UNITED SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VEN 057 02 (02/20)

OPEN ROOF/ROOFING OPERATIONS SELF-INSURED RETENTION ENDORSEMENT ($XX.XXXX)

This endorsement modifies the coverage provided under this policy under the following coverage part:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**, is amended to include the following:

a. The Company's obligation to defend or indemnify any insured in connection with any claim or "suit" seeking any damages for any "property damage" to any part of any structure, or any real or personal property in or around any structure, arising out of, resulting from, caused by, contributed to, alleged to be, or in any way related to, in whole or in part, from an "open roof," **shall be subject to the insured's satisfaction of a $XX,XXX condition precedent Self-Insured Retention**, **unless** the insured has taken “adequately effective” action to determine adverse weather conditions and maintained “adequately effective” temporary waterproof covering that protects the building or structure from damage by rain, hail, snow, or any other form of precipitation.

b. Definitions:

The term “open roof” as used in this endorsement shall include any roof or section thereof, or any other opening in a building or other structure that is in, at, or near the roof (including but not limited to skylights, windows, parapet walls, and eaves) where any protective covering (such as shingles, tar, paper, caulking, sealant, and molding) has been removed leaving exposed to the elements any materials, underlayment, sheathing, structure shell, any part of the structure interior, or contents of any building.

The term “adequately effective” as used in this endorsement shall means that you or anyone working on your behalf must satisfy of the following **conditions precedent** to coverage under this policy:

(1) You or those working or acting on your behalf provide a designated "weather watcher" whenever roofing-related operations are performed by you or by others on your behalf, including but not limited to any tear-off operations, roof removal, debris removal, roof installation, and/or supply, removal, repair, or replacement of any equipment or materials on any roof areas; and

(2) The insured and the "weather watcher" complies with each of the following requirements:

(a) The insured has a written plan respecting how it, or others working on its behalf, will track weather conditions and how the insured, or others working on its behalf, will respond to moisture producing weather conditions, to which the "weather watcher" complies. The plan must specify how weather will be monitored and how an "open roof" will be returned to a water tight condition;

(b) The "weather watcher" has access to real time weather monitoring radar and local weather prediction, or like services, and the "weather watcher" accesses those services no less frequently than hourly to check for impending moisture producing weather conditions including but not limited to rain, snow, hail or fog;

(c) The insured has at the ready, on the job site, proper materials to return an open roof to a water tight condition within:

i. One hour for a single family residence; or
ii. Two hours for any other building or structure;

(d) Any "open roof' is returned to a water-tight condition before the roof is to be left unattended for more than four hours regardless of weather conditions or forecast; and

(e) In the event of any precipitation weather event, the temporary covering placed on any building or structure is checked to ensure that it is secure prior to the insured leaving the site, and checked to ensure that it is secure no less frequently than every six hours.

c. Condition Precedent Self-Insured Retention

(1) If any requirement set forth above in this endorsement is not satisfied, then the Company's obligation to defend or indemnify any insured in connection with any claim or "suit" seeking any damages for any "property damage" to any part of any structure, or any real or personal property in or around any structure, arising out of, resulting from, caused by, contributed to, alleged to be, or in any way related to, in whole or in part, from an "open roof," shall apply only in excess of the Self-Insured Retention stated above. Satisfaction of the Self-Insured Retention, in the manner provided below, is a **condition precedent** to any coverage under this policy for any insured in connection with any claims arising in whole or in part by an "open roof." The limits of insurance otherwise applicable will not be reduced by the amount of such Self-Insured Retention.

(2) Satisfaction of the applicable Self-Insured Retention is a condition precedent to any of our obligations under this policy to any insured. A separate condition precedent Self-Insured Retention applies to each individual or organization that qualifies as an insured under this policy.

(3) The Self-Insured Retention shall remain applicable even if an insured files for bankruptcy, discontinues business or otherwise becomes unable to or unwilling to pay the Self-Insured Retention. An insured's bankruptcy, insolvency, or inability to pay the Self-Insured Retention shall not increase our obligations or liability under this policy. The risk of insolvency is retained by the Named Insured and is not transferable to us.

(4) The Self-Insured Retention may be satisfied only by payments actually made by the insured seeking coverage under this policy, and only by payments made following written notice to us by such insured of (a) the underlying "occurrence," claim or “suit” and (b) written confirmation by the insured that the requirements set forth above in this endorsement have been satisfied.

(5) The insured seeking coverage must satisfy or pay the full amount of the applicable Self-Insured Retention directly, without reimbursement or contribution from any other source, including but not limited to, subcontractors, other insureds, other insurers, additional insureds or their carriers, reinsurers, or any other persons or entities. Sums paid by any others on the Named Insured's behalf, or on behalf of any other insured seeking coverage under this policy, do not apply to reduce or satisfy the applicable Self-Insured Retention.

(6) As a condition precedent to the Company’s obligations to provide indemnity, coverage or defense hereunder to any insured, that insured shall first, have the obligation and duty, upon receipt of notice of any incident, claim, offense or “occurrence” that may give rise to a “suit”, to provide at its own expense a proper investigation and defense of any claim. Additionally, the insured will exercise utmost good faith, diligence, and prudence to accept any reasonable offer of settlement within the Self-Insured Retention. No insured may settle any claim or “suit” which exceeds the applicable Self-Insured Retention amount without our prior written consent.

(7) The insured shall notify us promptly and in writing of any "occurrence," claim, or "suit" arising from or related in whole or in part to an "open roof" which presents potential liability exposure in excess of the Self-Insured Retention

(8) The insured's obligation to provide for its own defense and investigation is terminated upon the exhaustion of the Self-Insured Retention as described above. The insured is required and shall provide written evidence of its own payments of amounts within the Self-Insured Retention, and will keep the Company notified of the amounts incurred by the insured and the status of the satisfaction of the Self-Insured Retention. The insured must notify us promptly and in writing when the Self-Insured Retention is **50%** satisfied, and when it is **75%** satisfied. Only fees and costs paid by the subject insured following tender of the claim or suit to us, and for which the evidence and notice of payments has been timely provided to us, shall apply to satisfy the Self-Insured Retention.

(9) Alternatively, at our sole election, upon our request the insured shall pay over and deposit with us the Self-Insured Retention amount as specified, to be applied by us as payment toward any damages, claim expenses, or other costs incurred by us in the handling or settlement of any claim, “occurrence” or “suit” arising in whole or in part from an "open roof." If we make such an election, we shall have the right to negotiate a reasonable settlement which is more than, equal to, or less than the Self-Insured Retention amount (and will return the balance to you, if any, of any unused Self-Insured Retention). Payment of the Self-Insured Retention is due immediately upon receipt of our request. In the event that the insured fails or refuses, for any reason, to promptly pay to us the applicable Self-Insured Retention amounts following our request, no claim expenses or defense costs, damages, loss, cost, or expense will be payable by us in connection with the claim or loss.

(10) In the event of a “suit” we shall have the right to select defense counsel, even if the amount claimed in the suit is unspecified or less than the applicable Self-Insured Retention

amount. If the insured selects its own counsel, then such fees will not apply towards the Self-Insured Retention amount unless the counsel and rates are approved by us in advance and in writing.

(11) We shall have, at our option, the right to negotiate the settlement of any claim we deem expedient both within and in excess of the applicable Self-Insured Retention amount, but we shall obtain your consent prior to entering into any settlement of any claim which is equal to or less than the Self-Insured Retention amount. If you refuse to consent to any settlement recommended by us within the Self-Insured Retention and legal proceedings in connection with such claim(s) continue, our total liability for such claim(s) shall not exceed the amount determined by subtracting the applicable total Self-Insured Retention amount from the amount for which the claim(s) could have been settled, and including “defense costs” incurred with our consent to the date of such refusal, and we shall have no liability with respect to such claim if that difference is zero or negative.

(12) With respect to any claim under this insurance which has been tendered to us and which may exceed the Self-Insured Retention amount, we may pay any or all of the Self-Insured Retention and/or related defense expenses to effect settlement of such claim. You shall remain responsible for any amounts paid within the applicable Self-Insured Retention amounts, and such amount paid by us shall be reimbursed promptly by you.

(13) You may not settle any claim or suit which exceeds any “self insured retention” amount indicated in the Schedule of this endorsement without our written permission to do so. If you fail to obtain such written permission, we shall have no obligation to provide coverage (defense or indemnity) arising from that "occurrence, claim, or "suit" under this policy.

All other terms, conditions, and exclusions under this policy are applicable to this Endorsement and remain unchanged.