverage under this **POLICY** for damage caused directly or indirectly by any of the following. Such damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the damage. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area:
 - 1. **NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL EXCLUSIONS**
 - a. This **POLICY** will not pay for any loss, damage, cost or expense, whether real or alleged, that is caused, results from, is exacerbated by or otherwise impacted by, either directly or indirectly, any of the following (including the threatened use of any of the following):
 - i. Nuclear Hazard - including, but not limited to, nuclear reaction, nuclear detonation, nuclear radiation, radioactive contamination and all agents, materials, products or substances, whether engineered or naturally occurring, involved therein or released thereby;
 - ii. Biological Hazard - including, but not limited to, any biological and/or poisonous or pathogenic agent, material, product or substance, whether engineered or naturally occurring, that induces or is capable of inducing physical distress, illness, or disease;
 - iii. Chemical Hazard - including, but not limited to, any chemical agent, material, product or substance;

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- iv. Radioactive Hazard - including, but not limited to, any electromagnetic, optical, or ionizing radiation or energy, including all generators and emitters thereof, whether engineered or naturally occurring.

2. **WAR OR WARLIKE ACTION EXCLUSIONS**

- a. War, hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating, or defending against an actual, impending, or expected attack:
 - i. By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces; or
 - ii. By military, naval, or air forces; or
 - iii. By an agent of any such government, power, authority, or force;
- b. Any weapon of war employing atomic fission or radioactive force, whether in time of peace or war, whether or not its discharge was accidental; or
- c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such **OCCURRENCE**, seizure or destruction;

Including any consequence of Subparagraphs 2.a., 2.b., 2.c., above.

3. **ANY FRAUDULENT OR DISHONEST ACT OR ACTS**, intended to result in financial gain, damage to **COVERED PROPERTY** committed alone or in collusion with others: by any proprietor, partner, director, trustee, officer or employee of the **NAMED INSURED** and/or **ADDITIONAL INSURED** (including leased employees), or by any party to whom the property may have been entrusted (other than a carrier for hire).

4. **ASBESTOS**

- a. Loss, damage or remediation expenses caused by or resulting from the presence of asbestos or asbestos-containing materials. As used in this exclusion, remediation expenses are expenses incurred for or in connection with the investigation, monitoring, removal, increased cost of reconstruction, disposal, treatment, abatement or neutralization of asbestos or asbestos-containing materials to the extent required by federal, state or local laws, regulations or statutes or any subsequent amendments thereof to address asbestos
- b. However, this **ASBESTOS** exclusion does not apply to the extent that coverage is provided under the following:
 - i. This **POLICY** insures **ASBESTOS** located within an insured **BUILDING** or structure, and then only that part of the **ASBESTOS** which has been physically damaged during the **POLICY** period by a **DEFINED CAUSE OF LOSS**.
 - ii. This coverage is subject to all limitations in the **POLICY** and, in addition, to each of the following specific conditions to coverage:
 - a. The said **BUILDING** or structure must be insured under this **POLICY** for damage by this **COVERED CAUSE OF LOSS**.

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- b. The **COVERED CAUSE OF LOSS** must be the immediate, sole cause of the damage to the **ASBESTOS**.
- c. Insurance under this **POLICY** in respect of **ASBESTOS** shall exclude any sum relating to:
 - i. Any faults in the design, manufacture or installation of the **ASBESTOS**;
 - ii. **ASBESTOS** not physically damaged by a **DEFINED CAUSE OF LOSS** including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged **ASBESTOS**.

5. **POLLUTION/CONTAMINATION EXCLUSION**

Except as otherwise specifically provided in Paragraph I of SECTION VI – **ADDITIONAL COVERAGES**, this **POLICY** does not insure:

- a. any loss, damage, cost or expense, or
- b. any increase in insured loss, damage, cost or expense, or
- c. any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a **COVERED CAUSE OF LOSS**, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this clause includes (but is not limited to):

- i. seepage of, or pollution and/or contamination by, anything, actual, alleged or threatened release, discharge, escape or dispersal of **POLLUTANTS OR CONTAMINANTS** all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any sudden and direct physical damage insured by this **POLICY** including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- ii. the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

6. Delay, loss of market or loss of use, other than as expressly set forth in this **POLICY**.

7. Remote or consequential damage, including but not limited to liquidated damages, performance

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penalties, penalties for non-completion, delay in completion, or noncompliance with contract conditions whether caused by an insured peril or otherwise. But this exclusion does not apply to **TIME ELEMENT COVERAGE** when it is covered under this **POLICY**.

8. Mysterious disappearance or shortage disclosed on taking inventory or any unexplained loss.
9. Voluntary parting with title or possession of any property, including voluntary parting which is the result of any fraudulent scheme, trick, devise, false pretenses, or any other similar act.
10. Faulty or defective workmanship, material, construction, installation, or design from any cause; or faulty planning, zoning, development, surveying or siting.
11. Fault, defect, error, deficiency or omission in design, plan or specification.
12. Loss attributable to manufacturing or processing operations which result in damage to stock or materials while such stock or materials are being processed, manufactured, tested or otherwise being worked upon.
13. Deterioration, depletion, rust, corrosion, erosion, wet or dry rot, decay, evaporation, leakage, wear and tear, animal, insect or vermin damage, inherent vice or latent defect, shrinkage or change in color, flavor, texture or finish, extremes or changes of temperature damage or changes in relative humidity damage, all whether atmospheric or not.
14. Subsidence, sinkhole, settling, cracking, shrinking, bulging, or expansion of pavements, foundations, walls, floors, or ceilings.
15. Infestation, disease, freeze, drought and hail, weight of ice or snow or any damage caused by insects, vermin, rodents or animals to **PLANTS, LAWNS, TREES, OR SHRUBS**.
16. Erosion of graded or planted finish or rough grades which results from normally expected or predictable precipitation and surface water runoff.
17. Lack of incoming electricity, fuel, water, gas, steam, refrigerant, or outgoing sewerage, or incoming or outgoing data or telecommunications, all of which are caused by an **OCCURRENCE** away from any **LOCATION** insured under this **POLICY**, unless specifically provided herein and only to the extent provided herein.
18. Costs, expenses, fines or penalties incurred or sustained by or imposed on the **NAMED INSURED** at the order of any government agency, court or other authority arising from any cause whatsoever.
19. Electronic Data Exclusion
 - a. This **POLICY** does not insure loss, damage, destruction, distortion, erasure, corruption, alteration, loss of use, reduction in functionality, cost, or expense resulting from "Computer Virus."

"Computer Virus" means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. "Computer Virus" includes, but is not limited to, "Trojan Horses," "worms" and "time or logic bombs."
20. Electronic Date Recognition Exclusion
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This **POLICY** does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a. the calculations, comparison, differentiation, sequencing or processing of data involving any date change, including leap year calculations, by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not; or
- b. any change, alteration or modification involving any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

21. Damage in the form of, caused by, arising out of, contributed to, or resulting from **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**; or any **SPORES** or toxins created or produced by or emanating from such **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**.

However, this exclusion shall not apply provided the **NAMED INSURED** establishes that the **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** is a direct result of a covered cause of loss and as a condition of coverage under this **POLICY** this loss is reported within twelve (12) months from the expiration date of the **POLICY**, and the **LIMIT OF LIABILITY** shall then be limited to the **SUBLIMIT** stated under SECTION I.F.

22. Damage caused by hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.

23. Damage arising out of pre-existing damage as outlined below:

- a. Damages which occurred prior to **POLICY** inception regardless of whether such damages were apparent at the time of the inception of this **POLICY** or discovered at a later date, including any continuation, change or recommencement of such loss during the **POLICY** period, or
- b. Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to **POLICY** inception, or
- c. A **BUILDING** or any part of a **BUILDING** that is in danger of falling down or caving in, or
- d. Any part of a **BUILDING** that has separated from another part of the **BUILDING**, or
- e. A **BUILDING** or any part of a **BUILDING** that is standing which shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

24. **COSMETIC DAMAGE** to **ROOF COVERINGS**, siding, windows, doors or guttering.

For the purposes of this exclusion **COSMETIC DAMAGE** MEANS only that damage that alters the physical appearance of property, but does not result in damage that allows penetration of water through the **ROOF COVERINGS**, siding, windows, doors or guttering or does not result in failure of the **ROOF COVERINGS**, siding, windows, doors or guttering to perform its intended function to keep out elements over an extended period of time.

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ROOF COVERINGS means 1.) the roof material exposed to the weather; 2.) the underlayments applied for moisture protection; 3.) all flashings required in the replacement of a roof covering.

25. Damage caused by **EQUIPMENT BREAKDOWN** to vehicles (or any equipment on vehicles), draglines, cranes, excavation or construction equipment.

26. Terrorism Exclusion

This **POLICY** excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **ACT OF TERRORISM** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion, an "**ACT OF TERRORISM**" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This clause also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **ACT OF TERRORISM**. Such damage is excluded regardless of any other cause, event or intervention that contributes concurrently or in sequence to the damage.

When coverage is denied by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance and it is agreed the burden of proving the contrary shall be upon the **NAMED INSURED**.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

27. Exclusion Of Loss Due To Virus Or Bacteria

a. The exclusion set forth in subparagraph b. below, applies to all coverage under all forms and endorsements that comprise this **POLICY**, including but not limited to forms or endorsements that cover property damage to **BUILDINGS** or personal property and forms or endorsements relating to **TIME ELEMENT COVERAGES**.

b. This **POLICY** will not pay for damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to damage caused by or resulting from **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**. Such damage is addressed in a separate exclusion in this **POLICY**.

a. With respect to any damage subject to the exclusion in subparagraph b. above, such exclusion supersedes any exclusion relating to pollutants or contaminants.

b. The terms of the exclusion in subparagraph b. above, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded by this **POLICY**.

28. Damage from water under the ground surface pressing on, or flowing or seeping through:

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- a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not;
 - c. Doors, windows or other openings.
29. Damage from rain, snow, ice or sleet to personal property in the open.
30. Seizure or destruction of property by order of governmental authority. However, coverage is provided for damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire is a **COVERED CAUSE OF LOSS**.
31. **EQUIPMENT BREAKDOWN** (unless endorsed to this **POLICY**).
32. Hot Testing;
- a. which means:
 - i. Startup, commissioning or performance testing;
 - ii. Any testing involving the introduction of flammable or explosive feedstock or similar media beginning when such feedstock is first introduced; or
 - iii. The rotational operation of any turbine or generator, except for rotational operation by turning gear only when the turbine or generator is not energized.
 - b. Hot Testing does not mean the startup, commissioning or performance testing of:
 - i. Heating;
 - ii. Cooling;
 - iii. Air handling; or
 - iv. Electrical systems that are part of **BUILDING** systems.
33. Loss, damage, cost, or expense covered under any express or implied guarantee or warranty from a manufacturer or supplier, whether or not such manufacturer or supplier is a **NAMED INSURED** under this **POLICY**.
34. **NAMED STORM** Restriction: This **POLICY** shall exclude all damage directly or indirectly caused by a **NAMED STORM** that is in existence at the time that written request to bind is given to the **INSURER**, until coverage for such **NAMED STORM** has been bound by written agreement between the **INSURER** and the **NAMED INSURED**. In addition, no increase in limits or additional coverages will be provided for any insured **LOCATION(S)** threatened by such **NAMED STORM**, until coverage for such **NAMED STORM** has been bound by written agreement between **INSURER** and the **NAMED INSURED**.
35. Damage to or resulting from the design, manufacture, installation, or use of any **EXTERIOR INSULATION AND FINISH SYSTEM** (EIFS) or Dryvit construction, however this exclusion shall not apply to direct physical damage to EIFS or Dryvit as the direct result of a **DEFINED CAUSE OF LOSS**.
36. Damage resulting from **FLOOD**, unless a sublimit is shown in Section I. F. B

37. Damage resulting from **EARTHQUAKE** or **EARTH MOVEMENT**, unless a sublimit is shown in Section I. F. a. .
38. Damage caused by rain, snow, sleet, sand, or dust to the interior of a building or property contained in a building unless a **COVERED CAUSE OF LOSS** first damages the building causing an opening in a roof or outside wall, door or window and the rain, snow, sleet, sand or dust enters through this opening.
39. Damage or consequential loss directly or indirectly caused by, consisting of, or arising from:
 - a. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
 - b. Any corruption, destruction, distortion, erasure or other damage to data, software, or any kind of programming or instruction set,
 - c. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

Such Damage or Consequential loss described in a, b, or c above is excluded regardless of any other cause that contributed concurrently or in any other sequence.
40. Damage caused by **DROUGHT** or any effects of **DROUGHT** are excluded for all coverages afforded under this **POLICY**, no matter how caused.
41. Damage caused by collision between astronomical objects, including but not limited to: asteroids, meteor and meteorites and satellites.
42. Electromagnetic/Geomagnetic Storm: This **POLICY** does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with Geomagnetic or Electromagnetic storm(s) or disturbances and/or any Space Weather phenomenon as classified by National Oceanic and Atmospheric Administration (NOAA).

SECTION III – INSURED PROPERTY

- A. **INSURED PROPERTY:** Unless otherwise excluded, this **POLICY** covers the following property while on any **LOCATION** and within 1,000 feet thereof:
 1. Real property, including **BUILDINGS, HARD COSTS** and additions under construction or renovation at an insured **LOCATION**, personal property and equipment in which the **NAMED INSURED** has an insurable interest;
 2. Improvements and betterments to **BUILDINGS** or structures in which the Insured has an insurable interest. Such improvements and betterments shall be considered real property;
 3. At the option of the **NAMED INSURED**, personal property, other than motor vehicles, of officers and employees of the **NAMED INSURED**;
 4. Personal property of others, other than motor vehicles, in the care, custody and control of the **NAMED INSURED**, which the **NAMED INSURED** is under obligation to keep insured for physical damage of the type insured against by this **POLICY**;

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5. Contractor's and vendor's interests in property covered to the extent of the **NAMED INSURED'S** liability imposed by law or assumed by written contract prior to the date of direct physical damage. However, such interests will not extend to any **TIME ELEMENT COVERAGE** provided by this **POLICY**;
6. Real and personal property and related **TIME ELEMENT LOSS** at **MISCELLANEOUS UNNAMED LOCATION(S)** owned by the **NAMED INSURED** or for which the **NAMED INSURED** is legally responsible for, and within the **COVERAGE TERRITORY** of the **POLICY**. This shall also include personal property of the **NAMED INSURED** while temporarily at **MISCELLANEOUS UNNAMED LOCATION(S)**, including property in exhibitions and salesman's samples.

B. PROPERTY EXCLUDED: This **POLICY** does not insure against damage to:

1. Currency, cryptocurrency, money, notes, securities, stamps, furs, jewelry, precious metals, precious stones, and semi-precious stones. This exclusion does not apply to precious metals and precious stones used by the Insured for industrial purposes;
2. Air, **LAND**, land values, and any substance in or on **LAND**, or any alteration to the natural condition of the **LAND**. However, this exclusion does not apply to the cost of reclaiming, restoring or repairing land improvements, provided the loss is from a **DEFINED CAUSE OF LOSS**;
3. Water, except water which is normally contained within any type of tank, piping system or other process equipment;
4. Standing timber, growing crops, plants, lawns, trees, shrubs or animals. However, this exclusion does not apply to plants, lawns, trees or shrubs, provided the loss is from a **DEFINED CAUSE OF LOSS**;
5. Pavements, paved surfaces, walkways, drainage systems or roadways (unless a **SUBLIMIT** is shown in SECTION I.F)
6. Vehicles licensed for highway use, watercraft, aircraft and railroad rolling stock;
7. Property sold by the **NAMED INSURED** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers;
8. Property in transit, except expressly as provided elsewhere in this **POLICY**;
9. Underground mines or mining shafts and any related mining property and equipment while underground;
10. Underground pipes, flues or drains; or any property below the lowest basement floor (unless a **SUBLIMIT** is shown in SECTION I.F)
11. Offshore oil rigs, platforms and property contained therein or thereon;
12. Satellites and spacecraft while on the launch pad, or after time of a launch;
13. Dams, dikes, levees, bridges, tunnels, reservoirs, flood retaining walls and canals; except when scheduled as such on the **STATEMENT OF VALUES** on file with VRU;
14. Boardwalks, docks, piers and wharves, seawalls, bulkheads and revetments; except when scheduled as such on the **STATEMENT OF VALUES** on file with VRU;

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15. Transmission and distribution lines, including support structures, of every type and description; except when located on the insured premises or within one-thousand (1,000) feet thereof;
16. Personal property in the care, custody, and control of the **NAMED INSURED** when the **NAMED INSURED** is acting as a Bailee, a warehouseman, or a carrier for hire;
17. Contraband, or property in the course of illegal transportation or trade.
18. Property of unit owners within individual condominium units, consisting of:
 - a. Personal property and improvements & betterments; and
 - b. Floor coverings, wall coverings and ceiling coverings which only serve that unit.

However, this exclusion shall not apply to:

- i. Appliances; refrigerators; air conditioning equipment (including air conditioning compressors); heating equipment; cooking ranges; dishwashers; clothes washers/dryers; and fixtures, installations or permanent additions initially installed in accordance with the original plans and specifications; all contained within the units; or
 - ii. Any property within the individual unit (including the property excluded in a. and b., above) that the condominium association agreement requires be covered by the condominium association.
19. Solar Panels, solar panel systems, and/or any related equipment.

SECTION IV – VALUATION

We will pay no more than the ACTUAL CASH VALUE of covered damages until actual repair or replacement is complete. Once actual repair or replacement is complete, we will pay the applicable and supported replacement cost up to, but not in excess of, any applicable **POLICY** limits, subject to the following conditions: You must notify the insurers of your intent to repair, rebuild or replace the property within one hundred eighty (180) days of the date of loss to recover replacement cost. You must also complete the repairs, rebuilds, and/or replacements within two (2) years of the date of loss (unless such requirement is waived in writing) to recover replacement cost. If there is an applicable law that is shorter than the two-year requirement of completing repairs, rebuilds, and/or replacement noted above, the Insured must complete the repairs, rebuilds, and/or replacements within that specific time period in order to recover replacement cost.

We will pay for covered damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this **POLICY**, and (1) we have reached agreement with you on the amount of loss or (2) an arbitration award has been made.

Unless otherwise endorsed hereon, the property, as described below, will be valued as follows:

- A. Stock in process: the cost of raw materials and labor expended, plus the proper proportion of overhead charges.
- B. Finished goods manufactured by the **NAMED INSURED**: the regular cash selling price at the **LOCATION** where the loss occurs, less all discounts and charges to which the merchandise would have been subject had no loss occurred.

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- C. Raw materials, not manufactured by the **NAMED INSURED**: the replacement cost.
- D. **VALUABLE PAPERS AND RECORDS**: the cost to replace or restore the property with like kind and quality including the cost to research, gather and assemble information. If not replaced, this **POLICY** will only pay the blank value of the **VALUABLE PAPERS AND RECORDS**.
- E. **ELECTRONIC DATA AND MEDIA**: the cost of the blank media, plus the costs of copying the **ELECTRONIC DATA AND MEDIA** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such **ELECTRONIC DATA AND MEDIA**. If the **ELECTRONIC DATA AND MEDIA** is not repaired, replaced or restored, the basis of valuation shall be the cost of the blank media. However, this **POLICY** does not insure any amount pertaining to the value of such **ELECTRONIC DATA AND MEDIA** to the **NAMED INSURED** or any other party, even if such **ELECTRONIC DATA AND MEDIA** cannot be recreated, gathered or assembled.
- F. Jigs and fixtures, dies, small tools, patterns, employees' personal property and personal property of third parties: the replacement cost if replacement cost values have been reported and if actually replaced; otherwise the **ACTUAL CASH VALUE**, but not to exceed the cost to repair or replace the property with material of like kind and quality.
- G. Leasehold improvements and betterments:
 - 1. If repaired or replaced at the expense of the **NAMED INSURED** within two (2) years after the date of the loss, the cost to repair or replace the damaged improvements and betterments.
 - 2. If not repaired or replaced within two (2) years after the date of the loss, a proportion of the **NAMED INSURED'S** original cost.

The proportionate value will be determined as follows:

 - a. Multiply the original cost by the number of days from the damage to the expiration of the lease; and
 - b. Divide the amount determined in subparagraph a. above by the number of days from the installation of improvements to the expiration of the lease.
 - c. If the **NAMED INSURED'S** lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure; or
 - 3. Nothing, if others pay for repairs or replacement.
- H. **FINE ARTS**:
 - 1. If there is no **STATEMENT OF VALUES** on file with VRU showing the agreed value of the **FINE ARTS**, then the lesser of:
 - a. The cost to repair or replace the **FINE ARTS**, or
 - b. The appraised value, which will be determined as of the time of the loss.
 - 2. If there is a **STATEMENT OF VALUES** on file with VRU showing the agreed value then that amount only.
 - 3. If a **FINE ARTS** article is part of a pair or set, and a physically damaged article cannot be replaced, or cannot be repaired or restored to the condition that existed immediately prior to the loss, then the lesser of the full value of such pair or set or the agreed value, as per the **STATEMENT OF VALUES** on

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file with VRU. The **NAMED INSURED** will surrender the damaged pair or set.

- I. **ACCOUNTS RECEIVABLE:** the amount owed the **NAMED INSURED** which the **NAMED INSURED** is unable to collect from customers, only includes:

1. Any collection expenses over and above the normal collection costs;
2. Interest charges on any loan to offset impaired collections pending repayment of such sums that cannot be collected; and
3. Other reasonable and necessary expenses incurred by the **NAMED INSURED** to recreate **ACCOUNTS RECEIVABLE** records.

Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts shall be deducted in determining the recovery hereunder.

After payment of loss, all amounts recovered by the **NAMED INSURED** on **ACCOUNTS RECEIVABLE** for which the **NAMED INSURED** has been paid will belong to and will be paid to the **INSURER(S)** by the **NAMED INSURED** up to the total amount of loss paid. All recoveries in excess of such amounts will belong to the **NAMED INSURED**.

In the event it is possible to reconstruct the **NAMED INSURED'S ACCOUNTS RECEIVABLE** records after they have been physically lost or damaged, so that no shortage in collection of **ACCOUNTS RECEIVABLE** is sustained, the only recoverable loss will be the costs of the material and the time required to reconstruct such records, with the exercise of due diligence and dispatch, but only to the extent that such amounts are not covered by any other insurance.

- J. **PROPERTY FOR SALE:** If, at the time of the loss, any real property is being offered for sale, the damage to such property will be valued at the lesser of:

1. The cost to repair or replace the damaged property, or
2. The price at which the real property is offered for sale less the market value of the **LAND**.

- K. Contractor's tools, machinery (including spare parts and accessories), equipment and vehicles (if covered): **ACTUAL CASH VALUE**, unless an agreed value applies.

- L. **PROPERTY IN TRANSIT:** In case of loss, the basis of adjustment shall be

1. Property shipped to or for the account of the **NAMED INSURED:** the actual invoice to the **NAMED INSURED**, together with such costs and charges as may have accrued and become legally due on such property;
2. Property which has been sold by the **NAMED INSURED** and has been shipped to or for account of the purchaser (if covered hereunder): the amount of the **NAMED INSURED'S** selling invoice, including prepaid or advanced freight;
3. Property of others not under invoice: the actual market value at the point of destination on the date of the **OCCURRENCE**, less any charges saved which would have become due and payable upon delivery at destination; or
4. Property of the **NAMED INSURED** not under invoice: valued in accordance with the valuation provisions of this **POLICY** applying at the **LOCATION** from which such property is being transported, less any charges saved which would have become due and payable upon delivery at such destination

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- M. For all other property: At replacement cost if actually replaced; otherwise, the **ACTUAL CASH VALUE**, but not to exceed the cost to repair or replace the property with material of like kind and quality.

With respect to Subparagraphs A. through M., inclusive, unless otherwise specifically stated, the valuations will be computed at the time and place of the loss.

SECTION V - TIME ELEMENT COVERAGES

This **POLICY** is extended to cover the actual loss sustained by the **NAMED INSURED** during the **PERIOD OF INTERRUPTION** directly resulting from a **COVERED CAUSE OF LOSS** to **COVERED PROPERTY**.

- A. **ACTUAL LOSS SUSTAINED:** In the event the **NAMED INSURED** is prevented from producing goods or from continuing its business operations or services and is unable:

1. To make up lost production within a reasonable period of time (not to be limited to the period during which production is interrupted), or
2. To continue business operations or services, all through the use of any property or service owned or controlled by the **NAMED INSURED**, or obtainable from other sources, whether the property or service is at an insured **LOCATION** or through working extra time or overtime at any other substitute **LOCATION(S)**, including any other **LOCATION(S)** acquired for the purpose, then, subject to all other conditions of this **POLICY** not inconsistent herewith, for the actual loss sustained of the following during the **PERIOD OF INTERRUPTION** shall be **COVERED PROPERTY**:

GROSS EARNINGS less all charges and expenses which do not necessarily continue during the interruption of production or suspension of business operations or services. For the purpose of this coverage, **GROSS EARNINGS** means:

- i. For manufacturing operations: The net sales value of production less the cost of all raw stock, materials and supplies utilized in such production; or
- ii. For mercantile or non-manufacturing operations: The total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the **NAMED INSURED**;
- iii. Plus all other earnings derived from the operation of the business.

In determining net sales, in the event of loss hereunder, for mercantile or non-manufacturing operations, any amount recovered under property damage policies for damage to or destruction of merchandise shall be included as though the merchandise had been sold to the **NAMED INSURED'S** regular customers.

In determining the amount of loss payable under this coverage, due consideration shall be given to the experience of the business before the **PERIOD OF INTERRUPTION** and the probable experience thereafter had no loss occurred, and to the continuation of only those normal charges and expenses that would have existed had no interruption of production or suspension of business operations or services occurred. The amount of loss payable shall not include any amounts that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the **COVERED CAUSE OF LOSS** on customers or on other businesses.

There is no coverage for any portion of the **NAMED INSURED'S ORDINARY PAYROLL** expense, unless a specified VRU-017-031425 Comprehensive Form
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number of days for **ORDINARY PAYROLL** are shown in SECTION I.F. and values have been included in the **STATEMENT OF VALUES**. In such case, this **POLICY** will cover **ORDINARY PAYROLL** for that number of days only. The number of days need not be consecutive, but must fall within the interruption of production or suspension of business operations or services, or fall within the extension of that period, if an extension is provided. **ORDINARY PAYROLL** means the entire payroll expense for all employees of the **NAMED INSURED** except officers, executives, department managers, employees under contract.

B. PERIOD OF INTERRUPTION: In determining the amount payable under this coverage, the **PERIOD OF INTERRUPTION** shall be:

1. The period from the time of physical damage insured against by this **POLICY** to the time when, with the exercise of due diligence and dispatch, either:
 - a. normal operations resume; or
 - b. physically damaged **BUILDINGS** and equipment could be repaired or replaced and made ready for operations under the same or equivalent physical and operating conditions that existed prior to such damage, whichever is less.
 - c. Such period of time shall not be cut short by the expiration or earlier termination date of the **POLICY**.
2. In addition, if applicable, such time as may be required with the exercise of due diligence and dispatch:
 - a. To restore stock in process to the same state of manufacture in which it stood at the time of the initial interruption of production or suspension of business operations or services; or
 - b. To replace physically damaged or destroyed mercantile stock necessary to resume operations; or
 - c. To replace raw materials and supplies in order to continue operations.

However, the inability to procure destroyed mercantile stock or suitable raw materials and supplies to replace similar stock or materials and supplies physically damaged or destroyed shall not increase the **PERIOD OF INTERRUPTION**.

3. For Property under construction: The time period between the anticipated date of substantial completion had no covered loss occurred and the actual date of completion. In calculating the amount of loss, due consideration will be given to the actual experience of the business compiled after substantial completion and start-up.

The **PERIOD OF INTERRUPTION** does not include any additional time:

- a. Required for re-staffing or re-training employees; or
- b. Due to the Insured's inability to resume operations for reasons other than those enumerated in B.2.a. through B.2.c., inclusive, above; or
- c. Required for making change(s) to the **BUILDINGS**, structures, or equipment for any reason except as provided in the **ORDINANCE OR LAW** coverage, if such coverage is provided by this **POLICY**.

C. ADDITIONAL TIME ELEMENT COVERAGES

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1. **BUILDER'S RISK SOFT COSTS:** For Property under Construction, this **POLICY** is extended to cover **BUILDER'S RISK SOFT COSTS** incurred by the **NAMED INSURED** (up to the **SUBLIMIT OF LIABILITY** shown in SECTION I.F.) arising out of delay of the completion of **BUILDINGS** or additions under construction during the **PERIOD OF INTERRUPTION** that are the result of direct damage from a **COVERED CAUSE OF LOSS**.

BUILDER'S RISK SOFT COSTS means reasonable and necessary costs over and above those that would have been incurred by the **NAMED INSURED** during the **PERIOD OF INTERRUPTION** at the **LOCATION** had no loss occurred, limited to the following:

- a. construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including, the cost to arrange financing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, and charges by the lenders for the extension or renewal of loans necessary to complete the construction;
- b. commitment fees, leasing and marketing expenses – the cost of returning any commitment fees received from any prospective tenant(s) or purchaser(s);
- c. additional fees for architects, engineers, consultants, attorneys and accountants for the completion of construction, repairs or reconstruction; and
- d. property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.

2. **CONTINGENT TIME ELEMENT:** If direct physical damage to the real or personal property of a direct supplier or direct customer of the **NAMED INSURED** is damaged by a **COVERED CAUSE OF LOSS** under this **POLICY**, and such damage:

- a. wholly or partially prevents any direct supplier to the **NAMED INSURED** from supplying their goods and/or services to the **NAMED INSURED**; or
- b. wholly or partially prevents any direct customer of the **NAMED INSURED** from accepting the **NAMED INSURED'S** goods and/or services;

then this **POLICY** is extended to cover the actual loss sustained by the **NAMED INSURED** during the **PERIOD OF INTERRUPTION** with respect to such real or personal property, if the property of the supplier or customer which sustains damage is of the type of property which would be **COVERED PROPERTY** under this **POLICY**.

This coverage applies to the **NAMED INSURED'S** direct suppliers or direct customers located in the **COVERAGE TERRITORY**.

3. **EXTENDED PERIOD OF INDEMNITY:** Coverage is provided for such additional length of time as is required to restore the **NAMED INSURED'S** business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:

- a. the date on which the coverage for damage would otherwise terminate; or
- b. the earliest date on which either normal operations resume, or repair, replacement, or rebuilding of the property that has been damaged is actually completed; but in no event for a period of time exceeding the number of days specified in Section I.F.

However, **EXTENDED PERIOD OF INDEMNITY** does not apply to losses incurred as a result of

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unfavorable business conditions caused by the impact of the **COVERED CAUSE OF LOSS** in the area where the described premises are located. **TIME ELEMENT COVERAGE** loss must be caused by direct physical damage at the described premises caused by or resulting from a **COVERED CAUSE OF LOSS**.

EXTENDED PERIOD OF INDEMNITY does not apply to any **ADDITIONAL TIME ELEMENT COVERAGES** other than **RENTAL VALUE**.

4. **EXTRA EXPENSE:** This **POLICY** is extended to cover expenses, over and above normal operating expenses, necessarily incurred by the **NAMED INSURED** in making up lost production or in reducing loss otherwise payable under this coverage are covered hereunder, but not for amounts greater than would have been incurred had the **NAMED INSURED** been unable to make up any lost production or to continue any business operations or services (up to the **SUBLIMIT OF LIABILITY** shown in SECTION I.F.).

The **NAMED INSURED** agrees to use any suitable property or service owned or controlled by the **NAMED INSURED** or obtainable from other sources in reducing the **EXTRA EXPENSE** incurred under this **POLICY**.

5. **INGRESS & EGRESS:** This **POLICY** is extended to cover the actual loss sustained during the period of time when ingress to or egress from the **NAMED INSURED'S** covered **LOCATION** is prohibited as a direct result of a **COVERED CAUSE OF LOSS** to real property not insured hereunder. The insured physical damage must occur within five (5) statute miles from the **NAMED INSURED'S** covered **LOCATION** in order for coverage to apply. Such period of time begins following the **QUALIFYING PERIOD** after the date that ingress to or egress from real or personal property is prohibited and ends when ingress or egress is no longer prohibited, but no later than the number of days shown in SECTION I.F.

6. **INTERRUPTION BY CIVIL OR MILITARY AUTHORITY:** This **POLICY** is extended to cover the actual loss sustained during the period of time when access to the **NAMED INSURED'S** covered **LOCATION** is prohibited by an order of civil or military authority, provided that, such order is a direct result of a **COVERED CAUSE OF LOSS** to real property not insured hereunder. The **NAMED INSURED** physical damage must occur within five (5) statute miles from the **NAMED INSURED'S** covered **LOCATION** in order for coverage to apply. Such period of time begins following the **QUALIFYING PERIOD** after the effective date of the order of civil or military authority and ends when the order expires, but no later than the number of days shown in SECTION I.F.

7. **RENTAL VALUE:** As respects **COVERED PROPERTY** held for rental to others, this **POLICY** is extended to cover the loss sustained during the **PERIOD OF INTERRUPTION** but not exceeding the reduction in **RENTAL VALUE** less charges and expenses which do not necessarily continue. **RENTAL VALUE** means the sum of:

- a. The total anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the **NAMED INSURED** including taxes, rent based on percentage of sales, and other charges paid by tenants in respect of the leased premises; and
- b. The amount of all charges which, by the terms of a written lease, are the legal obligation of the tenant(s) and which would otherwise be obligations of the **NAMED INSURED**; and
- c. The fair **RENTAL VALUE** of any portion of such property which is occupied by the **NAMED INSURED**.

Due consideration will be given to the historic rental expenses prior to the loss and the probable expenses thereafter.

8. **ROYALTIES:** This **POLICY** is extended to cover loss of income sustained by the **NAMED INSURED**

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under a royalty, licensing fee, or commission agreement between the **NAMED INSURED** and another party during the **PERIOD OF INTERRUPTION** arising out of direct physical damage by a **COVERED CAUSE OF LOSS** during the term of this **POLICY** to real or personal property of such other party, only if such **ROYALTIES** are shown as such on the **STATEMENT OF VALUES**. When determining the amount payable, consideration will be given to the amount of income derived by the **NAMED INSURED** from such agreements before, and the probable amount of income after, the date of damage.

9. **SERVICE INTERRUPTION:** This **POLICY** is extended to cover the damage to **COVERED PROPERTY** and **TIME ELEMENT COVERAGE** (provided **TIME ELEMENT VALUES** are reported on the **STATEMENT OF VALUES**) resulting from direct physical damage from a **COVERED CAUSE OF LOSS** to: (1) incoming electrical, gas, water and telecommunication equipment and outgoing sewer; or (2) electrical, telecommunication, fuel, water, steam, refrigeration, or other service transmission lines; all situated outside the insured **LOCATIONS**.
- a. However, this extension of coverage DOES NOT apply to any loss caused by damage to any utility service listed in (1) or (2) above, if located more than five (5) statute miles from the covered **LOCATION**.
- b. There shall be no loss payable under this Additional Coverage unless the interruption exceeds the **QUALIFYING PERIOD** shown in Section I.F. In such case, the loss shall be measured from date and time of the loss. With respect to any **TIME ELEMENT COVERAGE** provided herein, the **PERIOD OF INTERRUPTION** ends when: (1) incoming electrical, gas, water, or telecommunication equipment or outgoing sewer or (2) electrical, telecommunication, fuel, water, steam, refrigeration, or other service transmission lines, is restored.
- c. The **SUBLIMIT OF LIABILITY** shown in SECTION I.F. applies to all damage to **COVERED PROPERTY** and/or **TIME ELEMENT COVERAGE**, combined arising out of one **SERVICE INTERRUPTION**. None of the additional **TIME ELEMENT COVERAGES** set forth in Section V apply to the **TIME ELEMENT COVERAGE** provided herein, except **RENTAL VALUE**.

This additional coverage does not include coverage for any increase in loss due to fines or damages for breach of contract or for late or non-completion of orders, or penalties of any nature.

With respect to additional **TIME ELEMENT COVERAGES** 6. & 7., if a **COVERED CAUSE OF LOSS** results in coverage under both additional **TIME ELEMENT COVERAGES**, this **POLICY** will only pay for loss under one of the two additional **TIME ELEMENT COVERAGES**, whichever the **NAMED INSURED** selects.

- D. **ADDITIONAL EXCLUSIONS:** The following are excluded from all of the above described **TIME ELEMENT COVERAGES**:
1. Idle Periods: Any loss during any period in which goods would not have been produced, or business operations or services would not have been maintained, for any reason other than physical damage from a **COVERED CAUSE OF LOSS** to which this coverage applies.
2. Remote Loss:
- a. Any increase in loss due to the suspension, cancellation, or lapse of any lease, contract, license or order; or
- b. Any loss due to fines or damages for breach of contract or for late or non-completion of orders or penalties of whatever nature; or
- c. Any increase in loss due to interference at the **NAMED INSURED'S LOCATION** by strikers or other

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persons with rebuilding, repairing, or replacing the property damaged or destroyed, or with the resumption or continuation of business, or with the re-occupancy of the premises.

d. Nor shall there be any liability under this **POLICY** for any other consequential or remote loss, other than as specifically provided in this SECTION V.

3. Finished Products - Any loss resulting from damage to finished products manufactured by the **NAMED INSURED** nor for the time required for their reproduction.
4. Transit - Any loss resulting from damage to property in transit.
5. Berth and/or Port Blockage - Any loss due to Blockage of a port or berth. Blockage means a blockage of any part of the port or berth arising from an occurrence which results in the sinking or stranding of a ship, or the inability of a ship to gain access to a berth

E. **TIME ELEMENT MONTHLY LIMITATION OF INDEMNITY:** There shall be no liability under this **POLICY** for more than the Monthly Limitation of Indemnity shown in SECTION I.F. for all **TIME ELEMENT COVERAGES**, except those that have a sublimit in SECTION I.F. excluding **ORDINARY PAYROLL**. **TIME ELEMENT MONTHLY LIMITATION OF INDEMNITY** means the most that will be paid under this **POLICY** monthly for a **TIME ELEMENT COVERAGE** loss sustained by the **NAMED INSURED** during the **PERIOD OF INTERRUPTION** directly resulting from a **COVERED CAUSE OF LOSS** to **COVERED PROPERTY**. This **TIME ELEMENT MONTHLY LIMITATION OF INDEMNITY** is payable for each period of thirty (30) consecutive days after the beginning of the Period of Interruption and is calculated by multiplying the **TIME ELEMENT VALUE** in the **STATEMENT OF VALUES** by the fraction shown in SECTION I.F.

When SECTION I.F. **EXTENDED PERIOD OF INDEMNITY** specifies a number of days and a fraction is shown in SECTION I.F. for **TIME ELEMENT MONTHLY LIMIT OF INDEMNITY**, the **TIME ELEMENT MONTHLY LIMITATION OF INDEMNITY** will also apply to each period of thirty (30) consecutive days provided under **EXTENDED PERIOD OF INDEMNITY** specified in SECTION I.F.

SECTION VI - ADDITIONAL COVERAGES

The following additional coverages are subject to the terms and conditions of this **POLICY**, including the **DEDUCTIBLES** and **SUBLIMITS OF LIABILITY** corresponding to each such additional coverage shown in SECTION I.F. These additional coverage items are either included or excluded **SUBLIMITS OF LIABILITY** as shown in SECTION I.F. and are part of, and not in addition to **SUBLIMITS OF LIABILITY** in SECTION I.F.a-c. and **LIMITS OF LIABILITY** of this **POLICY**, including, but not limited to, the **EARTHQUAKE, EARTH MOVEMENT, FLOOD, or NAMED STORM SUBLIMITS OF LIABILITY** provided herein, if applicable.

A. **ACCOUNTS RECEIVABLE:** This **POLICY** covers any shortage in the collection of **ACCOUNTS RECEIVABLE** directly resulting from a **COVERED CAUSE OF LOSS** to **ACCOUNTS RECEIVABLE** records.

This extension of coverage does not apply to loss due to:

1. Bookkeeping, accounting or billing errors and omissions; and
2. Alteration, falsification, manipulation, concealment, destruction, or disposal of **ACCOUNTS RECEIVABLE** records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

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- B. **BACKUP OF SEWERS AND DRAINS:** This **POLICY** is extended to cover water which backups or discharges from sewers, drains or sumps on the Insured's **LOCATION**. Cause of loss is not considered **FLOOD**, unless such backup or discharge was due to **FLOOD**.
- C. **BUILDERS RISK:** Property in the course of construction or renovation, excluding Soft Costs.
- D. **DEBRIS REMOVAL:** This **POLICY** covers the necessary and reasonable expense of removal from the insured **LOCATIONS** of debris of **COVERED PROPERTY** or property of others remaining as a result of direct physical damage insured against under this **POLICY** that occurs during the **POLICY** period when the **NAMED INSURED** gives written notice of such direct physical damage, as a condition of coverage no later than 180 days after the loss. There is no liability for the expense of removing contaminated or polluted uninsured property, nor the **POLLUTANTS OR CONTAMINANTS** therein or thereon, whether or not the contamination results from an insured event.
- E. **ELECTRONIC DATA AND MEDIA:** This **POLICY** is extended to cover direct physical damage to **ELECTRONIC DATA AND MEDIA** caused by a **COVERED CAUSE OF LOSS**.
- F. **ERRORS OR OMISSIONS:** This **POLICY** is extended to cover direct physical damage caused by a **COVERED CAUSE OF LOSS** at **LOCATIONS** within the **COVERAGE TERRITORY** that are owned, leased or operated by the **NAMED INSURED**, if such damage is not payable under this **POLICY** solely due to:
1. Any error or unintentional omission in the description of the address of the property whether made at the inception of the **POLICY** period or subsequent thereto; or
 2. Failure through any error or unintentional omission to:
 - a. Include any **LOCATION** of the **NAMED INSURED** at the inception of the **POLICY**; or
 - b. Report any newly acquired **LOCATION** before the period of automatic coverage provided under this **POLICY** for **NEWLY ACQUIRED LOCATIONS** expires.

With respect to Subparagraphs 1. and 2. above, this **ERRORS OR OMISSIONS** Additional Coverage does not allow the **NAMED INSURED** to correct any value shown in the **STATEMENT OF VALUES**.

This **POLICY** covers such direct physical damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

It is a condition of this additional coverage that any error or unintentional omission be reported by the **NAMED INSURED** when discovered and an additional premium be paid for any **LOCATION** added to the **POLICY**.

There is no coverage under this Paragraph for damage which is covered under **NEWLY ACQUIRED PROPERTY** or **MISCELLANEOUS UNNAMED LOCATIONS** provisions of this **POLICY**.

- G. **FINE ARTS:** This **POLICY** is extended to cover direct physical damage to **FINE ARTS** caused by a **DEFINED CAUSE OF LOSS**. However, no coverage is provided for:
1. Breakage, marring, scratching, chipping or denting of **FINE ARTS**, unless such breakage, marring, scratching, chipping or denting is caused by a **DEFINED CAUSE OF LOSS**; or
 2. Physical damage as a result of restoring, repairing or retouching processes.
- H. **FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES:** This **POLICY** covers the following expenses resulting from a **COVERED CAUSE OF LOSS**:

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1. Fire brigade charges and any extinguishing expenses which the **NAMED INSURED** incurs;
2. Loss and disposal of fire extinguishing materials expended.

There is no coverage for any costs incurred as a result of a false alarm.

- I. **FUNGUS, MOLD(S), MILDEW, SPORES, YEAST:** Associated losses will be covered if the **NAMED INSURED** establishes that the **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** is a direct result of a **COVERED CAUSE OF LOSS** and as a condition of coverage under this **POLICY** this loss is reported within twelve (12) months from the expiration date of the **POLICY**.
- J. **LEASED OR RENTED EQUIPMENT:** This **POLICY** is extended to cover direct physical damage at insured **LOCATIONS** from a **COVERED CAUSE OF LOSS** to equipment that the **NAMED INSURED** has leased and/or rented for which the **NAMED INSURED** is legally liable.
- K. **LEASEHOLD IMPROVEMENTS & BETTERMENTS:** This **POLICY** is extended to cover the value of undamaged tenant improvements and betterments when the **NAMED INSURED'S** lease is cancelled by the lessor acting under a valid condition of the lease due to direct physical damage to **BUILDING** or personal property caused by or resulting from a **COVERED CAUSE OF LOSS** at an insured **LOCATION**. No **SUBLIMIT OF LIABILITY** applies to this additional coverage, but in no event will the **POLICY** cover loss in an amount in excess of the applicable **SUBLIMIT OF LIABILITY** specified for the **LOCATION**, if any.
- L. **LEASEHOLD INTEREST:** If **COVERED PROPERTY** is: (1) rendered wholly or partially un-tenantable by a **COVERED CAUSE OF LOSS** during the **POLICY** period and (2) the **NAMED INSURED'S** lease is canceled by a party, other than the **NAMED INSURED**, or an entity with any common ownership of the **NAMED INSURED**, in accordance with the conditions of the lease or as a result of a statutory requirement of the appropriate jurisdiction in which the damaged or destroyed **COVERED PROPERTY** is located, then this **POLICY** is extended to cover **THE INTEREST OF THE INSURED AS LESSEE** (as defined below) or **THE INTEREST OF THE INSURED AS LESSOR** (as defined below), whichever is applicable, but only for the first three (3) months succeeding the date of the loss and the **NET LEASE INTEREST** (as defined below) shall be paid for the remaining months of the unexpired lease.
 1. Recovery under this additional coverage shall be the pro-rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the **NAMED INSURED'S** interest in:
 - a. The amount of bonus paid by the **NAMED INSURED** for the acquisition of the lease not recoverable under the terms of the lease;
 - b. Improvements and betterments to real property which are not covered under any other section of this **POLICY**; and
 - c. The amount of advance rental paid by the **NAMED INSURED** and not recoverable under the terms of the lease.
 2. Definitions: The following terms, wherever used in this Paragraph H. shall mean:
 - a. The **INTEREST OF THE INSURED AS LESSEE** is defined as:
 - i. the excess of the rental value of similar premises over the actual rental payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease; and
 - ii. the rental income earned by the **NAMED INSURED** from sublease agreements, to the extent not covered under any other section of this **POLICY**, over and above the rental

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expenses specified in the lease between the **NAMED INSURED** and the lessor.

- b. The **INTEREST OF THE INSURED AS LESSOR** is defined as the difference between the rents payable to the lessor under the terms of the lease in effect at the time of loss and the actual rent collectible by the lessor during the unexpired term of the lease provided the lease is canceled by the lessee, to the extent not covered under any other section of this **POLICY**.
- c. **NET LEASE INTEREST** is defined as that sum, which placed at 6% interest compounded annually will be equivalent to the **INTEREST OF THE INSURED LESSEE OR LESSOR**.

There shall be no liability under this **POLICY** for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any license or by the **NAMED INSURED** exercising any option to cancel the lease. Furthermore, the **NAMED INSURED** shall use due diligence, including all things reasonably practicable, to diminish loss under this additional coverage.

- M. **LIMITED POLLUTION COVERAGE:** This **POLICY** is extended to cover the reasonable and necessary additional expense incurred to remove, dispose of, or clean-up the actual presence of **POLLUTANTS OR CONTAMINANTS** from **LAND** or water at an insured **LOCATION** when such **LAND** or water is contaminated or polluted due to a **COVERED CAUSE OF LOSS** that occurs during the **POLICY** period, provided that, as a condition of coverage, such expenses are reported within 180 days of the date of direct physical damage.
- N. **LOCK REPLACEMENT:** This **POLICY** covers the necessary expense to repair or replace the exterior or interior door locks of a covered **BUILDING**:
 - 1. If the door keys are stolen in a covered theft loss; or
 - 2. When the **COVERED PROPERTY** is damaged and the door keys are stolen by burglars.
- O. **MISCELLANEOUS UNNAMED LOCATION(S):** If a sublimit is shown in SECTION I.F., this **POLICY** covers direct physical damage caused by a **COVERED CAUSE OF LOSS** at a **LOCATION** that has not been included in the **STATEMENT OF VALUES** on file with VRU and has not been reported to VRU as required by the **POLICY** provisions.

There is no coverage under this Paragraph for damage which is covered under the **ERRORS OR OMISSIONS** or **NEWLY ACQUIRED PROPERTY** provisions of this **POLICY**.

- P. **NEWLY ACQUIRED PROPERTY:** This **POLICY** covers real or personal property of the type insured under this **POLICY** for a **COVERED CAUSE OF LOSS** that is rented, leased, or purchased by the **NAMED INSURED** after the inception date of this **POLICY**. Coverage under this additional coverage ceases at the earlier of the following dates:
 - 1. Number of days shown in SECTION I.F. from the date of acquisition or lease of such property; or
 - 2. When the newly acquired property is covered by this **POLICY**; or
 - 3. When VRU notifies the **NAMED INSURED** that it will not bind the newly acquired property.

There is no coverage for any property that is partially or wholly insured under any other insurance.

There is no coverage under this Paragraph for damage which is covered under the **ERROR OR OMISSIONS** or **MISCELLANEOUS UNNAMED LOCATIONS** provisions of this **POLICY**.

- Q. **ORDINANCE OR LAW:** In the event of direct physical damage covered under this **POLICY** that results in the enforcement of any **LAW, ORDINANCE**, governmental directive or standard in effect at the time of damage regulating the construction, repair or use and occupancy of the property, the following is covered under this **POLICY**:
 - 1. Coverage A: For the loss in value of the undamaged portion of the **BUILDING** as a consequence of

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enforcement of an **ORDINANCE OR LAW** that requires demolition of undamaged parts of the same **BUILDING**.

2. Coverage B: For the cost to demolish and clear the site of undamaged parts of the same **BUILDING**, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.
3. Coverage C: For the increased cost of repair or replacement of the damaged and undamaged **BUILDING** on the same or another site, limited to the cost that would have been incurred in order to comply with the minimum requirements of such **ORDINANCE OR LAW** regulating the repair or reconstruction of the damaged property on the same site. However, there is no coverage for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced.
4. Coverage D: For the additional loss in **TIME ELEMENT COVERAGES** (if covered), that the **NAMED INSURED** sustains during the increased period of suspension of operations caused by or resulting from a consequence of enforcement of an **ORDINANCE OR LAW**.

Excluded from this coverage are any costs of demolition or increased costs of reconstruction, repair, debris removal or loss of use (including any **TIME ELEMENT COVERAGES**) necessitated by the enforcement of any law or ordinance regulating any form of contamination or pollution.

- R. **OUTDOOR PROPERTY:** This **POLICY** is extended to cover direct physical damage caused by a **COVERED CAUSE OF LOSS** to signs, pools, pool equipment, outdoor fences, lights and light poles, and radio and radio and television antennas (including satellite dishes) not reported in the **STATEMENT OF VALUES** if a **SUBLIMIT OF LIABILITY** is shown in SECTION I. F. If a percentage deductible applies in the event of a loss to **OUTDOOR PROPERTY**, the percentage shall apply against the greater of the sublimit shown in SECTION I.F. or the replacement cost value of the affected property.
- S. **PAIRS OR SETS:** If two or more components or parts are necessary for a whole or complete product, then this **POLICY** covers the reduction in value of insured components or parts of products due to direct physical damage caused by a **COVERED CAUSE OF LOSS** to the other insured components or parts of such products.
- T. **PERSONAL PROPERTY OF OTHERS:** If not included in the **STATEMENT OF VALUES** or other documentation on file with VRU in order to be included as **INSURED PROPERTY** you must prove your obligation to protect or insure such property against a **COVERED CAUSE OF LOSS** in order for this additional coverage to apply as stated in SECTION I.F.
- U. **PLANTS, LAWNS, TREES OR SHRUBS:** If there is a sublimit shown in SECTION I.F., then this **POLICY** will cover damage caused by a **DEFINED CAUSE OF LOSS** to plants, lawns, trees, or shrubs.
- V. **PROFESSIONAL FEES:** This **POLICY** is extended to cover reasonable and necessary **CLAIM PREPARATION COSTS** (as defined below) incurred by the **NAMED INSURED** at the request of **INSURER** for the purpose of determining the extent or amount of insured damage as a result of a **COVERED CAUSE OF LOSS** under this **POLICY**, provided that, the **NAMED INSURED** obtains the prior written approval for the vendor to be engaged.

1. **CLAIM PREPARATION COSTS** means:
 - a. The cost of taking inventory and the cost of gathering and preparing other data to substantiate the extent or amount of damage; and
 - b. The cost of services provided by accountants, contractors and engineers solely for the purpose of determining the extent or amount of loss.
2. **CLAIM PREPARATION COSTS** does not mean and excludes:
 - a. Legal fees, charges and expenses;

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- b. Fees and costs of a public claims adjuster, claim consultant, insurance broker or agent (except forensic accounting services), or any person acting for or on behalf of a public claims adjuster, claim consultant, or insurance broker or agent;
 - c. Costs associated with negotiation or presentation of any claim or part of a claim that is disputed or denied;
 - d. Costs associated with establishing that any claim or part of a claim is covered by the **POLICY**;
 - e. Costs which represent overhead or operating expense of any **NAMED INSURED**, including salaries of such **NAMED INSURED'S** employees.
- W. **PROPERTY REMOVED FROM INSURED LOCATIONS:** This **POLICY** will cover damage caused by a **COVERED CAUSE OF LOSS** to personal property of the **NAMED INSURED** at any **LOCATION** within the **COVERAGE TERRITORY** when such personal property is removed from the insured **LOCATIONS** for the purpose of being repaired or serviced, excluding:
- 1. Personal property insured under another **POLICY** or floater;
 - 2. Personal property excluded under this **POLICY**;
 - 3. Personal property removed from the insured **LOCATIONS** for normal storage or processing or preparation for sale or delivery.
- X. **PROTECTION AND PRESERVATION OF PROPERTY:** In case of actual or imminent direct physical damage by a **COVERED CAUSE OF LOSS**, the expenses incurred by the **NAMED INSURED** in taking reasonable and necessary actions for the temporary protection and preservation of **COVERED PROPERTY** hereunder shall be added to the total physical damage otherwise recoverable under this **POLICY** and be subject to the applicable **DEDUCTIBLE and SUBLIMIT OF LIABILITY** shown in SECTION I.F. Reasonable and necessary actions do not include any expenses relating to inspection, testing, determining the cause of extent of damage, engineers, or any other expense that is not incurred solely to protect **COVERED PROPERTY**
- Y. **RECLAIMING, RESTORING, OR REPAIRING LAND IMPROVEMENTS:** This **POLICY** is extended to cover the cost of reclaiming, restoring or repairing land improvements, provided the loss is from a **DEFINED CAUSE OF LOSS** subject to the applicable **DEDUCTIBLE and SUBLIMIT OF LIABILITY** shown in SECTION I.F.
- Z. **REWARD REIMBURSEMENT:** This **POLICY** covers monetary rewards for information that leads to a criminal conviction in connection with damage to **COVERED PROPERTY** by a **COVERED CAUSE OF LOSS**, up to amounts agreed by the **INSURER(S)** and the **NAMED INSURED**.
- AA. **SIDEWALKS, PAVED SURFACES, ROADWAYS:** This **POLICY** is extended to cover sidewalks, paved surfaces and roadways, cost of excavation, grading, backfilling or filling directly caused by a **COVERED CAUSE OF LOSS** at insured **LOCATIONS**.
- BB. **SPOILAGE:** This **POLICY** is extended to cover **SPOILAGE** as a direct result of a **COVERED CAUSE OF LOSS** and the additional exclusions listed below. This **POLICY** will pay for direct physical damage to:
- 1. **PERISHABLE GOODS** due to **SPOILAGE**;
 - 2. **PERISHABLE GOODS** due to contamination from the release of refrigerant, including but not limited to ammonia;

3. **PERISHABLE GOODS** due to **SPOILAGE** caused by a **COVERED CAUSE OF LOSS** to equipment that is owned by a utility, landlord, or other supplier of any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

If the **NAMED INSURED** is unable to replace the **PERISHABLE GOODS** before their anticipated sale, payment will be determined on the basis of the sales price of the **PERISHABLE GOODS** at the time of the loss, less discounts and expenses that otherwise would have been incurred. Otherwise, payment will be determined in accordance with the Valuation (Section IV) provision of this **POLICY**.

PERISHABLE GOODS means personal property:

- a. maintained under controlled conditions for its preservation, and
- b. susceptible to damage if the controlled conditions change.

Additional Exclusions: There shall be no liability under this **POLICY** for damage caused by or resulting from:

1. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
2. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

CC. **TRANSIT:** This **POLICY** is extended to cover direct damage caused by a **COVERED CAUSE OF LOSS** to personal property, not otherwise excluded by this **POLICY**, while such property is in transit.

It is agreed that coverage under this extension shall include the following:

1. Personal property shipped to customers on F.O.B., C & F, or similar terms. The **NAMED INSURED'S** contingent interest in such shipments is admitted.
2. The interest of the **NAMED INSURED** in, and legal liability for, personal property of others in the actual or constructive custody of the **NAMED INSURED**.
3. Personal property of others sold by the **NAMED INSURED** which the **NAMED INSURED** has agreed prior to loss to insure during course of delivery.

It is agreed that the following additional exclusions apply to coverage as provided under this additional coverage:

1. Property insured under import or export ocean cargo policies.
2. Waterborne shipments to and from the **COVERAGE TERRITORY**.
3. Shipments made by air, unless via regularly scheduled airlines.
4. Property shipped by mail.
5. Property of others, including the Insured's legal liability therefor, hauled on vehicles owned, leased, or operated by the **NAMED INSURED** when acting as a common or contract carrier as defined by the Interstate Commerce Commission Regulations or other state regulatory agencies.
6. Any transporting vehicle or conveyance.

This additional coverage attaches from the time the property leaves the original point of shipment for the VRU-017-031425 Comprehensive Form
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commencement of transit and covers thereafter continuously in the due course of transit within the **COVERAGE TERRITORY** until delivered at destination.

Coverage on export shipments not insured under ocean cargo policies does not extend beyond the time when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies does not attach until after discharge from overseas vessels or aircraft.

This additional coverage does not cover or apply to delay, loss of market, or any **TIME ELEMENT COVERAGE**.

Permission is granted to the **NAMED INSURED** without prejudice to this insurance to accept the ordinary bills of lading used by carriers, including released and/or undervalued bills of lading and/or shipping or messenger receipts. The **NAMED INSURED** may waive subrogation against railroads under sidetrack agreements, but the **NAMED INSURED** shall not enter into any special agreement with carriers releasing them from their common law or statutory liability.

- DD. **VALUABLE PAPERS AND RECORDS:** This **POLICY** is extended to cover **VALUABLE PAPERS AND RECORDS**.
- EE. **WIND DRIVEN PRECIPITATION:** If **WINDSTORM OR HAIL** or **NAMED STORM** is a **COVERED CAUSE OF LOSS** under this **POLICY**, damage by rain, snow, sleet, sand, or dust to the interior of any **BUILDING** or structure, or the property inside the **BUILDING** or structure, without the **BUILDING** or structure first sustaining damage as a result of a **COVERED CAUSE OF LOSS** to its roof or outside walls through which the rain, snow, sleet, sand, or dust enters.

SECTION VII - CONDITIONS

- A. **ABANDONMENT:** There can be no abandonment to anyone of any insured property.
- B. **ADJUSTMENT OF LOSSES and NAMED INSURED CLAUSE:** Damage shall be adjusted with and payable to the **NAMED INSURED**, subject to any Certificates of Insurance on file with VRU which require payment to a **MORTGAGEE** or **LOSS PAYEE**.

If this **POLICY** insures more than one entity, the **NAMED INSURED** is authorized to act on behalf of all other insureds with respect to their rights, obligations and duties under this **POLICY**. Payment of return premium under this **POLICY** to the **NAMED INSURED** shall constitute payment under this **POLICY** with respect to all insureds.

- C. **ARBITRATION CLAUSE:** Any and all matters in difference between and/or among the Parties, as defined in this provision, in relation to this insurance, including, but not limited to, its formation, validity, and the arbitrability of any dispute, and whether arising during or after the period of this insurance, shall be referred to an Arbitration Tribunal in the manner hereinafter set out. A party must give advanced written notice to the other party of their intent to request arbitration of a matter in difference. This Agreement contains a delegation provision requiring the Arbitration Tribunal to resolve all issues arising out of, relating to, involving, and/or resulting from this insurance, including, but not limited to, questions involving this Agreement. It is the Parties' intent to delegate all issues to the Arbitration Tribunal.
1. This is an agreement to arbitrate (the "Agreement"). The Parties to the Agreement include the Insurers listed on the **POLICY**'s Declarations Pages (the "Insurers"), you, any insured, additional insureds, mortgagees, loss payees, assignees, lienholders, and/or any person and/or entity claiming rights and/or benefits related to the **POLICY** (the "Parties"). This Agreement shall be considered a separate agreement that is enforceable, irrespective of any other provision contained in this **POLICY**.
 2. This Agreement governs the appointment of the Arbitration Tribunal. The Arbitration Tribunal shall consist of qualified and disinterested persons. The Arbitrators may not have any interest or claimed interest in the outcome of the arbitration, including any contingency interest or an assignment of any portion of the claim.

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The Claimant (the party requesting arbitration) shall appoint his or her Arbitrator and give written notice thereof to the Respondent (the party receiving a request for arbitration). Within thirty (30) days of receiving such notice, the Respondent shall appoint his or her Arbitrator and give written notice of his or her selection to the Claimant. If the Respondent does not provide written notice of his or her Arbitrator within thirty (30) days of receiving the Claimant's notice, the Claimant may nominate an Arbitrator on behalf of the Respondent. The Arbitrators selected by the Parties must be currently or formerly employed in a senior position in insurance underwriting or claims at an insurer.

The two Arbitrators shall then select an Umpire. The Umpire must be currently or formerly employed at an insurer as one of the following or an equivalent position: president, vice-president, assistant vice-president, general counsel, assistant general counsel, chief operating officer, or chief risk officer. If the two Arbitrators fail to agree on the selection of the Umpire within thirty (30) days of the appointment of the second named Arbitrator, each Arbitrator shall submit to the other a list of three Umpire candidates. Each Arbitrator shall then select one name from the list submitted by the other. The Umpire shall be selected from the two names chosen by a lot drawing procedure to be agreed upon by the Arbitrators.

The Arbitration Tribunal consists of the Umpire, the Claimant's selected Arbitrator, and the Respondent's selected Arbitrator.

3. The Arbitration Tribunal shall have the power to fix all procedural rules for the Arbitration, including discretionary power to make orders as to any matter which it may consider proper in the circumstances of the case with regard to pleadings, discovery, inspection of documents, examination of witnesses, and any other matter whatsoever relating to the conduct of the Arbitration. The Arbitration Panel may receive and act upon such evidence in its discretion, regardless of whether that evidence is oral or written or strictly admissible or not. The Arbitration Panel, in fixing the procedural rules for Arbitration, must ensure due process and that the Parties are able to fully present their claims and defenses at the arbitration hearing. The Arbitration Tribunal should initially meet with the Parties to discuss the procedural issues at an Organizational Meeting and should continue to meet with the Parties as needed to address procedural issues.
4. All aspects of the Arbitration shall be confidential, and the Parties and the Arbitrators, the Umpire, and the Arbitration Tribunal shall neither disclose nor permit the disclosure of any information related to the proceedings, including but not limited to, discovery, testimony, evidence, briefs, decisions, and any award, except as the Arbitration Tribunal may authorize in writing. The Arbitration Tribunal shall only authorize disclosure of information to the extent disclosure is necessary to further the proceeding and/or to comply with applicable law. Any such authorization shall be as limited in scope as the Arbitration Tribunal deems practicable.
5. The seat of the Arbitration shall be in New York, and the final arbitration hearing shall be held in New York, unless some other location is agreed to by the Parties and the Arbitration Tribunal. The Arbitration Tribunal shall apply the law of New York when resolving all matters in difference between the Parties, regardless of the location of the Arbitration.
6. The Parties shall each bear their own costs, expenses and attorney's fees in any Arbitration proceeding. The Parties will also bear the costs of their own Arbitrator and will bear, jointly and equally with each other, the costs of the Umpire.
7. The award of the Arbitration Tribunal shall be in writing and binding upon the Parties, who covenant to carry out the same. Any valid award shall be paid within forty-five days of receiving the Arbitration Tribunal's written decision. If either of the Parties should fail to carry out any award within forty-five days (45), the other may apply for its enforcement as permitted by law.

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8. All Insurers shall be included and participate in any Arbitration proceeding, including sharing the Insurers' portion of the arbitration costs. Further, irrespective of whom is sued and/or any purported waiver of claims, all Insurers shall have the right to participate in any litigation that relates to and/or concerns this Agreement, this **POLICY** and/or the enforceability of any award issued by the Arbitration Tribunal. Nothing in this paragraph shall affect the Insurers' several liability for losses covered under this **POLICY**.
9. The provisions in this Arbitration Agreement are severable, and if any portion is found to be unenforceable, the other paragraphs, or parts thereof, shall remain full, valid, and enforceable.

D. **ASSIGNMENT:** The **NAMED INSURED** may not assign this **POLICY** without the **INSURER'S** prior written consent.

E. **BRANDS AND LABELS:** If branded or labeled merchandise covered by this **POLICY** is physically damaged and the **INSURER** elects to take all or any part of such merchandise at the value established by the terms of this **POLICY**, the **NAMED INSURED** may, at their 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 **NAMED INSURED** must re-label the merchandise or containers in compliance with the requirements of law.

F. **CANCELLATION, NON-RENEWAL, AND ADDITIONS OR DELETIONS:**

1. This **POLICY** can be canceled by the **NAMED INSURED** by providing the **INSURER** with:
 - a. An advanced written request for cancellation stating when the cancellation shall be effective; and
 - b. A lost policyholder release signed by the **NAMED INSURED** or its legal representative.
2. This **POLICY** may be canceled by the **INSURER** by giving to the **NAMED INSURED** at least thirty (30) days written notice of cancellation or in the case of non-payment of premium or material misstatement, at least ten (10) days written notice of cancellation.
3. The cancellation will be effective even if a refund has not been made or offered. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. If this **POLICY** is canceled by the **NAMED INSURED**, the **INSURER** will send the **NAMED INSURED** any premium refund due per the cancellation provisions affixed to this **POLICY** in the **MINIMUM EARNED AND SPECIAL CATASTROPHE EARNED PREMIUM PROVISION ENDORSEMENT**
5. This **POLICY** may be non-renewed by the **INSURER**. The **INSURER** will comply with state statutes controlling non-renewal, if applicable, and will include the reason for non-renewal. If there is no controlling law or regulation, the **INSURER'S** written non-renewal notice will be mailed at least thirty (30) days prior to the end of the **POLICY** period, and proof of mailing will be sufficient proof of notice of the non-renewal. If the **INSURER** sends a notice conditioning renewal on changes to the offered limits, covered perils, premium, terms, conditions, and/or exclusions such notice shall not be deemed a non-renewal, unless that renewal is not accepted. If the conditional offer is not accepted, the **POLICY** will end, and all coverage cease at the expiration of the **POLICY** period.
6. This **POLICY** will automatically end, and all coverage cease at the expiration of the **POLICY** period if no offer to renew is extended or an offer to renew with changed, terms, coverage, premiums, or limits is not accepted.

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7. Additions and Deletions:

- a. For **LOCATIONS** exposed to **NAMED STORM**, if added (or coverage increased at an existing **LOCATION** which is "Exposed to Hurricanes") during the term of the **POLICY** and coverage exists at any time during the period of June 1st to November 30th, the premium will be calculated at 100% of the annual rate, less the Unearned Factor noted in the **MINIMUM EARNED AND SPECIAL CATASTROPHE EARNED PREMIUM PROVISION ENDORSEMENT**. Otherwise, it shall be pro-rata.

However, subject to receipt of closing documents for **NEWLY ACQUIRED PROPERTY** as to each **LOCATION**, this **POLICY** allows pro-rata additional premium for **LOCATIONS** purchased during the **POLICY** term.

- b. Coverage cannot be increased nor additional **LOCATIONS** added if they are exposed to **NAMED STORM** and a **NAMED STORM** is in existence, unless with the express written consent of **INSURER**.
- c. Nothing herein will act to provide coverage for the **NEWLY ACQUIRED PROPERTY** (a) beyond the **SUBLIMIT** shown under SECTION I.F. or (b) when the **INSURER** notifies the **NAMED INSURED** that it will not bind the **NEWLY ACQUIRED POLICY**.

8. Non-payment of premium, material misstatement or non-compliance with underwriting requirements shall be considered a request by the **NAMED INSURED** to cancel the **POLICY**.

9. Proof of mailing will be sufficient proof of notice of cancellation.

10. Any additional premium or return premium under \$100 shall be waived, except additional premium for new perils or coverages added.

G. **CURRENCY**: Any amount of money specified in the **POLICY**, including **LIMITS OF LIABILITY, DEDUCTIBLES** and **PREMIUMS** shall be considered to be in the currency of the United States of America.

H. **DIVISIBLE CONTRACT**: Subject to Condition N. below, if the **LOCATIONS** described in this **POLICY** include two or more **BUILDINGS** or the contents of two or more **BUILDINGS**, the breach of any condition of this **POLICY** in respect to any one or more of the **BUILDINGS** insured or containing the **COVERED PROPERTY**, shall not prejudice the right to recover for physical damage occurring in any **BUILDING** insured or containing the **COVERED PROPERTY** where, at the time of such damage, a breach of condition does not exist.

I. **INCREASE IN HAZARD**: If the circumstances in which this insurance was entered into shall be altered or if the risk shall be materially increased, the **NAMED INSURED** shall as soon as possible give notice in writing to **INSURER**

J. **INSPECTION AND AUDIT**: The **NAMED INSURED** shall permit, at all reasonable times during this **POLICY** period, inspections of all **COVERED PROPERTY**. Neither this right to make inspections nor the making thereof nor any report thereon shall constitute any undertaking, on behalf of or for the benefit of the **NAMED INSURED** or others, to determine or warrant that such property is safe or healthful or that they comply with any law, rule, or regulation.

The **NAMED INSURED** shall also permit examination and audit of the **NAMED INSURED'S** books and records at any reasonable time during the **POLICY** period and within one year after the **POLICY** termination, as long as such examination and audit relate to the subject matter of this **POLICY**.

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K. **LEGAL ACTION AGAINST US:**

No person or organization may commence, cause to be commenced, or assert any legal action, suit, cause of action, or demand for arbitration against us unless:

1. There has been full compliance with all the terms and conditions of this **POLICY**; and
2. The legal action, suit, cause of action, or demand for arbitration is brought within two years and one day from the date the cause of action first accrues or within the shortest limit of time permitted under Section 16.070 of the Texas Civil Practice & Remedies Code. A cause of action first accrues on the date of the alleged initial breach of our contractual duties under this **POLICY**.

L. **RECORDS AND INVENTORY:**

You will keep accurate records of your business and maintain them for three years after the **POLICY** ends. These records will consist of:

2. Itemized inventory of all your stock in trade;
3. Records of all purchases and sales whether cash or credit;
4. Records of the property in your care, custody or control;
5. A detailed listing of travelers stock; and
6. Records of all other property away from your premises.

You will also take a physical inventory of all your stock in trade at least every 12 months.

M. **SEVERAL LIABILITY CLAUSE:**

1. The **INSURER'S LIMIT OF LIABILITY** under this **POLICY** for covered losses is several and not joint with other insurers party to this contract. The **INSURER** is liable only for the proportion of liability it has underwritten. The **INSURER** is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is the **INSURER** otherwise responsible for any liability of any other insurer that may underwrite this **POLICY**.
2. **The INSURER's** liability may not be increased in the event that any other insurer or other party to this contract who for any reason does not satisfy all or part of its obligations.
3. Damages outside the terms and conditions of this **POLICY** and more than the **POLICY** sublimits and limits will not be paid. Any settlements agreed to will be signed by all parties involved and will release us of all future liability.

N. **MORTGAGEES (OR TRUSTEES), LENDER'S LOSS PAYEES, AND LOSS PAYEES:**

1. Loss, or damage, if any, under this **POLICY** shall be payable to:
 - a. Any **LENDER'S LOSS PAYEE** or **LOSS PAYEE** as its interest may appear; and
 - b. Any **MORTGAGEE (OR TRUSTEE)** as its interest may appear under all present or future mortgages upon the insured property in which the aforesaid may have an interest as **MORTGAGEE (OR TRUSTEE)**, in order of precedence of said mortgages.

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2. As to the interest of the **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** only, this insurance shall not be invalidated by any act or neglect of the **NAMED INSURED** nor by any foreclosure or other proceedings or notice of sale relating to said property nor by any change in the title or ownership of said property, nor by the occupation of the insured **LOCATIONS** for purposes more hazardous than are permitted by this **POLICY**; provided, that in case the **NAMED INSURED** shall neglect to pay any premium due under this **POLICY**, the **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** shall, on demand, pay the same.

The **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** must notify VRU of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** and, unless such use is permitted by this **POLICY** and the **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** shall, on demand, pay the premium for such increased hazard; otherwise, this entire Clause 2. shall be null and void.

3. **COVERAGE** hereunder may be suspended [which shall include any **COVERAGE** applying to the interest of the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE OR LOSS PAYEE**] on any machine, vessel or part thereof in accordance with the Suspension Clause of **EQUIPMENT BREAKDOWN** (if such coverage is provided by endorsement to this **POLICY**). VRU agrees to furnish the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE, OR LOSS PAYEE** with a copy of the suspension notice to the **MORTGAGEE'S (OR TRUSTEE'S), LENDER'S LOSS PAYEE'S OR LOSS PAYEE'S** address.
4. Whenever the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE OR LOSS PAYEE** is paid any sum for loss under this **POLICY** and the **INSURER(S)** shall claim that, as to the **NAMED INSURED**, no liability therefor existed, such **INSURER(S)** shall, to the extent of such payment, be subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the debt, or may, at their option pay to the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE OR LOSS PAYEE**, the whole principal due or to grow due on the debt with interest, and shall thereupon receive a full assignment and transfer of all rights and securities; but no subrogation shall impair the right of the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE, OR LOSS PAYEE**, to recover the full amount of the **MORTGAGEE'S (OR TRUSTEE'S), LENDER'S LOSS PAYEE'S, OR LOSS PAYEE'S** claim.

O. **MISREPRESENTATION AND FRAUD:** This entire **POLICY** shall be void if, whether before or after a loss, the **NAMED INSURED** has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the **NAMED INSURED** therein, or in case of any fraud, or false swearing by the **NAMED INSURED** relating thereto.

P. **OTHER INSURANCE/EXCESS INSURANCE/UNDERLYING INSURANCE:** In the event there is **OTHER INSURANCE** covering damage insured under this **POLICY**, then this **POLICY** shall apply only as excess and in no event as contributory insurance (unless this **POLICY** is specifically written to be contributory insurance), and then only after all other insurance has been exhausted, whether or not such insurance is collectible. Permission is granted for the **NAMED INSURED** to purchase **EXCESS INSURANCE** over the limits provided by this **POLICY**, and underlying insurance on all or any part of the **DEDUCTIBLES** of this **POLICY**.

Q. **PROTECTION AND PRESERVATION OF PROPERTY:** In case of actual or imminent direct physical damage by a **COVERED CAUSE OF LOSS**, the expenses incurred by the **NAMED INSURED** in taking reasonable and necessary actions for the temporary protection and preservation of **COVERED PROPERTY** hereunder shall be added to the total physical damage otherwise recoverable under this **POLICY** and be subject to the applicable **DEDUCTIBLE**, sublimit of liability and the **POLICY LIMIT**. Reasonable and necessary actions do not include any expenses relating to inspection, testing, determining the cause of extent of damage, engineers, or any other expense that is not incurred solely to protect **COVERED PROPERTY**

R. **REINSTATEMENT OF LIMITS:** Except for any **COVERED CAUSE OF LOSS** which is subject to an annual aggregate limit or sublimit of liability, payment of a claim will not reduce the amount payable under this **POLICY** for any

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subsequent covered loss.

S. **REQUIREMENTS IN CASE OF LOSS:**

1. The **NAMED INSURED** shall:
 - a. Give immediate written notice of any damage to the **INSURER**;
 - b. Promptly contact the applicable authority having jurisdiction in the event a law has been broken, and promptly file a written report with such authority;
 - c. Protect the property from further damage;
 - d. Separate the damaged and undamaged personal property;
 - e. Maintain such property in the best possible order;
 - f. Furnish a complete inventory of the lost, destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed to the **INSURER**;
 - g. Furnish all other documents or insurance policies that may be reasonably required by the **INSURER**;
 - h. Allow access and inspection of any of the damaged or undamaged **COVERED PROPERTY** by the **INSURER**;
 - i. Cooperate with the Insurer(s) and any other person or persons designated by the Insurer(s) in the investigation, adjustment or settlement of any claim; and
 - j. All claims, made under this **POLICY**, must be made within one-year of the date of the occurrence giving rise to a **COVERED CAUSE OF LOSS**.
2. The **NAMED INSURED, ADDITIONAL INSURED(S)**, and any officers, directors, or employees of the same, or any related members of the household and others shall:
 - a. Submit to examination under oath, as often as may be reasonably required, and while not in the presence of any other party or **NAMED INSURED** or **ADDITIONAL INSURED**. The **INSURER** may as often as may be reasonably required, request that you produce for examination all documents, photographs, computer records, writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the **INSURER** or our representatives and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of ours or any of our employees or representatives in connection with the investigation of any loss hereunder, shall be deemed a waiver of any **POLICY** provision, condition or defense we might otherwise have with respect to any loss, but all such examinations and acts shall be deemed to have been made or done without prejudice to our liability.
 - b. Within ninety (90) days after the loss, unless such time is extended in writing, the **NAMED INSURED** shall provide to the **INSURER** proof of loss, signed and sworn to by the **NAMED INSURED**, stating the knowledge and belief of the **NAMED INSURED** as to the following:
 1. The time and origin of the loss;
 2. The interest of the **NAMED INSURED** and of all others in the property;

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3. The value of each item thereof determined in accordance with the **VALUATION PROVISIONS** of this **POLICY** and the amount of loss thereto and all encumbrances thereon;
4. All other contracts of insurance, whether collectible or not, covering any of said property; and
5. Any changes in the title, use, occupation, **LOCATION**, possession or exposures of said property subsequent to the issuance of this **POLICY**, by whom and for what purpose any **BUILDING** herein described and the several parts thereof were occupied at the time of loss whether or not it then stood on leased ground.

T. **STATEMENT OF VALUES:** The **NAMED INSURED** shall provide VRU, at **POLICY** inception and each subsequent anniversary date of this **POLICY**, a **STATEMENT OF VALUES** which consists of the current 100% **PROPERTY** and **TIME ELEMENT VALUES** for all insured **LOCATIONS**.

Such values shall be reported separately for each **LOCATION**, with separate figures shown for each type of coverage at each **LOCATION**. The property values shall be shown on a replacement cost basis for property which is covered on a replacement cost basis and on an **ACTUAL CASH VALUE** basis for other property. The value of stock and supplies to be included in the property values shall be in accordance with the **VALUATION** (Section IV) clause contained in this **POLICY** and shall be based on the approximate average of the stock and supplies on hand during the twelve months immediately preceding the annual review of values. **TIME ELEMENT VALUES** (if covered) shall be provided in accordance with the terms of the applicable **TIME ELEMENT COVERAGES** provisions.

Upon inception and at each anniversary date of this **POLICY**, the Annual Premium shall be due and payable to VRU. Receipt of said **STATEMENT OF VALUES** by VRU shall be considered as authorization by the **NAMED INSURED** for premiums under this **POLICY** to be calculated.

The premium for this **POLICY** is based upon the **STATEMENT OF VALUES** on file with VRU or attached to this **POLICY**.

U. **SALVAGE AND RECOVERIES:** All **TIME ELEMENT VALUES**, **SALVAGES**, **RECOVERIES** and payments, excluding proceeds from subrogation and underlying insurance recovered or received prior to a loss settlement under this **POLICY**, shall reduce the loss accordingly.

V. **SETTLEMENT OF CLAIMS:** The amount of loss under this **POLICY** shall be payable within thirty (30) days after proof of loss, as herein required, is received and accepted by the **INSURER** and ascertainment of the amount of loss is made either by agreement with the **NAMED INSURED** or an amount is determined by binding Arbitration in accordance with the provisions of this **POLICY**.

The **INSURER** shall have the option to take all or any part of the property at the agreed or arbitrated value, or to repair, rebuild or replace the property physically lost or damaged with other of like kind and quality, within a reasonable time, on giving notice of its intention to do so within sixty (60) days after receipt of the proof of loss herein required.

W. **SUBROGATION:** An assignment of all rights of recovery against any party for loss may be required from the **NAMED INSURED** to the extent that payment has been made. The **INSURER** shall not acquire any rights of recovery which the **NAMED INSURED** has expressly waived in writing prior to loss nor shall such waiver in writing affect the **NAMED INSURED'S** rights under this **POLICY** if the **NAMED INSURED** has prior written consent from the **INSURER** to enter into the written waiver of subrogation.

INSURER does waive rights of recovery against any unit-owner of a Condominium Association.

However, notwithstanding the foregoing, **INSURER** shall be subrogated to all the **NAMED INSURED'S** rights of recover against:

1. any Architect or Engineer, whether named as a **NAMED INSURED** or not, for any damage arising out of the VRU-017-031425 Comprehensive Form
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performance of professional services in their capacity as such and caused by an error, omission, deficiency or act of the Architect or Engineer, by any person employed by them or by any others for whose acts they are legally liable, and

2. any manufacturer or supplier of machinery, equipment or other property, whether named as a **NAMED INSURED** or not, for the cost of making good any damage which said party has agreed to make good under a guarantee or warranty, whether expressed or implied.

Any recovery as a result of subrogation proceedings arising out of an **OCCURRENCE**, after expenses incurred in such subrogation proceedings are deducted, shall accrue to the **NAMED INSURED** in the proportion that the **DEDUCTIBLE** amount and/or any provable uninsured loss amount bears to the entire provable loss amount.

The **NAMED INSURED** will cooperate with the **INSURER** and, upon their request, will:

1. Attend hearings and trials; and
 2. Assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and conducting suits.
- X. **TITLES OF PARAGRAPHS:** The titles of the various paragraphs of this **POLICY** (and of endorsements included in this **POLICY**) are solely for reference and shall not in any way affect the provisions to which they relate.
- Y. **VACANCY:** The **NAMED INSURED** has permission to cease business operations or to have any insured **BUILDING VACANT** or unoccupied, provided that during this time, fire protection, security and alarm services must be maintained as represented in the submission or, if included with this **POLICY**, in compliance with the protective safeguards endorsement. The **NAMED INSURED** must notify **INSURER** no later than sixty (60) days after the cessation of business operations or vacancy. If not so notified within sixty (60) days, the Company will not pay for any damage caused by any of the following even if they are Covered Causes of Loss:
1. Vandalism
 2. Sprinkler Leakage, unless the Insured has protected the system against freezing;
 3. Building Glass Breakage;
 4. Water Damage;
 5. Theft; or
 6. Attempted Theft

With respect to Covered Causes of Loss other than those listed in X.(1) through X.(6) above, the Company will reduce the amount that would otherwise be paid for the damage by 15%.

SECTION VIII - POLICY DEFINITIONS

- A. **ACTUAL CASH VALUE:** means the amount it would cost to repair or replace **COVERED PROPERTY**, at the time of damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. **ACTUAL CASH VALUE** applies to valuation of **COVERED PROPERTY** regardless of whether that property has sustained partial or total damage.

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The **ACTUAL CASH VALUE** of the lost or damaged property may be significantly less than its replacement cost.

- B. **AIRCRAFT OR VEHICLE IMPACT** means only physical contact by or from an aircraft, drone, spacecraft, self-propelled missile or vehicle, including objects falling from same.
- C. **AVERAGE DAILY VALUE (ADV): AVERAGE DAILY VALUE** means the total 100% **TIME ELEMENT VALUE** that would have been projected for the **PERIOD OF INTERRUPTION** for the **LOCATION(S)** where the physical damage occurs, had no physical damage occurred, divided by the number of working days in such **PERIOD OF INTERRUPTION**. The sum shall include all **TIME ELEMENT VALUES** to which the operations of the **LOCATION(S)** directly or indirectly contribute.
- D. **BUILDING** means a fully enclosed permanent structure with walls and a continuous roof.
- E. **BACKUP OF SEWERS AND DRAINS** means Water which backups or discharges from sewers, drains or sumps on the Insured's **LOCATION**. Cause of loss is not considered **FLOOD**, unless such backup or discharge was due to **FLOOD** as defined in this **POLICY**.
- F. **CLOSING DOCUMENTS** means proof of sale and transfer of ownership documentation.
- G. **COLLAPSE** means an abrupt falling down or caving in of a **BUILDING** or any part of a **BUILDING** with the result that the **BUILDING** or part of the **BUILDING** cannot be occupied for its current intended purpose. The **COLLAPSE** must be caused by or resulting from one or more of the following:
1. **BUILDING** decay that is hidden from view; however, coverage will not be provided if the presence of such decay is known to the Insured prior to collapse;
 2. Insect or vermin damage that is hidden from view, however, coverage will not be provided if the presence of such damage is known to the **NAMED INSURED** prior to collapse;
 3. Use of defective material or methods in construction, remodeling or renovation, in the event that the abrupt collapse occurs during the course of construction, remodeling or renovation.
 4. Use of defective material or methods in construction, remodeling or renovation, in the event that the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - a. A cause of loss listed in I.F. as stated above;
 - b. One or more of the **DEFINED CAUSES OF LOSS**;
 - c. Breakage of **BUILDING** glass;
 - d. Weight of people or personal property; or
 - e. Weight of rain that collects on a roof.
- H. **COVERED CAUSE OF LOSS** means all risks of sudden and accidental direct physical damage to **COVERED PROPERTY**, except as excluded.
- I. **COVERED PROPERTY** means the **NAMED INSURED'S COVERED PROPERTY**, as listed in the **STATEMENT OF VALUES**, used on the **NAMED INSURED'S** business operations and provided coverage by this **POLICY**.
- J. **DEDUCTIBLE** means the amount payable by the **NAMED INSURED** on a per **OCCURRENCE** basis or as otherwise described in SECTION I. H.

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- K. **DEFINED CAUSE OF LOSS** means fire, lightning, **EXPLOSION, WINDSTORM OR HAIL, SMOKE, AIRCRAFT OR VEHICLE IMPACT, RIOT, STRIKE OR CIVIL COMMOTION, VANDALISM AND MALICIOUS MISCHIEF, or LEAKAGE FROM FIRE PROTECTION EQUIPMENT.**
- L. **DROUGHT** is an event of prolonged shortages in the water supply, whether atmospheric (below-average precipitation), surface water or ground water.
- M. **EARTHQUAKE** means:
1. Quaking, vibratory or undulating movement of a portion of the earth's crust, produced by tectonic or underground volcanic forces or by breaking, shaking, trembling or shifting of rock beneath the earth's crust. The definition of **EARTHQUAKE** does not include subsidence, landslide, rock slide, mudflow, earth rising, earth sinking, earth shifting or settling, unless as a direct result of such **EARTHQUAKE**.
 2. **EARTHQUAKE SHOCK** means the sum total of all the **NAMED INSURED'S** losses attributable directly from the peril of **EARTHQUAKE** sustained during any period of one hundred sixty-eight (168) consecutive hours by reason of one **EARTHQUAKE SHOCK** or a series of **EARTHQUAKE SHOCKS**.
 3. Volcanic eruption, meaning the eruption, **EXPLOSION** or effusion of a volcano, excluding tsunami. All volcanic eruptions that occur within any one hundred sixty-eight (168) hour period will constitute a single occurrence.
 4. Sprinkler Leakage caused by or resulting from **EARTHQUAKE**.
 5. Tsunami flooding, whether caused by **EARTHQUAKE** or not, is not included in the **EARTHQUAKE** peril.
- N. **EARTH MOVEMENT** means:
1. Any natural or manmade landslide, mudslide, mudflow, rock falls, including any earth sinking, rising or shifting related to such event;
 2. Subsidence of a man-made mine, whether or not mining activity has ceased;
 3. Earth sinking (other than sinkhole loss if covered elsewhere), 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;
 4. Volcanic eruption, meaning the eruption, **EXPLOSION** or effusion of a volcano; or
 5. Tsunami flooding is not included in **EARTH MOVEMENT**.
 6. **EARTH MOVEMENT** does include **EARTHQUAKE**.
 7. Coverage for **EARTH MOVEMENT** does not extend to provide coverage for sinkhole loss in Florida, absent an endorsement specifying that coverage for **sinkhole** loss is provided.
- O. **EARTHQUAKE COUNTIES:** As referenced in this **POLICY**, designated **EARTHQUAKE ZONES** shall be defined as all **LOCATIONS** situated within the States or Counties as specified below:
1. **ALASKA:** All Counties except Northslope
 2. **CALIFORNIA:** Entire State
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3. **HAWAII: All Counties** other than Honolulu and Kauai
4. **PACIFIC NORTHWEST STATES:** Oregon and Washington
5. **New Madrid Earthquake Zone Counties:**
 - A. Arkansas: Arkansas, Clay, Cleburne, Conway, Craighead, Crittenden, Cross, Desha, Faulkner, Fulton, Independence, Izard, Greene, Jackson, Jefferson, Lawrence, Lee, Lincoln, Lonoke, Mississippi, Monroe, Phillips, Prairie, Poinsett, Pulaski, Randolph, Sharp, St. Francis, Stone, Van Buren, White, and Woodruff.
 - B. Illinois: Alexander, Bond, Calhoun, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Edwards, Effingham, Fayette, Franklin, Gallatin, Greene, Hamilton, Hardin, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Macoupin, Madison, Marion, Massac, Monroe, Montgomery, Moultrie, Perry, Pope, Pulaski, Randolph, Richland, Saline, Shelby, St. Clair, Union, Wabash, Washington, Wayne, White, and Williamson.
 - C. Indiana: Davies, Dubois, Gibson, Knox, Perry, Pike, Posey, Spencer, Sullivan, Vanderburgh, and Warrick.
 - D. Kentucky: Ballard, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Fulton, Graves, Hancock, Henderson, Hickman, Hopkins, Livingston, Lyon, Marshall, McCracken, McLean, Muhlenberg, Ohio, Todd, Trigg, Union, and Webster.
 - E. Mississippi: Alcorn, Benton, Bolivar, Coahoma, De Soto, Lafayette, Marshall, Panola, Quitman, Sunflower, Tallahatchie, Tate, Tippah, Tunica, and Union.
 - F. Missouri: Bollinger, Butler, Cape Girardeau, Carter, Crawford, Dent, Dunklin, Franklin, Howell, Iron, Jefferson, Lincoln, Madison, Mississippi, New Madrid, Oregon, Pemiscot, Perry, Reynolds, Ripley, Scott, Shannon, St. Charles, St. Francois, St. Louis City, St. Louis, Ste. Genevieve, Stoddard, Warren, Washington, and Wayne.
 - G. Tennessee: Benton, Carroll, Chester, Crockett, Decatur, Dickson, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Hickman, Houston, Humphreys, Lake, Lauderdale, Madison, McNairy, Montgomery, Obion, Perry, Shelby, Stewart, Tipton, and Weakley.
- P. **ELECTRONIC DATA AND MEDIA** means data, messages, information, coding, programs, instructions or any other software stored on electronic, electromechanical, electromagnetic data processing or electronically controlled production equipment and distributed by means of a computer network or produced in a format for use with a computer.
- Q. **EQUIPMENT BREAKDOWN** means:
 1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 2. Electrical device, appliance or wire(s) disturbance by means of artificially generated electrical current, including electric arcing,
 3. **EXPLOSION** of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the Named Insured, or operated under the control of the **NAMED INSURED**;
 4. Damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or

5. Damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

R. **EXPLOSION** means a sudden, accidental and destructive shattering or eruption. **EXPLOSION** does not include damage occasioned by or incident to **EXPLOSION** in or relating to the following equipment owned, operated or controlled by the Insured:

1. Steam boiler, steam turbines, steam engines, and steam pipes interconnecting any of the foregoing;
2. Moving or rotating machinery or parts thereof when such direct damage is caused by centrifugal force or mechanical breakdown;
3. Combustion gas turbines;

To the extent of the loss to such products, any products manufactured by the **NAMED INSURED** or other property attached to these products or forming a part thereof, including those products and property undergoing pressure tests. **EXPLOSION** will include damage arising or resulting from:

1. The **EXPLOSION** of accumulated combustible gases or unconsumed fuel within the furnace of a boiler or pressure vessel, other than combustion gas turbines, or within the flues or passages which conduct the gases of combustion therefrom;
2. A combustion **EXPLOSION** occurring outside of any equipment excluded above, even though such combustion **EXPLOSION** may have been the direct result of the **EXPLOSION** or such excluded equipment.

The following are not **EXPLOSIONS** within the intent or meaning of this definition:

1. Electric arcing or any coincident rupture of electrical equipment due to such arcing;
2. Bursting or rupture caused by freezing;
3. Sonic shock waves, generally known as Sonic Boom;
4. Bursting, rupture or collapse of any safety disc, rupture diaphragm or fusible link.

S. **EXTERIOR INSULATION FINISHING SYSTEM (EIFS)**, such as Dryvit, Denseglass, Synergy, Parex, and Synthetic Stucco means any exterior non-load bearing wall cladding or finish system along with all component parts, that includes but is not limited to the following:

1. Water-resistive barrier;
2. Layer of rigid or semi-rigid insulation board attached to the substrate using an adhesive and/or mechanical fasteners;
3. Fiberglass mesh reinforcement layer;
4. Water-resistant base coat applied to mesh reinforcement layer; and
5. Finish coat for color and texture including sealant around windows, doors and other penetrations.

T. **FINE ARTS** means: paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, , porcelains, and similar property of rarity, historical value, or artistic merit; excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metal, watercraft, aircraft, money

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and securities.

- U. **FLOOD** means, whether natural or manmade, **FLOOD** waters, surface water, waves, tide or tidal water, overflow or rupture of a dam, levee, dike, floodgates, or other surface containment structure, storm surge, the rising, overflowing or breaking of boundaries of natural or manmade bodies of water, or the spray from any of the foregoing, all whether driven by wind or not. Tsunami induced flooding is considered a **FLOOD**.

Water which backups or discharges from sewers, drains or sumps on the Insured's **LOCATION** is not considered **FLOOD**, unless such backup or discharge was due to **FLOOD** as defined above.

- V. **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** means:

1. **FUNGUS** includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including **MOLD(S)**, rusts, **MILDEW** smuts and mushrooms.
2. **MOLD and MILDEW** includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce **MOLD(S)**.
3. **SPORE OR YEAST** means any dormant or reproductive body produced by or arising or emanating out of any **FUNGUS, MOLD(S), MILDEW**, plants, organisms or microorganisms.

- W. **HARD COSTS** means:

1. Building(s) or structure(s) as described in the schedule of values including foundations, machinery and fixtures and attachments and similar property that has become or intended to become a permanent part of the building(s) or structure(s); and
2. Materials, supplies and similar property owned by others for which you are responsible for. This property must be used in the construction operations insured under this **POLICY** and be located at the premise(s) described in the schedule of values.

- X. **HURRICANE** means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.

- Y. **INSURER** means the company or companies shown on the Allocation Endorsement as their interests appear thereon.

- Z. **LAND** means land (except land for which values are reported and premiums are charged hereunder), such as dikes, levees, and other surface containment structures. Surface containment structures are not **LAND** to a depth of six inches below such surface containment structures.

- AA. **LEAKAGE FROM FIRE PROTECTION EQUIPMENT** means direct physical damage from:

1. Water or other substances discharged from within any part of the **FIRE PROTECTION EQUIPMENT** for the insured **LOCATION** or for any adjoining **LOCATIONS**;
2. Collapse or fall of tanks forming a part of the **FIRE PROTECTION EQUIPMENT** or the component parts or supports of such tanks.

The term **FIRE PROTECTION EQUIPMENT** includes tanks, water mains, hydrants or valves, and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

1. Branch piping from a joint system where such branches are used entirely for purposes other than fire protection;

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2. Any underground water mains or appurtenances located outside of the insured **LOCATION** and forming a part of the public water distribution system;
3. Any pond or reservoir in which the water is impounded by a dam.

BB. **LOCATION** is defined as specified in the **STATEMENT OF VALUES** on file with VRU; but if not so specified, **LOCATION** means any **BUILDING**, yard, dock, wharf, pier or bulkhead or any group of the foregoing bounded on all sides by public streets, clear **LAND** space or open waterways, each not less than two hundred feet wide. Any bridge or tunnel crossing such street, space or waterway shall render such separation inoperative for the purpose of this definition.

CC. **MISCELLANEOUS UNNAMED LOCATION(S)** means a **LOCATION** that has not been included in the **STATEMENT OF VALUES** on file with **INSURER** and has not been reported to **INSURER** as required by the **POLICY** provisions.

There is no coverage under this Paragraph for damage which is covered under the **ERRORS OR OMISSIONS** or **NEWLY ACQUIRED PROPERTY** provisions of this **POLICY**.

DD. **NAMED INSURED** means the **NAMED INSURED(S)** as well as any **ADDITIONAL INSURED(S)**, **MORTGAGEE(S)**, **LENDER'S LOSS PAYEE(S)**, **LOSS PAYEE(S)** set forth in the relevant Certificates of Insurance or contract as specified in Section I.

EE. **N/A** means Not Applicable.

FF. **NAMED STORM** a storm that has been declared by the National Weather Service to be a **HURRICANE**, Typhoon, Tropical Cyclone, Tropical Storm, or Tropical Depression.

GG. **OCCURRENCE** means any one loss, disaster, casualty, incident or series of losses, disasters, casualties or incidents, arising out of a single event, and includes all resultant or concomitant insured losses. The **OCCURRENCE** must occur during the **POLICY** period.

If more than one event for **WINDSTORM OR HAIL, NAMED STORM, RIOT, STRIKE OR CIVIL COMMOTION, VANDALISM & MALICIOUS MISCHIEF, EARTH MOVEMENT OR FLOOD** covered by this **POLICY** occurs within any period of seventy-two (72) hours during the term of this **POLICY**, such covered events shall be deemed to be a single **OCCURRENCE**. When filing proof of loss, the **NAMED INSURED** may elect the moment at which the seventy- two (72) hour period shall be deemed to have commenced, which shall not be earlier than the time when the first loss occurs to the **COVERED PROPERTY**.

Each loss by **EARTHQUAKE** occasioned by any one disaster, series of disasters or losses, arising out of any one event will constitute a single loss hereunder, provided, if more than one "**EARTHQUAKE**" shock arising out of any one event occurs within any period of one hundred sixty-eight (168) hours during the **POLICY** period, such "g" shocks will be deemed to be a single "**EARTHQUAKE**" within the meaning hereof. We will not be liable for any loss caused by any "**EARTHQUAKE**" shock occurring before the effective date and time of this **POLICY**, nor for any loss occurring after the expiration date and time of this **POLICY**.

HH. **POLLUTANTS OR CONTAMINANTS** means any solid, liquid, gaseous or thermal irritant or contaminant, including smog, **SMOKE**, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.

II. **QUALIFYING PERIOD** means a specified period, as specified in the **POLICY** (e.g. 72 hours) that establishes that the **INSURER** is not responsible for loss suffered during the specified period. Coverage begins when the specified period is

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breached and reach back to the date of loss for coverage application. The applicable **POLICY** deductible still applies from the date of loss, once the specified qualifying period is breached.

- JJ. **RIOT, STRIKE OR CIVIL COMMOTION** means violent public disturbances including:
1. Acts of striking employees while occupying the insured **LOCATION**; and
 2. Pilferage or looting occurring at the time and place of a **RIOT** or **CIVIL COMMOTION**.
- KK. **REBATE** means remuneration, payment, gift, discount, or transfer of any item of value to the **NAMED INSURED** by or on behalf of a person or business performing the repairs as an incentive or inducement to obtain repairs performed by that person or business.
- LL. **SINKHOLE** means a land form created by subsidence of soil, sediment or rock as underlying strata are dissolved by ground water. A **SINKHOLE** forms by collapse into subterranean voids created by dissolution of limestone or dolostone, or by subsistence as these strata are dissolved.
- MM. **SMOKE** means damage ensuing from a sudden and accidental release of a visible suspension of carbon and other particles. The peril of **SMOKE** does not include damage caused by **SMOKE** from agricultural smudging or industrial operations.
- NN. **SPECIAL FLOOD HAZARD AREAS** means areas of 100-year flooding as defined by the Federal Emergency Management Agency (FEMA) and shall only include those Flood Zones that are prefixed A or V.
- OO. **TIER 1** and **TIER 2**: Shall be defined as all **LOCATIONS** situated within Tier 1 or Tier 2 Counties, Parishes or Independent Cities as specified below:

State	Tier 1	Tier 2
AL	Baldwin Mobile	Covington Escambia Geneva Houston
CT	Fairfield Middlesex New Haven New London	
DE	Sussex	Kent
FL	All FL counties	Not Applicable
GA	Bryan Camden Chatham Glynn Liberty McIntosh	Brantley Charlton Effingham Long Wayne
HI	All HI counties	

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LA	Cameron Iberia Jefferson Lafourche Orleans Plaquemines St. Bernard St. Martin (South) St. Mary St. Tammany Terrebonne Vermilion	Acadia Ascension Assumption Calcasieu East Baton Rouge Iberville Jefferson Davis Lafayette St. Charles St. James St. John The Baptist St. Martin (North) Tangipahoa Washington West Baton Rouge
MA	Barnstable Bristol Dukes Essex Nantucket Norfolk Plymouth Suffolk	Middlesex
MD	Worcester	Calvert Dorchester St. Mary's Somerset Wicomico
ME	Cumberland Hancock Knox Lincoln Sagadahoc Waldo Washington York	
MS	Hancock Harrison Jackson	George Pearl River Stone

NC	Beaufort Bertie Brunswick Camden Carteret Chowan Currituck Dare Hyde New Hanover Onslow Pamlico Pasquotank Pender Perquimans Tyrrell Washington	Bladen Columbus Craven Duplin Gates Hertford Jones Lenoir Martin Pitt Sampson
NH	Rockingham Strafford	
NJ	Atlantic Cape May Monmouth Ocean	Burlington Cumberland Essex Hudson Middlesex Union
NY	Kings Nassau Queens Richmond Suffolk	Bronx New York Westchester
RI	Newport Washington	Bristol Kent
SC	Beaufort Charleston Colleton Georgetown Horry Jasper	Berkeley Dillon Dorchester Florence Hampton Marion Williamsburg

TX	Aransas Brazoria Calhoun Cameron Chambers Galveston Harris Jefferson Kennedy Kleberg Matagorda Nueces Refugio San Patricio Willacy	Bee Brooks Fort Bend Goliad Hardin Hidalgo Jackson Jim Wells Liberty Live Oak Orange Victoria Wharton
VA	Accomack Chesapeake Gloucester Hampton Isle of Wight James City Lancaster Mathews Middlesex Newport News Norfolk Northampton Northumberland Poquoson Portsmouth Suffolk Surry Virginia Beach City Westmoreland Williamsburg City York	

PP. **TIME ELEMENT VALUES** means the **GROSS EARNINGS, EXTRA EXPENSE, ROYALTIES, CONTINGENT TIME ELEMENT, RENTAL INCOME, DELAY IN COMPLETION and/or SOFT COSTS (as applicable) VALUES**, as reported on the **STATEMENT OF VALUES** on file with **INSURER**, for the **PERIOD OF INTERRUPTION** sustained by the **NAMED INSURED** identified in the **STATEMENT OF VALUES** .

QQ. **TOTAL INSURABLE VALUES (TIV)** means all **COVERED PROPERTY** reported on the **STATEMENT OF VALUES** on file with **INSURER**.

RR. **UNIT OF INSURANCE** is defined as: In the application of the **DEDUCTIBLES**, each of the following shall be considered a separate unit of insurance:

1. Each separate **BUILDING** or structure
2. Contents in each separate **BUILDING** or structure
3. Property in the yard of each separate **BUILDING** or structure

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4. Annual **TIME ELEMENT VALUE** applying to each separate **BUILDING** or structure

SS. **VACANT** is defined as: The insured **BUILDING** is considered vacant or unoccupied when 70% or more of its square footage is not rented or does not contain adequate **COVERED PROPERTY** to conduct customary business operations, but this provision shall not apply to any time period when customary business operations are suspended due to circumstances that are usual to such business operations.

TT. **VALUABLE PAPERS AND RECORDS** means documents that are written, printed or otherwise inscribed. These include:

1. Books, manuscripts, abstracts, maps and drawings; film and other photographically produced records, such as slides and microfilm;
2. Legal and financial agreements, such as deeds and mortgages;
3. Addressograph plates; and
4. Any electrically produced data, such as printouts, punched cards, tapes or discs.

VALUABLE PAPERS AND RECORDS does not mean money and securities and converted data, programs or instructions used in data processing operations, including the materials on which the data is stored.

UU. **VANDALISM AND MALICIOUS MISCHIEF** means willful and malicious direct physical damage to, or destruction of, real **COVERED PROPERTY** as stated on the SOV. **VANDALISM AND MALICIOUS MISCHIEF** does not include damage caused by or resulting from theft, except for real property damage caused by the breaking or exiting of individuals committing burglary. **VANDALISM AND MALICIOUS MISCHIEF** does not include any loss caused by any cyber or electronic data or media cause or any related ensuing loss.

VV. **WAITING PERIOD** is a specified period, as specified in the **POLICY** (e.g. 72 hours) that establishes that the insurer is not responsible for loss suffered during the specified period immediately following a direct damage loss. Coverage begins only when and after the specified period is breached and does not reach back to the date of loss but begins following the specified period.

WW. **WARRANTY:**

1. means any provision of an insurance contract which has the effect of requiring, as a condition precedent of the taking effect of such contract or as a condition precedent of **INSURER'S** liability hereunder, the existence of fact which tends to diminish, or the non-existence of a fact which tends to increase, the risk of the occurrence of damage within the coverage of the contract.
2. A breach of warranty shall not void an insurance contract or defeat recovery hereunder unless such breach materially increases the risk of loss, damage or injury within the coverage of the contract. If the insurance contract specified two or more distinct kinds of loss, damage or injury which are within its coverage, a breach of warranty shall not void such contract or defeat recovery hereunder with respect to any kind of loss, damage or injury other than the kind or kinds to which such warranty relates and the risk of which is materially increased by the breach of such warranty.

XX. **WINDSTORM OR HAIL** means direct action of wind or the direct action of hail, accompanied by wind or not, which causes damage. **WINDSTORM OR HAIL** does not mean impacts or gradual changes which cause damage and which are brought about by frost, ice (other than hail), snow or sleet, whether driven by wind or not; or cold weather.

SERVICE OF SUIT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

- A. This Service of Suit Clause should not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration Provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such Arbitration Provision or arbitral award, not as an alternative to arbitration for resolving disputes arising out of this contract of insurance.
- B. In the event a suit is filed, we agree to submit to the jurisdiction of any court of competent jurisdiction within the United States in which the suit may be brought. Nothing in this condition constitutes or should be understood to constitute a waiver of our right to enforce an Arbitration Provision, commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. We specifically reserve the right to remove any suit to a United States District Court to compel arbitration.
- C. It is further agreed that service of process in such suit may be made upon:

Velocity Specialty Insurance Company

Attn: Legal Department
10 Burton Hills Blvd. Suite 300 B
Nashville, TN 37215

United Specialty Insurance Company

Attn: Terry Ledbetter
1900 L. Don Dodson Drive
Bedford, TX 76021

**Certain Underwriters Lloyds of London –
Syndicate 2357**

Lloyd's America, Inc
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017

**Certain Underwriters at Lloyd's and Other
Insurers subscribing to Binding Authority
UMR B604510568622025**

Lloyd's America, Inc
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017

Emerald Bay Specialty Insurance Company

Attn: General Counsel
177 Madison Avenue, Suite 1004
Morristown, NJ 07960

Nationwide Mutual Insurance Company

Attn: General Counsel
One Nationwide Plaza Columbus, OH 43215-
2220
Email: mike.richard@nationwide.com

SERVICE OF SUIT

**Certain Underwriters at Lloyd's subscribing
to Binding Authority UMR B1868HT2400625,**

Satinwood Consortium 4635

Lloyd's America, Inc
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017

or his or her representative, and that in any suit instituted against us with respect to this Policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

- D. Additionally, pursuant to any statute of any state, territory, or district of the United States which makes provisions, we designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as our true and lawful attorney upon whom service may be made of any lawful process in any action, suit, or proceeding instituted by you or on your behalf or any beneficiary arising out of this Policy of insurance, and we designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NOTICE TO POLICYHOLDERS REGARDING THE U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ
IT CAREFULLY**

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. All other terms and conditions of this insurance policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown

No coverage is provided by this notice. You should read your policy and review your declarations page for complete information on the coverages you are provided.

This notice provides information concerning your rights as a policyholder and payments to, from or with the Insured, additional insured, loss payee, or claimant, for insured loss or damage to covered property under this policy. Such payments may be affected by the administration and enforcement of U.S. economic embargoes, trade sanctions, or other directives issued by the Office of Foreign Assets Control ("OFAC") and/or possibly the U.S. Department of State.

OFAC is an office of the Department of the Treasury that administers and enforces sanctions policy under presidential wartime and national emergency powers, as well as authority granted by specific legislation, in order to impose controls on transactions and freeze foreign assets under U.S. jurisdiction. OFAC has identified and listed numerous foreign countries, foreign organizations, foreign agents, terrorist organizations, terrorists, and international narcotics traffickers and other named individuals, group and entities as "Specially Designated Nationals and Blocked Persons." This list and more in-depth information on OFAC is available at the following website: <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, or any other applicable regulation promulgated by the U.S. Department of State, if it is determined that the Insured, additional insured, loss payee, or claimant has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, we must block or "freeze" property and payment of any funds transfers or transactions and report all blocks to OFAC with ten (10) days. We will not pay a claim, accept premium, or exchange monies or assets of any kind to, from or with individuals or entities, including but not limited to financial institutions, on the Specially Designated National and Blocked Person list. Additionally, we will not defend or provide any other benefits under your policy to, from or with individuals, groups or entities on the Specially Designated National and Blocked Person list. Other limitations on premiums and payments may also apply.

**MINIMUM EARNED AND SPECIAL
CATASTROPHE MINIMUM EARNED PREMIUM**

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

1. In the event of cancellation of this Policy or reduction of coverage by the Insured, a minimum premium of 35% of the original Policy premium shall become earned; any conditions of the Policy to the contrary notwithstanding.

Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Insurer(s) and/or Company(s) to cancel. In the event of such cancellation by the Insurer(s) and/or Company(s) for non-payment of premium, the minimum premium shall be due and payable; provided, however, such non-payment cancellation shall be rescinded if the Insured remits the full premium due within 10 days of receiving it.

2. In the event of any other cancellation by the Insurer(s) and/or Company(s), the earned premium shall be computed pro rata, subject to the minimum premium.
3. If this Policy is canceled by the Insured or if the amount of insurance on any Tier 1 and/or Tier 2 location is reduced, and no coverage existed from June 1 to November 30, the return premium is 90% of the pro-rata subject to any minimum earned premium stipulations in the Policy.
4. If coverage existed on any Tier 1 and/or Tier 2 location at any time during the period from June 1 to November 30, the amount of premium returned will be a percentage of the total premium determined as follows:

<u>Days Policy in Force</u>	<u>Unearned Factor</u>
1 – 180	20%
181 – 210	15%
211 – 240	10%
241 – 270	7.50%
271 – 300	5%
301 – 330	2.50%
331 – 365	0%

5. If Tier 1 and/or Tier 2 locations are added during the term of the Policy, the rate will be calculated as 100% of the annual rate, less the Unearned Factor in Item 4 above.
6. The provisions of this endorsement are in addition to and do not alter any minimum earned premium provisions in the Policy or its attachments.
7. All reference herein to "Tier 1", "Tier 1 Windstorm", "Tier 2", "Tier 2 Windstorm" or similar "Tier 1" and/or "Tier 2" references, shall be defined as within the Policy.

All other terms and conditions, insured coverage and exclusions of this insurance Policy

remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

CLAIMS REPORTING INFORMATION NOTICE

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT

CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

To All Velocity Risk Underwriters, LLC ("VRU") Insured(s):

All claims shall be reported to VRU Claims (email is preferable for quickest response):

(1) **E-Mail:** business.claims@velocityrisk.com

Or

(2) Phone: 1-844-VRU-CLMS (1-844-878-2567)

and/or its adjusters assigned to the respective claim(s). The costs of such adjustments shall be borne by the Insurer(s) and/or Company(s) in proportion to its pro-rata participation in this Policy.

Many occurrences result in damages which require immediate attention in order to prevent further loss. Please contact VRU Claims at the e-mail address listed above as soon as possible to report the claim. Please try to have the following information available:

- Insured name and policy number
- Exact location of the occurrence
- Detailed description of the occurrence
- Type of loss
- A contact number for someone at the location of the occurrence

ALLOCATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

In consideration of the premium charged for this Policy as outlined by the Insurer(s) and/or Company(s) in the declarations, the applicable participation of each Insurer(s) and/or Company(s) as a percentage (%) of the limit of liability shown in the Policy is as follows:

Perils (As Per Policy)	Insurer	Contract	Contract ID	Participation (as a %)
ACC	Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025 RenaissanceRe	B60451056862202 5	VRN-CN-0003785-05	12.0000%
ACC	Certain Underwriters at Lloyd's, London - Syndicate 2357	B6121VEL2025	VNB-CN-0003785-05	39.0000%
ACC	Harleysville Ins Co of New York	9927	RYA-CN-0003785-05	15.0000%
ACC	United Specialty Insurance Company	USIC2025	VTX-CN-0003785-05	3.0000%
ACC	Velocity Specialty Insurance Company	VSIC2025	VSI-CN-0003785-05	31.0000%

The contracts herein cover mutually exclusive perils. The maximum limit of liability is not to exceed the per occurrence participation stated in the Policy, regardless of whether multiple perils and multiple contracts are involved. Recognition of liability by either of the contracts reduces the limit of liability of any corresponding contract.

The liability otherwise determined to exist under the terms and conditions of this Policy shall be borne by the contract covering the proximate cause of loss identified in the allocation of security. Covered perils shall be defined by the applicable forms attached to this Policy.

Symbols Used Herein:

<u>Peril</u>	<u>Symbol</u>	<u>Insurer</u>	<u>Symbol</u>
All Covered Causes of Loss (excludes Equipment Breakdown Coverage, Cyber Coverage and Deductible Buyback Coverage)	ACC	United Specialty Insurance Company	USIC
		Certain Underwriters at Lloyd's - Syndicate 2357	2357
		Certain Underwriters at Lloyd's and Other Insurers Subscribing to Binding Authority UMR B604510568622025 RenaissanceRe	RNR
		Velocity Specialty Insurance Company	VSIC
		Emerald Bay Specialty Insurance Company	EBSIC
		Harleysville Ins Co of New York (HICONY – a Nationwide Company)	NWMN
Cyber Coverage	CC	Velocity Specialty Insurance Company	VSIC
		Velocity Specialty Insurance Company	VSIC
Equipment Breakdown	EBD	Velocity Specialty Insurance Company	VSIC
Deductible Buyback Coverage	DBB	Certain Underwriters at Lloyd's subscribing to Binding Authority UMR B1868HT2400625, Satinwood Consortium 4635	SWD

The Insurer's and/or Company's liability under this Policy for covered losses is several and not joint with other insurers party to this contract. The Insurer and/or Company is liable only for the proportion of liability it has underwritten. The Insurer and/or Company is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is the Insurer and/or

Company otherwise responsible for any liability of any other insurer that may underwrite this Policy.

The Insurer's and/or Company's liability may not be increased in the event that any other insurer or other party to this contract who for any reason does not satisfy all or part of its obligations.

This contract shall be constructed as a separate contract between the Insured and each of the Insurers. This evidence of coverage consists of separate sections of a composite insurance for all Underwriters at Lloyd's combined and separate policies issued by the insurance company(ies), all as identified above. This evidence of coverage does not constitute in any manner or form a joint certificate of coverage by Underwriters at Lloyd's with any other insurance company(ies).

All other terms and conditions, insured coverage and exclusions of this insurance Policy including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this insurance Policy.

VRU-016-0821 TRIA Excluded

EXCLUSION OF CERTIFIED ACTS OF TERRORISM (TRIA COVERAGE DECLINED)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement is issued in accordance with the terms and conditions of the U.S. Terrorism Risk Insurance Program as provided for and created by the U.S. Terrorism Risk Insurance Act of 2002 as amended ("TRIA").

It is hereby noted that we have made available coverage for **insured losses** directly or indirectly resulting from a **certified act of terrorism** and you have declined this coverage. Accordingly, the following exclusion is added to the policy.

We will not pay for loss or damage caused directly or indirectly by 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:

Exclusion of Certified Acts of Terrorism

We will not pay for loss or damage caused directly or indirectly by a **certified act of terrorism**, including action in hindering or defending against an actual or expected incident of a **certified act of terrorism**.

All other terms, conditions, insured coverage(s), and exclusions of this policy, including applicable limits and deductibles, remain unchanged and apply in full force and effect to the coverage provided by this policy.

Definitions

The following definitions are added:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism pursuant to TRIA. The criteria contained in TRIA for a **certified act of terrorism** include the following:

- a. The act resulted in **insured losses** in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Insured loss(es) has the meaning as provided for in TRIA.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

PROTECTIVE SAFEGUARDS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

Schedule

Symbol(s)	Location(s) Applicable
AS CC	As indicated on the Schedule of Values on file with the Insurer/Company
OTHER	As indicated on the Schedule of Values on file with the Insurer/Company
Describe any "OTHER"	(a) Heating, Ventilation, and Air Conditioning – maintained and in operation at all times (b) Any aluminum wiring in buildings are properly pigtailed or retrofitted with CO/AL receptacles on all switches, outlets, and circuit break panels in accordance with local electrical codes

A. In consideration of the premium charged and based on the protection of the premises by the protective safeguard systems described in the Schedule above, it is a condition of this Policy that the Insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the system which are under the control of the Named Insured, including maintenance and service requirements.

The protective safeguards to which this endorsement applies are identified by the following symbols:

1. "AS" Automatic Sprinkler System, including related supervisory services.
 - I. Automatic Sprinkler System means any automatic fire protective or extinguishing system, including connected:
 - i. Sprinklers and discharge nozzles;
 - ii. Ducts, pipes, valves and fittings;
 - iii. Tanks, their component parts and supports; and
 - iv. Pumps and private fire protection mains.
 - II. When supplied from an automatic fire protective system:
 - i. (1) Non-automatic fire protective systems; and
 - ii. (2) Hydrants, standpipes and outlets.
 - III. If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.
2. "AA" means Automatic Fire Alarm
 - I. Automatic Fire Alarm means an automatic fire alarm protecting the entire building that is:
 - a. Connected to a central station, or
 - b. Reporting to a public or private fire alarm station.

3. "SS" means Security Service

- I. Security Service means a security service with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

4. "SC" means Service Contract

- I. Service Contract means a written contract with a privately owned fire department providing fire protection service to the described premises.

5. "CS" means Central Station Burglar Alarm

Central Station Burglar Alarm means a central station burglar alarm that is protecting all entryways and windows that is:

- I. Activated and operational
- II. Reporting to a public or private burglar alarm station; and
- III. In the "on" position during all non-working hours or when the insured premises are unoccupied.

6. "CC" means Automatic Commercial Cooking Exhaust And Extinguishing System

Automatic Commercial Cooking Exhaust And Extinguishing System means automatic commercial cooking exhaust and extinguishing system installed on cooking appliances having the following components:

- I. Hood;
- II. Grease removal device;
- III. Duct system; and
- IV. Wet or dry chemical fire extinguishing equipment
- V. If part of an Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

7. "NG" means No Grill or Fryer usage on balconies, porches or within 20 feet of any structure

Grills and/or Fryers consisting of any of the following items :

- I. Charcoal, Wood, Oil and/or Liquified Petroleum Gas (LPG);
- II. Open Flame

8. Other

- I. Other means the protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of the Policy referenced above:

The Insurer(s) and/or Company(s) will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

It is also a condition of this Policy that the Insured shall give immediate notice to the Insurer(s) and/or Company(s) of any impairment in or suspension of any equipment or service pertaining to the system within the knowledge of the Named Insured.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

ROOF VALUATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

Any damage to an existing Roof Surface that has been in place, at the time of loss, on an insured building or structure for a period of years greater than the years listed in the table below will be subject to *actual cash valuation*, as defined by the policy. Repairs to portions of the Roof Surface are not equivalent to replacement, and the age of the portion of the Roof Surface which has undergone repair shall be determined by the age of that portion of the Roof Surface had no repairs taken place.

Primary Roof Surface Material Type	Years
Clay, concrete tile, or slate	30
Light metal panels, standing seam metal	25
All Other Roof Coverings	12

Roof Surface means the roof surface material type (slate, composition, wood, tile, metal, all other roof surface material types) of the building or other structures covered under this policy and all other roof components, including, but not limited to:

- a. Flashing, caps, vents, drips edges, and ice shields;
- b. Sheathing, decking, underlayment, felt and membranes;
- c. Modified bitumen, bitumen, rubber, built-up and sprayed polyurethane foam or applied silicone roofing;
- d. Foam inserts and elastomeric coating;
- e. Finials, eave, and gable trim and snow guards;
- f. Battens, counter battens, bird stops, gravel stops; and
- g. Coatings, adhesives, adherents and other finishing materials for roof surface materials and all other roof components.

We will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair, or demolition of Roof Surfaces, except as provided in Section I – Coverage and Limits of Liability, Item F. Sublimits of Liability, Sub-item e. Additional Coverage Sublimits, Letter p. Ordinance or Law of the Policy Form.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

TOTAL OR CONSTRUCTIVE LOSS EARNED PREMIUM CONDITION

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

- A.) It is hereby understood and agreed that in the event of a covered Actual Total Loss or Constructive Total Loss of any item of property insured during the Period of Insurance specified in the Statement of Values on File with this Company, the total premium for this Policy shall be considered to be fully earned at the time of the loss and no return premium will be due.
- B.) This endorsement shall not apply where State Law or any Premium Finance Agreement would be violated.

Definition: "Constructive Total Loss" shall be defined as a property damage loss that is treated as an Actual Total Loss where the cost of repair would exceed the Limit of Liability shown in the Schedule on File with this Company or the actual cash value (whichever is the lesser amount).

"Actual Total Loss" shall mean a loss that occurs when the insured property is totally destroyed or damaged in such a way that it can be neither recovered nor repaired for further use.

WATER DAMAGE DEDUCTIBLE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

This Endorsement applies to the location(s) in the schedule below:

ADDRESS:	BUILDING OCCUPANCY/DESCRIPTION:
All Locations	

Section I – Coverages and Limits of Liability; Item H. Deductible section of the **VRU Commercial Property Comprehensive Form (Form # VRU-017-031425)** is hereby amended to include the following deductible:

WATER DAMAGE Deductible: \$50,000

Each claim for **WATER DAMAGE** that is insured by this policy, except claims for **FLOOD/STORM SURGE, BACKUP OF SEWERS AND DRAINS** or **WIND-DRIVEN PRECIPITATION** shall be adjusted separately based on the **WATER DAMAGE** Deductible shown above.

Water damage means sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, boiler, appliance or other piping. This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped; water damage may not be covered if the damage resulted from the insured's negligence or failure to maintain proper repairs;
- b. Caused by or resulting from freezing except as provided in the peril of freezing; or
- c. On the insured location caused by accidental discharge or overflow which occurs off the insured location.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

PROPERTY CYBER AND DATA EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;
regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
3. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

4. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
5. Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
6. Cyber Incident means:

- 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
7. Computer System means:
- 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
8. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

SEVERAL LIABILITY CLAUSE

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

SANCTION LIMITATION AND EXCLUSION CLAUSE

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

CERTAIN UNDERWRITERS AT LLOYD'S AND OTHER INSURERS SUBSCRIBING TO BINDING AUTHORITY UMR B604510568622025 LIST

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

If Certain Underwriters at Lloyd's and Other Insurers Subscribing to Binding Authority UMR B604510568622025 LIST are listed as security on the Allocation Endorsement attached to the policy, the list of participants is shown below:

Account Number:	2021-9003785-05						
UMR:	B604510568622025						
Policy Number:	VRN-CN-0003785-05						
<table border="1" style="margin: auto; border-collapse: collapse;"><thead><tr><th style="width: 70%;">Syndicate / Carrier</th><th style="width: 30%;">Participation</th></tr></thead><tbody><tr><td>Certain Underwriters at Lloyd's – Syndicate 1458 18th Floor, 125 Old Broad Street, London, EC2N 1AR, United Kingdom</td><td style="text-align: center;">100%</td></tr><tr><td>RenaissanceRe Specialty U.S. LTD</td><td style="text-align: center;">0%</td></tr></tbody></table>		Syndicate / Carrier	Participation	Certain Underwriters at Lloyd's – Syndicate 1458 18 th Floor, 125 Old Broad Street, London, EC2N 1AR, United Kingdom	100%	RenaissanceRe Specialty U.S. LTD	0%
Syndicate / Carrier	Participation						
Certain Underwriters at Lloyd's – Syndicate 1458 18 th Floor, 125 Old Broad Street, London, EC2N 1AR, United Kingdom	100%						
RenaissanceRe Specialty U.S. LTD	0%						

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sub-limits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

ANTI-PUBLIC ADJUSTER ENDORSEMENT

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.**

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

It is understood and agreed that a condition of this **POLICY** is that the **NAMED INSURED** shall not hire, engage, retain, contract with, or otherwise utilize the services of a public adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the **POLICY**.

To the extent this Endorsement conflicts with Texas law, this Endorsement would not be applicable.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

RESTRICTED ASSIGNMENT OF POST-LOSS BENEFITS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

This Endorsement modifies insurance provided under the following:

VRU COMMERCIAL PROPERTY COMPREHENSIVE FORM

THIS **POLICY** DOES NOT ALLOW THE ASSIGNMENT OF POST-LOSS INSURANCE BENEFITS. BY

SELECTING THIS **POLICY**, YOU WAIVE YOUR RIGHT TO FREELY ASSIGN OR TRANSFER THE POST-LOSS PROPERTY INSURANCE BENEFITS AVAILABLE UNDER THIS **POLICY** TO A THIRD PARTY OR TO OTHERWISE FREELY ENTER INTO AN ASSIGNMENT AGREEMENT.

Your **POLICY** is endorsed to restrict the assignment of post-loss benefits.

SECTION VII – CONDITIONS, D. ASSIGNMENT is replaced with the following:

D. ASSIGNMENT: The **NAMED INSURED** may not assign this **POLICY** without the **INSURER'S**

prior written consent. Post-loss assignment of rights, benefits or claims arising under this **POLICY** are prohibited.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

VRU COVERAGE CHANGE ENDORSEMENT

Policy Number: 2021-9003785-05
Named Insured: Aquidneck Country Club, Inc.
Policy Term: 12/26/2025 to 12/26/2026
Endorsement Effective Date: 12/26/2025
Premium: N/A

Carrier	Coverage	Participation	Contract ID
United Specialty Insurance Company	All Covered Causes of loss	3.00%	VTX-CN-0003785-05
Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025	All Covered Causes of loss	12.00%	VRN-CN-0003785-05
Certain Underwriters at Lloyd's, London - Syndicate 2357	All Covered Causes of loss	39.00%	VNB-CN-0003785-05
Velocity Specialty Insurance Company	All Covered Causes of loss	31.00%	VSI-CN-0003785-05
Harleysville Ins Co of New York	All Covered Causes of loss	15.00%	RYA-CN-0003785-05

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

Effective 12/26/2025, the following has been added to this insurance policy:

- All Golf Course Property as defined in the Policy Form, as well as Golf Carts, is excluded, whether it has been included within the Statement of Values or not. All Time Element coverage arising from loss or damage to Golf Course Property, as well as Golf Carts, is excluded, whether it has been included within the Statement of Values or not.

- GOLF COURSE PROPERTY means, driving ranges, cut fairways, greens, cut and maintained roughs and other cut and maintained playing surfaces, bunkers, ball washers, flags, tee signs, tee boxes, tee markers, tee monuments, benches, poles and bells, exterior light fixtures, walks, patios, fences, bridges, cart paths, other paved surfaces adjacent to covered greens and fairways, underground wiring including any related equipment, underground irrigation equipment, sprinkler heads and any related Business Income or Extra Expense. o Mortgagee/Loss Payee Bank of New England o 31 Pelham Road o Salem, NH 03079.

Exhibit 3

**IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA**

FLORIDA ASSOCIATION OF PUBLIC
INSURANCE ADJUSTERS, INC. and
NATIONAL ASSOCIATION OF PUBLIC
INSURANCE ADJUSTERS, INC.,

CASE NO: 2025-019878-CA-01
COMPLEX BUSINESS DIVISION

Plaintiffs,

v.

VELOCITY RISK UNDERWRITERS, LLC,

Defendant.

_____ /

AMENDED COMPLAINT

Plaintiffs Florida Association of Public Insurance Adjusters, Inc. (“FAPIA”) and National Association of Public Insurance Adjusters, Inc. (“NAPIA”) (“Plaintiffs”) bring this action against Defendant Velocity Risk Underwriters, LLC (“Velocity” or “Defendant”) and allege:

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I. NATURE OF ACTION

1. Defendant uses an “Anti-Public Adjuster Endorsement” in its insurance policies to prevent Florida policyholders from hiring a Florida-licensed Public Adjuster to help them investigate, estimate, present and process an insurance claim after their covered property is damaged.

2. If a policyholder nonetheless retains a Florida-licensed Public Adjuster, Defendant refuses to deal with the Public Adjuster, refuses to process the policyholder’s claim, and threatens to forfeit (or cancel) the policyholder’s coverage. Unsurprisingly, policyholders capitulate. If the insured does not give up and give in to Defendant’s coercive tactics, then Defendant refuses to act on the claim, canceling or effectively canceling the insured’s coverage.

3. The Anti-Public Adjuster Endorsement (also referred to in this Amended Complaint as the “Endorsement”) thus prevents insureds and Florida-licensed Public Adjusters from entering into contracts that are authorized by law for the preparation and presentation of first-party property claims and undermines and boycotts or refuses to deal with a legitimate profession (*i.e.*, Florida-licensed Public Adjusters) recognized by statute and licensed and regulated by the State of Florida. This lawsuit seeks a declaration that the anti-consumer, anti-competitive, unfair and deceptive Anti-Public Adjuster Endorsement is a violation of the Florida Deceptive and Unfair Trade Practices Act, §§ 501.201 *et seq.*, Fla. Stat., and that Defendant be enjoined from its use in the State of Florida.

4. Furthermore, as alleged below, Defendant – acting in concert with out-of-State insurers for whom it serves as managing general agent (or “MGA”) in the Florida surplus lines property insurance market – has conspired and agreed to exclude Florida-licensed Public Adjusters from competing with adjusters beholden to Defendant. This lawsuit therefore also seeks a declaration that the agreement between the Defendant and its out-of-State insurer co-conspirators constitutes an unlawful restraint of trade in violation of the Florida Antitrust Act, § 542.18, Fla. Stat., and an injunction prohibiting Defendant from enforcing, entering into, using, or requiring such an agreement in the State of Florida.

5. The Anti-Public Adjuster Endorsement also is unenforceable because it purports to condition coverage upon post-loss conduct that does not, as a matter of law, prejudice Defendant or its subscribing insurers, and because it is contrary to Florida public policy as set forth in the statutes and regulations governing the licensure of Public Adjusters and all insurance adjusters. Plaintiffs thus request a declaration that the Anti-Public Adjuster Endorsement is unenforceable under Florida common law, and that Defendant cannot decline or restrict a policyholder’s coverage because the policyholder hired a Florida-licensed Public Adjuster.

II. BACKGROUND

6. Defendant Velocity represents surplus lines property and casualty insurers – *i.e.*, carriers that offer insurance policies to Florida consumers under policies unregulated as to form or rate. When surplus lines policyholders sustain losses, such as after a hurricane, they need an insurance adjuster in their corner to assist in preparing and processing their claim for coverage and payment of the loss. Among other reasons, most policyholders have little or no experience navigating the insurance claims process and estimating the value of property losses.

7. There are basically two kinds of insurance adjusters under applicable Florida law. One is an “all-lines adjuster” employed by the insurer (a “company employee adjuster,” *see* § 626.856, Fla.

Stat.) or by a firm that provides services only to insurers (an “independent adjuster,” *see* § 626.855, Fla. Stat.). Such adjusters work exclusively on behalf of insurers (and are not independent); these adjusters are referred to in this Amended Complaint as an “Insurer’s Adjuster.” Insurer’s Adjusters are prohibited from acting as Public Adjusters. *See* § 626.864, Fla. Stat.

8. The other kind of adjuster is a Public Adjuster. A Public Adjuster exclusively represents the interests of the insured in investigating, estimating, presenting, and processing an insurance claim after the insured’s property is damaged, and then negotiating for or effecting the settlement of a claim for loss or damages covered by an insurance policy in exchange for compensation. *See* § 626.854(1), Fla. Stat.

9. The public adjusting profession has been recognized by and regulated under Florida law for more than seventy years. *See* § 636.011(5), Fla. Stat. (1953); *Larson v. Lesser*, 106 So. 2d 188 (Fla. 1958). A Public Adjuster must be licensed and is subject to statutory and regulatory standards, including, but not limited to: comprehensive ethical obligations, restrictions on the form and content of the adjuster’s agreement with an insured; requirements for communications with the insured and the insurer; a bond requirement; and restrictions on the time and manner of solicitation. *See generally* § 626.851, Fla. Stat. *et seq.* and Fla. Admin. Code R. 69B-220.051, 69B-220.201. Plaintiffs FAPIA and NAPIA represent the interests of the hundreds of Florida-licensed Public Adjusters who are among their members.

10. Public Adjusters compete with Insurer’s Adjusters to investigate, estimate, present and process insureds’ property insurance losses for purposes of setting claim values. Available data shows that Florida insureds represented by Public Adjusters are generally reimbursed more completely on their claims; that is, insureds receive more money on their claims using Public Adjusters than they would have relying upon an Insurers’ Adjuster’s assessment. *See, e.g.*, Florida Office of Program

Policy Analysis & Government Accountability (“OPPAGA”) Report No. 10-06 (Jan. 2010), at p. 7-8. Indeed, Velocity admits that it derives tremendous financial benefit from the use of the Endorsement. Velocity’s Anti-Public Adjuster Endorsement is intended to be, and is, exclusionary in its purpose and effect as it prevents Public Adjusters from providing competitive claims adjusting services to value an insured’s loss claim. The collective agreement among Velocity and its co-conspirators to uniformly include terms within their insurance contracts that preclude the insureds from retaining the beneficial services of Public Adjusters also eliminates competition among the insurance companies to offer more attractive terms and conditions to insureds in order to procure their business; and it restricts competition between Florida-licensed Public Adjusters and Florida-licensed lawyers to provide Post-Loss Claim Services that are not the practice of law.

11. Velocity’s Anti-Public Adjuster Endorsement forecloses the insured’s consultation with the very professionals recognized and licensed by the State of Florida to assist them. Without the option of retaining a Public Adjuster, competition is suppressed and the insured does worse going it alone. Velocity even asserts that the Anti-Public Adjuster Endorsement restricts an insured’s attorney from consulting with a Public Adjuster to estimate an insured client’s loss.

12. After a loss, the Endorsement applies and affects the insured when he/she/it is most vulnerable or susceptible to the coercive effects of the Endorsement.

13. An example of Velocity’s Anti-Public Adjuster Endorsement reads as follows:

It is understood and agreed that a condition of this **POLICY** is that the **NAMED INSURED** shall not hire, engage, retain, contract with, or otherwise utilize the services of a public adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the **POLICY**.

14. The self-evident unfairness and anti-competitive nature of the Anti-Public Adjuster Endorsement is magnified by Velocity’s deceptive claims settlement practices. For example, Velocity’s retained Insurer’s Adjusters are instructed to refuse any contact with Public Adjusters hired

by policyholders; to cease processing the claims of policyholders that hire Public Adjusters; and to threaten policyholders with breach of the insurance policy and forfeiture of coverage if they do not immediately terminate any engagement of a Public Adjuster. This conduct essentially cancels the coverage, because Defendant will not resume processing the policyholder's claim unless satisfied that the Public Adjuster has been terminated. If all of its threats and coercion fail, then Defendant will cancel, or effectively cancel, the policy.

15. The Endorsement and Velocity's claims settlement practices are unfair and deceptive to insureds because, among other reasons, the Anti-Public Adjuster Endorsement is unenforceable as a matter of law. It is well-settled under Florida law that an insured's breach of a post-loss condition – *i.e.*, per Velocity, the insured's act of hiring a Public Adjuster to assist with making or settling a claim – does not limit coverage unless that breach causes material prejudice to the insurer. A Public Adjuster investigates the loss, values the loss, presents the loss, and negotiates with the insurer regarding that loss. Neither an insured's consultation with and representation by a licensed professional (*i.e.*, the Public Adjuster) nor the insurer's payment of covered loss is material prejudice to an insurer as a matter of law.

16. Velocity's Anti-Public Adjuster Endorsement is an unfair trade practice, contrary to Florida public policy, and unenforceable as a matter of law. The Court should declare the Anti-Public Adjuster Endorsement in violation of FDUTPA and should enjoin its use. Additionally, Velocity's agreement with the out-of-State co-conspirator insurers is anti-competitive, and this Court should declare that it constitutes an unreasonable restraint of trade in violation of the Florida Antitrust Act and enjoin its enforcement and use. Additionally, the Court should declare the Endorsement – and its contemplated forfeiture of insurance coverage – unenforceable as a matter of Florida law because it is an unenforceable post-loss condition of coverage and is contrary to Florida public policy.

III. THE PARTIES

17. FAPIA is a membership organization and Florida not-for-profit corporation. FAPIA has been active in representing the interests of Florida Public Adjusters for more than 30 years. FAPIA's mission, among other things, is to organize and unite the public adjusting profession for the benefit of the insured citizens of Florida, to establish high standards of professional conduct and efficiency among its members, to study and assist in carrying out all laws and regulations governing the public adjusting profession, and to advance and protect the interests of its members. FAPIA's membership includes approximately 650 Florida Public Adjusters.

18. NAPIA is a membership organization and Maryland corporation authorized to do business in the State of Florida. NAPIA was founded in 1951 to professionalize the then small but growing profession of public adjusting. At that time, NAPIA enacted a Constitution and Bylaws and a stringent code of ethics that serve as the model for public adjusting today. For over 70 years since its founding, NAPIA has worked to assure that Public Adjusters – who are the only professionals specifically licensed and regulated to prepare first-party property claims for consumer or commercial insureds – practice in an ethical and accountable way. NAPIA counts among its nationwide membership sixteen (16) Florida public adjusting firms and more than fifty (50) Florida-licensed Public Adjusters.

19. Plaintiffs FAPIA and NAPIA have “associational standing” to bring the claims asserted in this Amended Complaint in a representative capacity on behalf of their affected members because, among other reasons: (i) a substantial number of their members are Florida-licensed Public Adjusters who are substantially affected by the Anti-Public Adjuster Endorsement and would have standing to bring these claims in their own right; (ii) the Anti-Public Adjuster Endorsement and the claims asserted in this Amended Complaint are germane to each of FAPIA and NAPIA's purposes, as both entities exist to represent and advocate for the interests of Florida-licensed Public

Adjusters; (iii) the relief sought – namely, injunctive and declaratory relief – is of the type appropriate for trade associations to pursue on behalf of their members and does not require the participation of individual members; and (iv) the Anti-Public Adjuster Endorsement constitutes an exclusionary restraint that forecloses competition, thereby inflicting antitrust injury on Plaintiffs’ affected members. Plaintiffs’ affected members are the direct and immediate objects of this restraint, and therefore Plaintiffs are efficient enforcers of the antitrust laws.

20. The declaratory and injunctive relief requested in this Amended Complaint will also benefit Florida consumers that purchase Defendant’s insurance policies containing the Anti-Public Adjuster Endorsement.

21. Defendant Velocity is a limited liability company doing business in the State of Florida as a managing general insurance agent (“MGA”). Velocity acts as MGA or “managing general underwriter” for out-of-State insurers underwriting risks in the Florida surplus lines property insurance market. Velocity sells itself as a “property specialist MGA” writing insurance against “property catastrophe” in Florida and around the United States on behalf of insurers.

22. Velocity sells surplus lines property policies to Florida consumers, including those in Miami-Dade County, using its own policy form, which contains the Anti-Public Adjuster Endorsement, and with non-resident insurers each underwriting a certain percentage of the covered risk. Velocity’s Florida registered agent is Corporation Service Company, 1201 Hays Street, Tallahassee, Florida 32301. As of 2024-2025, Velocity underwrote thousands of policies in the State of Florida involving millions of dollars of premiums. This includes many policies in Miami-Dade County involving substantial premiums.

IV. JURISDICTION AND VENUE

23. This Court has subject matter jurisdiction over this action under § 26.012(2), Fla. Stat.

24. This case is subject to mandatory assignment to the Court's Complex Business Litigation Division because the amount in controversy relating to the requested declaratory and injunctive relief exceeds \$750,000; the factors identified in Florida Rule of Civil Procedure 1.201 and Administrative Order No. 25-01 favor the use of complex litigation procedures because of the likelihood of numerous pretrial motions raising difficult or novel legal issues; and the outcome of this case has the potential to have a significant impact on the business of Florida Public Adjusters and Florida Public Adjuster firms that are members of FAPIA or NAPIA.

25. Venue is proper in this Court pursuant to § 47.011, Fla. Stat., because, among other reasons, the causes of action asserted in this Amended Complaint accrued in Miami-Dade County due to Plaintiffs' members doing business in Miami-Dade County and the adverse impact of the Anti-Public Adjuster Endorsement therefore is felt there; Velocity sells policies covering risks in Miami-Dade County; Velocity has sold policies covering risks in Miami-Dade County that contain the Anti-Public Adjuster Endorsement; and Velocity has enforced its Anti-Public Adjuster Endorsement against policyholders in Miami-Dade County.

26. This Court has personal jurisdiction over Defendant pursuant to § 48.193(1)(a)(1), (4) and § 48.193(2), Fla. Stat., because, among other reasons, the Defendant: (i) operates, conducts, engages in, or carries on business or a business venture in the State of Florida; (ii) contracted to insure a person, property, or risk located within the State of Florida at the time of contracting; and (iii) is otherwise engaged in substantial and not isolated activity within the State of Florida.

V. GENERAL ALLEGATIONS

A. Florida's Public Policy Recognizing and Licensing the Public Adjusting Profession is Long- and Well-Established

27. Florida-licensed Public Adjusters represent insureds in the investigation, preparation, filing and adjusting of insurance claims. Among other activities, Florida-licensed Public Adjusters

assist insureds in understanding the extent of coverage for a loss; complying with post-loss duties; preparing a claim for covered loss; estimating the monetary value of the loss; assessing the insurer's loss estimate; and working with the insurer to reach a full and fair settlement of the loss claim for the benefit of the insured.

28. Without the assistance of a Florida-licensed Public Adjuster, most insureds are disadvantaged at every stage of the post-loss insurance claim process because they lack the Public Adjuster's experience with insurance policy terms and conditions, loss valuation, and negotiations with Insurer's Adjusters and insurers. For example, the OPPAGA study recognized that value in its examination of insureds' outcomes in claims filed with Citizens Property Insurance Corporation, Florida's insurer of last resort. The study showed that insureds represented by Public Adjusters "generally received larger insurance settlements."

29. By Florida statute, Public Adjusters are the only professionals specifically licensed to represent the interests of a policyholder in adjusting an insurance claim in the State of Florida. (Florida-licensed attorneys are exempted from the licensing requirement).

30. Florida has a detailed statutory framework described in this Amended Complaint that reflects Florida's policy that Florida-licensed Public Adjusters have the right to contract with and work for Florida insureds in providing post-loss claims services and insureds have the right to hire a Florida-licensed Public Adjuster. Velocity's Endorsement, and its enforcement of that Endorsement to compromise an insured's coverage, is violative of or in conflict with these statutes, negates or is in conflict with the statutory rights of Florida-licensed Public Adjusters as set forth in these statutes, is injurious to the public, and is contrary to Florida's public policy.

31. The legitimacy of the public adjusting profession is expressly acknowledged under Florida law. As recognized by the Florida Supreme Court in 1958, "the business of a public adjuster

has been recognized as a valid and legitimate occupation by legislative definition.” *Larson*, 106 So. 2d at 192. More recently, the Florida Supreme Court ruled that the Public Adjuster’s right to solicit business is constitutionally protected commercial speech. *See Atwater v. Kortum*, 95 So. 3d 85, 87 (Fla. 2012). The Florida Administrative Code prohibits an Insurer’s Adjuster from advising against the engagement of a Public Adjuster to protect the claimant’s interest. Fla. Admin. Code R. 69B-220.201(3)(h). And the Florida Statutes regulating Public Adjusters recognize that an insured has a right to hire a Public Adjuster to assist with an insurance claim. *See, e.g.*, § 626.8796(6)(c), Fla. Stat. The detailed Florida statutes regarding Public Adjusters, Fla. Stat. §§ 626.851 *et seq.*, reflect the Florida Legislature’s decision that as a matter of Florida policy, Florida Public Adjusters are a “valid and legitimate occupation” that have a right to do business in Florida, and that Florida insureds have a right to use a licensed Public Adjuster’s services.

32. The statutory and regulatory requirements governing the Public Adjusting profession in Florida include, among other things: licensure; apprenticeship; continuing education; proof of financial viability; limited compensation; limitations on contracting with the insured; limitations on communications with the insured and insurers; and compliance with ethical standards for the profession. *See* Fla. Stat. §§ 626.851 *et seq.*; Fla. Admin. Code R. 69B-220.201; 69B-220.051.

33. For example, Florida law requires every licensed Public Adjuster to inform potential insured clients – using a form created by the Department of Financial Services – that the insured “is not required to hire a public adjuster but has a right to do so.” § 626.8796(6)(c), Fla. Stat.; Fla. Admin. Code R. 69B-220.051. No licensed insurance adjuster may “advise a claimant to refrain from seeking legal advice, nor advise against the retention of counsel or the employment of a public adjuster to protect the claimant’s interest.” Fla. Admin. Code R. 69B-220.201(h). Thus, the statutory and

regulatory framework governing Public Adjusters – and all insurance adjusters – recognizes the insured’s right to hire a licensed Public Adjuster as well as the insured’s right to hire a licensed attorney.

34. A Florida-licensed Public Adjuster is permitted to represent insureds in the adjustment of insurance claims; doing so without a license is a felony. § 626.8738, Fla. Stat. There is no profession other than a licensed Public Adjuster or licensed Florida attorney that may represent insureds in the adjustment of insurance claims. § 626.854(b), Fla. Stat. Proscribing an insured from hiring a Florida-licensed Public Adjuster to provide post-loss claims services is unlawful just as proscribing an insured from hiring a Florida-licensed attorney to provide post-loss claims services would be unlawful.

35. Just as an Insurer’s Adjuster cannot discourage an insured from hiring a Public Adjuster, Florida’s public policy is that an insurer may neither exclude a Public Adjuster from in-person meetings with the insured, nor fail to communicate with the Public Adjuster in an effort to reach agreement as to the scope of the covered loss under an insurance policy. §§ 626.854(15)(b); 626.854(15)(a), Fla. Stat.

36. Velocity’s Anti-Public Adjuster Endorsement, and its enforcement of that Endorsement to compromise an insured’s coverage, is in derogation of these Florida policies.

B. Velocity’s Endorsement Prohibits Insureds From Hiring Public Adjusters and Threatens Delayed Processing of Claims or Forfeiture of Coverage When They Do

37. Velocity’s policy form used in the Florida surplus lines property insurance market prohibits the insured from engaging the services of a Public Adjuster through the express terms of the Anti-Public Adjuster Endorsement. Florida’s Office of Insurance Regulation does not regulate the use of the Anti-Public Adjuster Endorsement in surplus lines policies. Insurance sold in the Florida surplus lines market, or “non-admitted market,” is not regulated in rate or form.

38. Velocity's policies issued to Florida insureds have included at least the following forms of Anti-Public Adjuster Endorsement:

ANTI-PUBLIC ADJUSTER ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

It is understood and agreed that a condition of this **POLICY** is that the **NAMED INSURED** shall not hire, engage, retain, contract with, or otherwise utilize the services of a public adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the **POLICY**.

ANTI-PUBLIC ADJUSTER ENDORSEMENT

In consideration for the premium paid, it is understood and agreed that a condition of this policy is that the insured shall not retain or use the services of a licensed public adjuster to inspect, evaluate or adjust any loss covered by the policy.

39. Velocity's Florida surplus lines policies bring together multiple out-of-State insurers under the umbrella of a single policy form to underwrite the covered risk. In agreeing to underwrite a percentage of a risk covered under Velocity's form, the out-of-State insurers agree with Velocity and with each other to the use of Velocity's anticompetitive Anti-Public Adjuster Endorsement. At the time these out-of-State insurers enter into this agreement with Velocity, they know and understand that the other insurers who are signing up for the policy as well (*i.e.*, their competitors) are also agreeing to the Endorsement, and absent that agreement among these competitors, they would not agree to underwrite a percentage of the risk with Velocity for the policy.

40. After a loss, if an insured hires a Public Adjuster, then per its policy, Velocity threatens the insured with forfeiture of coverage unless the insured stops working with the Public Adjuster. Velocity internally calls its heavy-handed response towards insureds with respect to Public Adjusters

its “best practices.” Under Velocity’s coercive “best practices,” if an insured hires a Public Adjuster, then:

(a) Neither Velocity nor its Insurer’s Adjusters communicate with the Public Adjuster;

(b) Velocity informs all experts and field staff hired for the claim’s investigation not to engage with the Public Adjuster;

(c) Velocity informs all experts and field staff for the claim’s investigation not to conduct an inspection of the property loss with a Public Adjuster present;

(d) Velocity requires that any written communication received from a Public Adjuster, at any point in the claims process, be rejected in writing to the insured. This includes proof of loss, estimates, documents and the like if sent by the Public Adjuster to Velocity or its Insurer’s Adjusters;

(e) Velocity demands cancelation of the insured’s engagement of the Public Adjuster. For instance, one form of the Velocity letter to an insured states that “[a]ny involvement of a Public Adjuster in the inspection, evaluation, or adjustment of your claim will constitute a breach of your insurance policy and could affect coverage for your loss.”

(f) Velocity cancels or effectively cuts off coverage for the insured if, despite Velocity’s threats and heavy-handed tactics, the policyholder does not cancel his/her/its contract with the Public Adjuster.

(g) Velocity threatens that it will not take any steps to investigate, and it does not investigate, the insured’s loss unless and until, if at all, the insured provides evidence that it has withdrawn from any representation by a Public Adjuster.

41. Velocity has employed the foregoing coercive practices to force insureds to terminate the engagement of a Public Adjuster or deter that engagement in the first place.

42. Velocity maintains a database tracking from the start of a Florida insured's claim whether the insured has retained a Public Adjuster, and when that occurs.

43. Velocity's extensive and coercive enforcement of the Anti-Public Adjuster Endorsement has injured and will continue to injure Florida-licensed Public Adjusters, including Plaintiffs' members, and Florida insureds.

44. Florida-licensed Public Adjusters, including Plaintiffs' members, have, and will continue to have, their engagements by Velocity policyholders terminated because of Velocity's enforcement of the Endorsement.

45. Florida-licensed Public Adjusters, including Plaintiffs' members, have lost and will continue to lose opportunities to represent insureds who discover the existence of an Anti-Public Adjuster Endorsement in their policy and are understandably unwilling to risk their coverage by hiring or retaining the Public Adjuster.

46. The injury that has been caused by Velocity's use and enforcement of the Anti-Public Adjuster Endorsement to Florida-licensed Public Adjusters, including Plaintiffs' members, and to Florida insureds, is extensive, and Plaintiffs reasonably expect it to continue if not expand. This injury to Plaintiffs' members and all Florida-licensed Public Adjusters is occurring with increasing frequency in Florida. The examples below are merely the tip of the iceberg of the instances in which Velocity's use and enforcement of the Anti-Public Adjuster Endorsement is causing injury to Plaintiffs' Florida-licensed Public Adjuster members. Rather, Velocity's unlawful conduct is substantially more extensive. The full extent of Velocity's use and enforcement of the Anti-Public Adjuster Endorsement is known to Velocity and will be fully revealed in fact discovery.

(a) In 2025, a Velocity policyholder in Orange County retained Public Adjuster 1 to assist with a claim for covered loss. Velocity refused to deal with Public Adjuster 1. Public Adjuster 1 released the client from the retention agreement.

(b) In 2025, a Velocity policyholder in Bay County retained a Public Adjuster 2 to represent them in the adjustment of a claim. Velocity refused to process the claim unless the insured withdrew the representation of Public Adjuster 2 and threatened that the use of a Public Adjuster “may jeopardize coverage.”

(c) In 2025, a Velocity policyholder in Lee County retained Public Adjuster 2 to assist with a claim for covered loss. Velocity refused to recognize the retention and demanded that the policyholder terminate the retention of Public Adjuster 2.

(d) In 2024, a Velocity policyholder retained Public Adjuster 3 in connection with a covered loss in Orange County. Public Adjuster 3 was required to terminate the representation on account of an Anti-Public Adjuster Endorsement.

(e) In 2023, a Velocity policyholder in Charlotte County submitted a claim for damage caused by Hurricane Ian with the assistance of Public Adjuster 4. The insurer demanded that Public Adjuster 4 be terminated on account of the Anti-Public Adjuster Endorsement, and the policyholder did so.

(f) In 2023, a Palm Beach County Velocity policyholder submitted a claim and retained Public Adjuster 5. Velocity refused to recognize Public Adjuster 5. Public Adjuster 5’s representation was terminated.

(g) A Velocity policyholder in Miami-Dade County engaged Public Adjuster 1 in connection with a covered loss arising from Hurricane Ian. Velocity refused to deal with Public Adjuster 1 on account of the Anti-Public Adjuster Endorsement.

(h) In 2023, a Leon County insured retained Public Adjuster 3 in connection with a covered loss. Velocity refused to deal with Public Adjuster 3 and demanded that the insured terminate the retention on account of the Anti-Public Adjuster Endorsement. The retention was terminated.

(i) In 2023, a policyholder in Lee County submitted a claim under a Velocity form for damage caused by Hurricane Ian. The policyholder retained Public Adjuster 6 and notified Velocity of the retention. Velocity informed the insured that it would not deal or communicate with Public Adjuster 6. The insured rescinded the contract with Public Adjuster 6.

(j) In 2023, a Velocity policyholder retained Public Adjuster 7. Velocity refused to recognize the retention and threatened the insured with breach of the insurance policy.

(k) Policyholders under a Velocity form in Port Charlotte County submitted claims for damage due to Hurricane Ian with the assistance of Public Adjuster 8. The insurer refused to deal with Public Adjuster 8 and threatened that adjustment of the loss would be delayed for so long as the insured continued to use a Public Adjuster. The insureds withdrew the representation of Public Adjuster 8.

(l) In 2021, a Velocity policyholder in Hillsborough County submitted a claim with the assistance of a Public Adjuster 9. Velocity rejected Public Adjuster 9's Letter of Representation, denied coverage, and refused to communicate with Public Adjuster 9 when requested to reevaluate the coverage determination.

47. Velocity has been active and overt in the development, implementation and spread of the Anti-Public Adjuster Endorsement among surplus lines carriers in Florida. The events alleged in this Amended Complaint establish an actual, present, and recurring controversy regarding the validity and enforceability of the Anti-Public Adjuster Endorsement, and demonstrate that insureds, as well as

Plaintiffs' members, have suffered and will continue to suffer concrete harm absent judicial intervention.

C. The Anti-Public Adjuster Endorsement Unfairly Prejudices Insureds in the Claim Adjustment Process; Velocity Deceives Consumers Regarding the Effect of the Endorsement

48. The Anti-Public Adjuster Endorsement hurts insureds when they are most in need of professional advice and experience. As a matter of common sense and as found by OPPAGA, insureds who do not have the assistance of Florida-licensed Public Adjusters generally recover less money on their insurance claims than insureds represented by Florida-licensed Public Adjusters. And with respect to catastrophic losses, the unrepresented insureds recover much, much less money than what they are entitled to under the insurance policy for which they paid.

49. Because Velocity threatens insureds with forfeiture of coverage, insureds are disincentivized from insisting that a Public Adjuster represent them or to mount legal challenges to the Anti-Public Adjuster Endorsement. Confronted with a major loss, insureds often need their claim processed and paid as soon as possible. Under the circumstances, the threat of delays combined with the risks to insureds of a forfeiture of coverage are too high, and despite the importance and value of the Public Adjuster's professional assistance, insureds capitulate to Velocity's unfair enforcement of the Endorsement.

D. The Anti-Public Adjuster Endorsement is an Unfair, Deceptive and Anti-Competitive Trade Practice in Violation of FDUTPA

50. The Anti-Public Adjuster Endorsement and Velocity's claims management practices relating to the Endorsement are unfair and deceptive.

51. A prohibition on any engagement with a licensed Public Adjuster is contrary to Florida public policy, which has recognized the legitimacy of the Public Adjusting profession and the service

it provides for more than seventy years, and which recognizes the right of the insured to utilize a Public Adjuster's services. *See, e.g.*, § 626.8796(6)(c), Fla. Stat.

52. Velocity's threat that the use of a Public Adjuster breaches the insurance policy and affects the existence of coverage is both unfair and deceptive. Among other reasons, Florida law abhors the forfeiture of insurance coverage and requires an insurer to prove material prejudice flowing from the breach of a post-loss insurance policy condition. No such material prejudice is caused by the insured's retention of a Florida-licensed Public Adjuster; the Public Adjuster acts on a delegation of authority from the insured, at the insured's expense, and is empowered to do at most only that which the insured could do for the insured's own account. In other words, the insurer should be indifferent to whether or not the insured hires a Florida-licensed Public Adjuster – unless the insurer's goal is to unfairly tilt the playing field in its favor by ensuring that an insured lacks professional and qualified advice regarding the loss claim.

53. The Anti-Public Adjuster Endorsement is anti-competitive by effecting an agreement between subscribing insurers to boycott Public Adjusters and by in effect requiring the use of the Insurer's Adjuster acting on the *insurers'* behalf. Velocity informs the subscribing insurers of the use of the Anti-Public Adjuster Endorsement in its policies; and each subscribing insurer has authorized Velocity to write insurance in conjunction with other insurers agreeing to the use of the Anti-Public Adjuster Endorsement.

54. Plaintiffs' Public Adjuster members are aggrieved by Velocity's use of the Anti-Public Adjuster Endorsement, which prevents insureds from hiring them, or directly reduces the likelihood that insureds will hire them, to assist with insurance claims. This harm is not hypothetical. Plaintiffs' Florida-licensed members have been denied engagements because of the Anti-Public Adjuster

Endorsement and have been forced to terminate existing representations of insureds because of the Anti-Public Adjuster Endorsement.

55. Insureds are aggrieved by the Anti-Public Adjuster Endorsement because it purports to cement the disparity in knowledge, information and bargaining power between Velocity and the insureds.

56. Because the form of surplus lines property insurance policies is not subject to regulatory review, and because the risks to insureds of a threatened forfeiture of coverage discourages insureds from challenging the legality of the Anti-Public Adjuster Endorsement, the requested declaratory relief is both necessary and proper.

E. The Agreement Between Defendant and Out-of-State Insurers Violates the Florida Antitrust Act

57. The purpose and effect of the Anti-Public Adjuster Endorsement and the use of that Endorsement in agreements between Velocity and its insurer co-conspirators, including without limitation Certain Underwriters at Lloyds, London and Interstate Fire & Casualty Company, is to consolidate all claims adjustment under Velocity policies in Florida under insurer control, to the exclusion of Public Adjusters, thereby unreasonably restraining trade. Plaintiffs' members have been, and will continue to be, excluded from serving policyholders in Florida as a direct result of the Endorsement and boycott that it reflects and enforces.

58. The Endorsement does not involve the spreading or transferring of a policyholder's risk. Risk transfer occurs when a policy is issued and the insurer assumes defined risks in exchange for premiums. The Endorsement, in contrast, operates only after a loss has occurred, and its sole function is to restrict policyholders from obtaining independent representation by a Public Adjuster in the claims process.

59. By contracting to adopt and enforce the Endorsement, Defendant and its insurer co-conspirators have agreed to exclude an entire licensed and regulated profession – Public Adjusters – from the Florida marketplace and to coerce insureds into foregoing the services of a Public Adjuster as a condition of coverage. The effect of these agreements is a concerted boycott of Public Adjuster services in Florida, restraining trade, harming competition, and inflicting ongoing, irreparable harm on Plaintiffs’ members in their lawful trade.

60. In a real sense, if left undisturbed, the Anti-Public Adjuster Endorsement is aimed to put an entire profession – Florida-licensed Public Adjusters – out of business and to insulate the Insurer’s Adjusters from competition for the business of adjusting insureds’ losses. That intent is confirmed by, among other things, Velocity’s direction to its Insurer’s Adjusters to refuse all communications with Public Adjusters if the loss is covered under a policy containing the Anti-Public Adjuster Endorsement. The Endorsement is a naked restraint of trade and injures not just Plaintiffs but insureds in Florida.

**COUNT I – VIOLATION OF THE FLORIDA
DECEPTIVE AND UNFAIR TRADE PRACTICES ACT**

61. Plaintiffs reallege and incorporate by reference all allegations set forth in paragraphs 1 through 60, *supra*, as if fully set forth in this Count.

62. This is an action for declaratory and injunctive relief under § 501.211(1), Fla. Stat.

63. At all times relevant to the allegations in this Count, Defendant sold and administered property insurance policies in trade or commerce.

64. The activity complained of in this Count is Velocity’s coercive, unfair and deceptive use of the Anti-Public Adjuster Endorsement to force Florida insureds not to hire, or to fire, Florida-licensed Public Adjusters.

65. Velocity's Anti-Public Adjuster Endorsement in its surplus lines policies is not regulated by the Florida Office of Insurance Regulation or the former Department of Insurance.

66. Velocity's coercive, unfair and deceptive use of the Anti-Public Adjuster Endorsement is not the business of insurance. Velocity's use of the Endorsement: (i) is not an insurable property interest; (ii) is not the risk of property loss, which is established by Velocity and the other surplus carriers before the policy is underwritten; (iii) is not an assumption of the risk of property loss by Velocity and the other surplus carriers that sign onto the policy, but is instead a punitive post-loss burden imposed on the insured; (iv) is not a general scheme to distribute the property loss among the surplus carriers, which is accomplished without regard to the insured's post-loss retention of a Florida-licensed Public Adjuster; and (v) is not a payment of a premium for an assumed risk of property loss that has not occurred. The Endorsement is not an integral part of the insurer-insured relationship because it covers only policyholders' dealings with independent professionals, *i.e.*, Public Adjusters. The Endorsement prohibits the *insured* from using the services of anyone purporting to perform the services of a Public Adjuster, whether duly licensed or not.

67. Defendant's use of and acts and practices surrounding the Anti-Public Adjuster Endorsement, as described above, are deceptive. This is because, to the extent that Velocity discloses the Endorsement to consumers before they purchase the insurance, the Velocity disclosure is likely to mislead consumers acting reasonably under the circumstances to the consumer's detriment. To the extent that Velocity fails to disclose the Endorsement to consumers before they purchase the surplus lines policy with the Endorsement in it, this failure to disclose is deceptive because consumers do not know and understand that after buying the policy, they will

be prohibited from hiring a Public Adjuster to represent and exclusively watch out for their interests in the provision of post-loss claims services.

68. Defendant's use of and acts and practices surrounding the Anti-Public Adjuster Endorsement, as described above, are unfair as they offend established public policy and are immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers. Additionally, the consumer injury caused by Defendant's acts and practices is substantial, is not outweighed by countervailing benefits to consumers or competition that the practice produces, and is an injury that consumers themselves could not reasonably have avoided.

69. Defendant's use of and acts and practices surrounding the Anti-Public Adjuster Endorsement, as described above, are unfair methods of competition.

70. Defendant's unfair, deceptive and anti-competitive use of the Anti-Public Adjuster Endorsement is unlawful.

71. As described above, Defendant's Anti-Public Adjuster Endorsement has caused injury to Plaintiffs' Florida-licensed Public Adjuster members.

72. Plaintiffs' Florida Public Adjuster members are foreseeably aggrieved by Defendant's unfair, deceptive and anti-competitive use of the Anti-Public Adjuster Endorsement and will benefit from the requested declaratory and injunctive relief.

73. Florida insureds entering into property insurance policies with Velocity are foreseeably or will foreseeably be aggrieved by Defendant's unfair, deceptive and anti-competitive use of the Anti-Public Adjuster Endorsement and will benefit from the requested declaratory and injunctive relief.

74. Accordingly, Plaintiffs request the following relief:

- (a) A declaration that the Anti-Public Adjuster Endorsement is an unfair or deceptive trade practice in violation of FDUTPA;
- (b) A declaration that Velocity's claims practices concerning the Anti-Public Adjuster Endorsement are unfair or deceptive trade practices in violation of FDUTPA;
- (c) An injunction prohibiting Velocity from including the Anti-Public Adjuster Endorsement in any policy directly or indirectly sold in the State of Florida and from taking any steps to enforce any existing Anti-Public Adjuster Endorsement in any policy covering Florida insureds or Florida-based risks;
- (d) An award of their reasonable attorneys' fees and costs; and
- (e) Granting such other and further relief as the Court may deem just and proper.

COUNT II – DECLARATORY JUDGMENT

75. Plaintiffs reallege and incorporate by reference all allegations set forth in paragraphs 1 through 60, *supra*, as if fully set forth in this Count.

76. Plaintiffs seek declaratory relief pursuant to Chapter 86, Fla. Stat., that Velocity's Anti-Public Adjuster Endorsement is unenforceable as a matter of law.

77. There is a bona fide, actual, present, and practical need for a declaration of the parties' rights.

78. The declaration sought concerns a present, ascertained or ascertainable set of facts, or present controversy as to a set of facts.

79. Plaintiffs and their Florida-licensed Public Adjuster members have an interest in the declaration sought, because the actual and repeated use and enforcement of the Anti-Public Adjuster Endorsement directly threatens the livelihood and profession of Florida-licensed Public Adjusters, and affects their rights, status, and other equitable or legal relations.

80. Plaintiffs and Defendant have adverse and antagonistic interests and are properly before the Court by proper process.

81. The relief sought is not merely the giving of legal advice by the Court or the answer to hypothetical questions propounded from curiosity but rather will resolve a concrete controversy by providing Plaintiffs, their Florida members, Florida insureds, and Defendant certainty with respect to the effect and enforceability of the Anti-Public Adjuster Endorsement.

82. Section 86.111, Florida Statutes, provides for expedited consideration of actions for declaratory relief, and Plaintiffs respectfully request such expedited consideration.

83. Because Plaintiffs and their Florida-licensed Public Adjuster members are in doubt concerning their respective legal rights, duties, and obligations with respect to the Anti-Public Adjuster Endorsement, Plaintiffs request a declaration to resolve this controversy. In particular, Plaintiffs request a declaratory judgment, on an expedited basis under § 86.111, Florida Statutes, providing:

(a) Velocity's Anti-Public Adjuster Endorsement is unenforceable because it is contrary to Florida statutes and regulations authorizing, licensing and governing the Public Adjusting profession; acknowledging the insured's right to retain a Public Adjuster; and/or prohibiting an Insurer's Adjuster from discouraging an insured from consulting with a Public Adjuster;

(b) Velocity's Anti-Public Adjuster Endorsement is unenforceable because it is a post-loss condition of insurance coverage concerning matters that do not cause material prejudice to Velocity or its subscribing insurers as a matter of law;

(c) A Florida insured's alleged breach of Velocity's Anti-Public Adjuster Endorsement is not, as a matter of law, a material breach forfeiting coverage under a property insurance policy containing the Endorsement; and

(d) Such other and further relief as the Court may deem just and proper.

COUNT III – RESTRAINT OF TRADE
(Per Se Violation; Fla. Stat. § 542.18)

84. Plaintiffs reallege and incorporate by reference all allegations set forth in paragraphs 1 through 60, *supra*, as if fully set forth in this Count.

85. Velocity and its co-conspirators sell surplus lines insurance coverage to Florida insureds. For purposes of this Count, this insurance transaction, that is, Velocity and its co-conspirators' sale of insurance coverage to Florida insureds, is the targeted or primary transaction.

86. Velocity acts as the coordinator of an unlawful horizontal agreement (or conspiracy) among itself and its competing surplus lines insurers who sign onto the Velocity form with the Anti-Public Adjuster Endorsement – including without limitation Certain Underwriters at Lloyds, London and Interstate Fire & Casualty Company – to use the Anti-Public Adjuster Endorsement in the Velocity form to boycott or engage in a concerted refusal to deal with Public Adjusters in the collateral transaction between a Florida insured who is in need of representation services for the post-loss investigation, estimation, presentation, and processing of a post-loss claim (“Post-Loss Claims Services”) and has hired, or wants to hire, a Public Adjuster to provide those services to the insured (the “Collateral Transaction”).

87. Velocity and its co-conspirators who sign onto the Velocity form with the Endorsement use, and are using, the targeted or primary transaction to boycott or refuse to deal with the Collateral Transaction and coerce insureds not to hire Public Adjusters.

88. The agreement among Velocity and its co-conspirators to boycott or refuse to deal with Public Adjusters as described in this Count is an unreasonable restraint of trade or commerce in Florida and is a *per se* violation of the Florida Antitrust Act, Fla. Stat. § 542.18. The boycott

and refusal to deal in this Count is not exempt from regulation under the McCarran-Ferguson Act, 15 U.S.C. § 1101, *et seq.*

89. The decision by Velocity and its co-conspirators to enter into this unlawful agreement is not the result of independent decision-making or independent action by each of them. Rather, as described in this Count, the decision and action is the result of each of them deciding to act, and acting, in concert with the other co-conspirators to agree upon, implement, and enforce the unlawful agreement for the common purpose and with the effect of boycotting or refusing to deal with Public Adjusters and preventing the competition between, among others, Velocity and its co-conspirators to offer insurance contracts with attractive terms and conditions to the insureds.

90. Velocity and each competing surplus lines insurer that signed onto the Velocity form with the Endorsement (*i.e.*, the co-conspirators) did so with the understanding that each of them agreed to the boycott and refusal to deal as described in this Count. Velocity and these competing co-conspirators would not have agreed to the boycott and refusal to deal unless each knew that its competitors who had signed onto the Velocity form with the Endorsement had agreed as well. Velocity and its co-conspirators acted in concert in agreeing to and participating in the unlawful boycott or refusal to deal.

91. Velocity and its co-conspirators knowingly agreed and acted in concert to boycott or refuse to deal with Public Adjusters as alleged in this Count by and through the following actions:

(a) Velocity informed each of its co-conspirator surplus carriers before each joined under the common umbrella of a Velocity form with the Endorsement that: (i) the Velocity form contains the Endorsement; (ii) signing onto the Velocity form with the Endorsement means that each surplus lines insurer agrees to the Endorsement; (iii) the Endorsement would give effect

to the boycott and refusal to deal with Public Adjusters in the Collateral Transaction; (iv) in order for the boycott and refusal to deal to be effective with respect to the Velocity form with the Endorsement, each competitor had to agree to the Velocity form with the Endorsement in it; (v) Velocity supervised and enforced, and would supervise and enforce, the Endorsement on behalf of itself and the other surplus lines insurers that sign onto the form with the Endorsement; and (vi) Velocity informed its competing surplus lines carriers that it was providing or had provided the foregoing information to their competitors before each signed onto the Velocity form with the Endorsement.

(b) At the time that each co-conspirator surplus lines insurer signed onto the Velocity form with the Endorsement, each co-conspirator knew that: (i) other competing surplus lines insurers would be signing or had signed onto the same Velocity form with the Endorsement; (ii) the other competing insurers that signed onto the Velocity form with the Endorsement agreed to the Endorsement and Velocity's supervision and enforcement of it on their behalf; (iii) the other competing insurers that signed onto the Velocity form with the Endorsement agreed to the boycott or refusal to deal with Public Adjusters in the Collateral Transaction and Velocity's enforcement of the boycott or refusal to deal; (iv) Velocity would not allow a surplus lines insurer to sign onto the Velocity form with the Endorsement unless the competitor agreed to the Endorsement and Velocity's enforcement of the Endorsement on their behalf; and (v) Velocity was sharing the foregoing information with the other surplus lines insurers before each of them signed onto the Velocity form with the Endorsement.

(c) Velocity and its co-conspirators exchanged information about the Endorsement and its purpose and effect in boycotting or refusing to deal with Public Adjusters in the Collateral Transaction before each of them signed onto a Velocity form with the Endorsement.

(d) Velocity and its co-conspirators each signed the Velocity form with the Endorsement based on and knowing information alleged in this Court.

92 The existence of one or more of a number of “plus factors” further demonstrates the anticompetitive character of the unlawful agreement among Velocity and its co-conspirators. Stated differently, in addition to the other allegations in this Court, there are “plus factors” from which a fact finder would reasonably infer the existence of the unlawful agreement alleged in this Court among Velocity and its co-conspirators. These “plus factors” include, without limitation, the following:

(a) Velocity and its co-conspirators have a common motive and unity of economic interest to conspire. By coercing insureds not to hire, or to fire, Public Adjusters from representation in Post-Loss Claims Services, Velocity and its co-conspirators force most insureds to accept the loss estimates of the Insurer’s Adjuster for Post-Loss Claims Services. The Insurer’s Adjuster exclusively watches out for the insurer and not the insured’s interest. This generally results in Velocity and its co-conspirators paying less in claims to an insured than they would pay if a Public Adjuster represented the insured. Entering into their unlawful agreement to boycott or refuse to deal with Public Adjusters was and is profit-maximizing to Velocity and its co-conspirators only if all of them agreed to act in concert as alleged in this Court.

(b) Velocity and each of its co-conspirators acts contrary to its economic self-interest in entering into the unlawful agreement alleged in this Court unless each knows and understands that the other conspirators are also entering into the same agreement and it was to their mutual advantage to do so. In other words, the decision by Velocity and each co-conspirator to enter into the unlawful agreement is rational only if the decision was the product of collusion and the knowledge that the other conspirators also were entering into the same agreement. No reasonable

surplus insurer would boycott or refuse to deal with Public Adjusters without an agreement among conspirators to do so. A Velocity insurance policy containing the Anti-Public Adjuster Endorsement is less valuable to an insured because the insured's inability to hire a Public Adjuster makes a lower loss recovery for the insured more likely. Thus, if there was no unlawful agreement among Velocity and its co-conspirators to use the Velocity form with the Endorsement, then for any conspirator (including Velocity) that used the Endorsement, doing so would make the insurance policy worse (or less attractive) for a customer than its competitor's policy that did not contain the Endorsement. This would cause the conspirator who used the Endorsement in a policy to lose sales and customers to a conspirator that did not use the Endorsement. But if Velocity and each of its co-conspirators knows that its competitors are using or will use the Endorsement in the policy, then each of them knows that it will not be at a competitive disadvantage in using the Endorsement in the policy and each of them will reduce the loss payments that it has to make to its insureds.

(c) There is a high level of interfirm communications among Velocity and its co-conspirators (and other surplus lines insurers doing business in Florida as well) with respect to preventing Public Adjusters from representing insureds in Post-Loss Claims Services. For example, Velocity and its co-conspirators, along with other competing surplus lines insurers, are members of trade organizations that meet periodically but regularly each year, and these meetings provide them with an opportunity to communicate about restraining or excluding Public Adjusters from representing insureds in Post-Loss Claims Services. These organizations include, without limitation, the Florida Surplus Lines Association ("FSLA"), the Wholesale & Specialty Insurance Association ("WSIA"), and the Windstorm Insurance Conference ("Windstorm"). The FSLA meetings occurred on or about August 24-26, 2022 at The Breakers Hotel in Palm Beach; August 9-11, 2023 at the Breakers Hotel in Palm Beach; August 7-9, 2024 at the JW Marriott Hotel in

Tampa; and August 6-8, 2025 at the Breakers Hotel in Palm Beach. The WSIA meetings occurred on or about September 11-14, 2022 at the Manchester Grand Hyatt in San Diego, CA; March 12-15, 2023 at the JW Marriott in Phoenix, AZ; April 2-5, 2023 at the Renaissance Hotel in Nashville, TN; September 17-20, 2023 at the Manchester Grand Hyatt in San Diego, CA; April 4-7, 2024 at the Austin Marriott in Austin, TX; and September 22-25, 2024 at the Manchester Grand Hyatt in San Diego, CA. The Windstorm meetings occurred on January 24-27, 2022 at the Lowes Royal Pacific Resort in Orlando, FL; January 23-26, 2023 at the Caribe Royale Hotel in Orlando, FL; January 29-February 1, 2024 at the Renaissance Hotel in Orlando, FL; and January 25-28, 2025 at the Hyatt Regency in Dallas, Texas. Velocity and other surplus lines insurers (including co-conspirators), and/or persons acting on their behalf, attended a number of the foregoing meetings and participated in the discussions described in this paragraph.

93. Velocity and its co-conspirators' boycott or refusal to deal is anticompetitive in its purpose and effect as demonstrated by, among other facts, the following:

(a) Velocity and its co-conspirators have cut off and are boycotting Florida-licensed Public Adjusters from providing Post-Loss Claims Services to Florida insureds. In other words, the boycott or group refusal to deal restricts the output of services, *i.e.*, Post-Loss Claims Services, to Florida insureds by excluding Public Adjusters from providing those services to them. In doing so, Velocity and its co-conspirators are reducing, restricting, excluding and restraining competition and output in the market for Post-Loss Claims Services.

(b) Florida-licensed Public Adjusters and Florida-licensed lawyers compete for the representation of insureds in the provision of Post-Loss Claims Services that are not the practice of law. *See* § 626.860, Fla. Stat. (attorney not required to be licensed to adjust or participate in adjustment of insurance claim). As a result of their boycott or refusal to deal with Public Adjusters,

Velocity and its co-conspirators reduce, restrict, exclude, and restrain competition between Florida-licensed Public Adjusters and Florida-licensed lawyers in providing insureds with these Post-Loss Claims Services. This restraint causes insureds economic injury. Thus, as a result of Velocity and its co-conspirators' boycott or refusal to deal, a Florida insured covered by a Velocity form with the Endorsement who wants representation to protect his/her/its interest in Post-Loss Claims Services can or does pay more money and/or receive a lower net claim recovery because the insured has to retain a lawyer licensed to practice in Florida to provide those services, rather than a Florida-licensed Public Adjuster.

(c) Velocity and its co-conspirators ordinarily compete against each other to offer surplus policy terms that will be attractive to Florida insureds. A surplus insurance policy that allows an insured to retain a Public Adjuster, *i.e.*, a policy without the Anti-PA Endorsement, is a more attractive and valuable contract right for an insured than a policy that forbids the retention of a Public Adjuster, *i.e.*, a policy with the Anti-PA Endorsement. The horizontal agreement among Velocity and its co-conspirators to use the Velocity form with the Endorsement is thus a horizontal agreement among them not to compete against each other on policy terms attractive to Florida insureds. This reduction in competition among Velocity and its co-conspirators directly injures Florida-licensed Public Adjusters because it precludes their employment by Florida insureds covered by Velocity and its co-conspirators' insurance policies that contain the Endorsement.

94. The individuals employed by Velocity and co-conspirators who participated in the unlawful conduct alleged in this Amended Complaint did so on behalf of their respective employer, and their conduct in furtherance of the unlawful conduct was undertaken by each of them during the course and scope of their employment by Velocity or a co-conspirator employer.

95. As a direct and proximate result of Velocity and its co-conspirators' concerted boycott and refusal to deal, Plaintiffs' members face ongoing and continuing irreparable harm, including exclusion from their chosen profession, suppression of competition in the adjustment of loss claims, and loss of business opportunities. Plaintiffs' injury is an injury of the type the antitrust laws were designed to prevent and flows from that which makes Defendant's and its co-conspirators' conduct unlawful.

96. Accordingly, Plaintiffs request the following relief:

(a) A declaration that the policies issued by Defendant and co-conspirator subscribing surplus lines insurers containing the Anti-Public Adjuster Endorsement are unlawful *per se* under § 542.18, Fla. Stat.;

(b) An injunction under § 542.23, Fla. Stat., permanently prohibiting Velocity, directly or indirectly, from using, enforcing, or requiring such Anti-Public Adjuster Endorsements in any policy covering Florida insureds or Florida-based risks;

(c) An award of the cost of suit, including a reasonable attorney fee; and

(d) Such other and further relief as the Court may deem just and proper.

Dated: December 22, 2025

Respectfully submitted,

By: /s/ William J. Blechman
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*Counsel for Plaintiffs Florida Association
of Public Insurance Adjusters, Inc. and
National Association of Public Insurance
Adjusters, Inc.*

CERTIFICATE OF SERVICE

I hereby certify that on December 22, 2025, I electronically filed the foregoing document with the Clerk of the Court using the Florida E-portal. I also certify that the foregoing document is being served on this day on all counsel of record via transmission of Notices of Electronic Filing generated by the Florida E-portal.

/s/ William J. Blechman

William J. Blechman

CLERK'S NOTICE

DOCKET NUMBER

2682CV00455

**Trial Court of Massachusetts
The Superior Court**



CASE NAME:

Swerling Milton Winnick Public Insurance Adjusters, Inc. vs. Velocity Risk Underwriters, LLC

Walter F. Timilty
Norfolk County

TO:

Kara Thorvaldsen, Esq.
Lawson and Weitzen LLP
88 Black Falcon Ave Suite 345
Boston, MA 02210

COURT NAME & ADDRESS

Norfolk County Superior Court
650 High Street
Dedham, MA 02026

You are hereby notified that on 04/23/2026 the following entry was made on the above referenced docket:

Endorsement on Motion for a Temporary Restraining Order and preliminary injunction (#4.0): Summons and Order of Notice to issue under prayers A-H returnable 5/5/2026 at 2:00PM via zoom. Meeting ID: 160 489 5466 (No Passcode)

DATE ISSUED

04/23/2026

ASSOCIATE JUSTICE/ ASSISTANT CLERK

SESSION PHONE#

(781)326-1600

COMMONWEALTH OF MASSACHUSETTS

NORFOLK, ss

SUPERIOR COURT

SWERLING MILTON WINNICK PUBLIC
INSURANCE ADJUSTERS, INC.

Plaintiff

v.

VELOCITY RISK UNDERWRITERS, LLC

Defendant

No. 2682CV00455

PLAINTIFF'S MOTION FOR SHORT ORDER OF NOTICE

Plaintiff in the above-captioned matter hereby moves this Honorable Court for a short order of notice of hearing on Plaintiff's Motion for Temporary Restraining Order and Preliminary Injunction. Plaintiff respectfully requests a hearing on the motion at the Court's earliest convenience.

Dated: April 21, 2026

Respectfully submitted,
Plaintiff,
Swerling Milton Winnick Public Insurance
Adjusters, Inc.,
By its counsel,

/s/ Kara Thorvaldsen
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Docketed 4/22/2026

COMMONWEALTH OF MASSACHUSETTS

NORFOLK, ss

SUPERIOR COURT

SWERLING MILTON WINNICK PUBLIC
INSURANCE ADJUSTERS, INC.

Plaintiff

v.

VELOCITY RISK UNDERWRITERS, LLC

Defendant

No. 2682CV00455

PLAINTIFF'S MOTION FOR APPOINTMENT OF SPECIAL PROCESS SERVER

Plaintiff in the above-captioned matter hereby moves, pursuant to Mass. R. Civ. P. 4(c), for the Special Appointment of Patriot Constable Service, 859 Willard Street, Suite 400, Quincy, MA 02169 (disinterested parties and over the age of eighteen) to serve process in this action. A proposed order is attached hereto as Exhibit 1 for the Court's convenience.

And as reasons therefore, Plaintiff states that justice would be served by such a special appointment.

Dated: April 21, 2026

Respectfully submitted,
Plaintiff,
Swerling Milton Winnick Public Insurance
Adjusters, Inc.,
By its counsel,

/s/ Kara Thorvaldsen
Jeffrey P. Allen BBO #015500
E-mail: jallen@lawson-weitzen.com
Kara Thorvaldsen BBO #660723
E-mail: kthorvaldsen@lawson-weitzen.com
LAWSON & WEITZEN, LLP
88 Black Falcon Avenue, Suite 345
Boston, MA 02210
Telephone: (617) 439-4990
Facsimile: (617) 439-3987

COMMONWEALTH OF MASSACHUSETTS

NORFOLK, ss

SUPERIOR COURT

SWERLING MILTON WINNICK PUBLIC
INSURANCE ADJUSTERS, INC.
Plaintiff

v.

VELOCITY RISK UNDERWRITERS, LLC
Defendant

No. 2682CV00455

ORDER OF SPECIAL APPOINTMENT OF PROCESS SERVER

Pursuant to Mass. R. Civ. P. 4(c), the Court specially appoints Patriot Constable Service,
859 Willard Street, Suite 400, Quincy, MA 02169 to serve process in this action.

Dated: _____

_____, J.

Justice, Superior Court

Docketed 4/22/2026

COMMONWEALTH OF MASSACHUSETTS

NORFOLK, ss

SUPERIOR COURT

<p>SWERLING MILTON WINNICK PUBLIC INSURANCE ADJUSTERS, INC. Plaintiff</p> <p>v.</p> <p>VELOCITY RISK UNDERWRITERS, LLC Defendant</p>
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*4/22/2026 Motion is allowed as to
all pre-judgment Service of Process
in the Commonwealth of Massachusetts -
No. 2682CV00455 (Connolly, J)
att: Andrew Klehrens
Asst. Clerk*

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Plaintiff,
Swerling Milton Winnick Public Insurance
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/s/ Kara Thorvaldsen
Jeffrey P. Allen BBO #015500
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