



Mt. Hawley Insurance Company
9025 North Lindbergh Drive, Peoria, IL 61615
Phone: (309) 692-1000



SERVICE CONTRACT REIMBURSEMENT INSURANCE POLICY DECLARATION

Policy Number:**Renewal of:**

Named Insured and Address

Policy Period

From (Start Date)**To (End Date)**

Limits of Liability Per Certificate

Maximum Term

\$5000**12 Months for each designated contract**

Our Limit of Liability applicable to any
designated contract shall not exceed the
amount enumerated in that **designated**
contract

Premium

Endorsement(s) (if any)

\$0 - N/A**CLRP 101 (10/22)**

Exhibit(s) (if any)

Managing General Agent:

Refund Method(s)

Collective Underwriters Inc

if cancellation by Company:

per Policy and Designated Contract

if cancellation by

per Policy and Designated Contract

THIS POLICY DOES NOT PROVIDE COVERAGE FOR **BODILY INJURY** OR **PROPERTY DAMAGE**
LIABILITY, NOR DOES IT PROVIDE PERSONAL INJURY COVERAGE, AND WILL NOT FULFILL THE
REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY OR NO-FAULT LAW.

By:

Authorized Representative

Mt. Hawley Insurance Company

STATE SPECIFIC SURPLUS & EXCESS LINES COVERAGE DETAILS

***Please refer to the state the policy has been issued in below**

South Carolina:

This company has been approved by the director or his designee of the South Carolina Department of Insurance to write business in this State as an eligible surplus lines insurer, but it is not afforded guaranty fund protection

Georgia:

This contract is registered and delivered as a surplus line coverage under the Surplus Line Insurance Law, O.C.G.A. Chapter 33-5.

Illinois:

Notice to Policyholder: This contract is issued by a domestic surplus line insurer, as defined in Section 445a of the Illinois Insurance Code, pursuant to Section 445, and as such is not covered by the Illinois Insurance Guaranty Fund.

Minnesota:

THIS INSURANCE IS ISSUED PURSUANT TO THE MINNESOTA SURPLUS LINES INSURANCE ACT. THE INSURER IS AN ELIGIBLE SURPLUS LINES INSURER BUT IS NOT OTHERWISE LICENSED BY THE STATE OF MINNESOTA. IN CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT GUARANTEED.

North Carolina:

The insurance company with which this coverage has been placed is not licensed by the State of North Carolina and is not subject to its supervision. In the event of the insolvency of the insurance company, losses under this policy will not be paid by any State insurance guaranty or solvency fund.

Tennessee:

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus line coverage pursuant to the Tennessee insurance statutes.

Texas:

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a 4.85 percent tax on gross premium.

SERVICE CONTRACT REIMBURSEMENT INSURANCE POLICY

Throughout this Policy, the words "you" and "your" refer to the named insured listed in Item 1. of the Declarations of this Policy. The words "we," "us," and "our" refer to Mt. Hawley Insurance Company, the insurance company providing this Coverage. The term Declarations includes both the Declarations and any subsequent Amended Declarations that are issued with this Policy.

I. INSURING AGREEMENT

In consideration of the payment of the policy premium per designated contract, and subject to all the terms of this Policy and the designated contract, we agree to:

- A. Reimburse or pay on your behalf lost rental income and other expenses you are legally obligated to pay under the designated contract; or
- B. In the event of your nonperformance, provide the covered services that you are legally obligated to perform under the designated contract.

We shall not have any duty to defend you in any lawsuit or other judicial or administrative proceeding.

Our obligations under this Policy are subject to the applicable Limits of Liability stated in Item 3. of the Declarations and in II. LIMITS OF LIABILITY.

II. LIMITS OF LIABILITY

We shall not pay more than the amount of your contractual obligation for any contract holder claim.

The Limits of Liability stated in Item 3. of the Declarations are the most we shall pay in the aggregate under this Policy.

With respect to return of the unearned portion of the designated contract fee to you or the contract holder, our liability will be limited to the amount of premium we have received for that designated contract.

III. DEFINITIONS

- A. Approved Exterminator means either the national bed bug or pest control company that we have contracted with, or a local bed bug or pest control company that you have retained with our prior written consent, to provide bed bug control services.
- B. Automobile means a land motor vehicle, trailer, or semitrailer.
- C. Bodily injury means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.
- D. Contract holder means the original purchaser of the designated contract or a qualified transferee.
- E. Contract holder claim means a demand by a contract holder for fulfillment of a contractual obligation.
- F. Contractual obligation means your legal obligation to provide contractually agreed duties under the designated contract pursuant to the terms and conditions of such a designated contract. A contractual obligation includes your obligation to refund or pay to the contract holder the unearned portion of the designated contract fee or consideration paid for the designated contract. The amount of a contractual obligation shall not exceed the amounts specified under the designated contract.
- G. Covered services means any services or rents covered under the designated contract.

- H. Designated contract means a bed bug service plan between you and a contract holder issued during the policy period on a form approved in writing by us, and for which the proper premium is timely paid.
- I. Designated contract fee means the consideration paid by a contract holder for the designated contract. It does not include administrative fees paid to you.
- J. Named insured means the entity identified in Item 1. of the Declarations.
- K. Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- L. Other expenses mean expenses for only the following services set forth in the designated contract:
1. Bed bug remediation services for common bed bugs (*Cimex lectularis* Linneaus);
 2. Laundry services; and
 3. Departure maid service.
- M. Property damage means
1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
- For the purposes of this insurance, electronic data is not tangible property. As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- N. Qualified transferee means any person or other legal entity who legally acquires the rights of ownership to the designated contract from another contract holder provided that such assignment or transfer is authorized under the designated contract.
- O. Strict liability means liability imposed on a manufacturer or distributor for the sale of a defective product.

IV. PREMIUM PROVISIONS AND REFUNDS

- A. You are responsible for the payment of all premiums.
- B. You will be the payee for any return premiums that we pay.
- C. Unless changed by endorsement, the premium for each designated contract will be as indicated in the designated contract.

V. SETTLEMENT OF THE COMPANY'S

We will pay to you, or on your behalf, the reasonable and customary costs of your contractual obligation under the designated contract, subject to the terms and conditions of such designated contract. Our payment directly to you, or to or on behalf of a contract holder, will discharge our liability for the contractual obligation of that designated contract. In the event of your nonperformance of the contractual obligation under the designated contract, our performance of the covered service you were legally obligated to perform will discharge our liability for the contractual obligation of that designated contract.

If you or your estate incur bankruptcy or insolvency, we shall not be relieved of any of our contractual obligations hereunder for the designated contracts issued during the policy period and before the bankruptcy or insolvency.

VI. EXCLUSIONS

This Policy does not apply to any liability, claim, loss, damage, cost, or expense arising out of, directly or indirectly or in whole or in part, any:

1. Obligation other than your contractual obligation pursuant to the designated contract.
2. Contract or agreement, whether oral, written, express, or implied, other than your contractual obligation pursuant to the designated contract.
3. Bodily injury or property damage. This Exclusion, however, does not apply to reimbursement of lost rental income.
4. Fines, sanctions, penalties, attorneys fees, or punitive or exemplary damages of any kind (including any multiplier of compensatory damages, such as double or treble damages).
5. Consequential damages or delay, including but not limited to punitive or extra- contractual damages, arising out of performance by you, your agents, or employees under the designated contract.
6. Negligence or intentional misuse or abuse of covered services.
7. Sale by you of the covered services that are the subject of the designated contract.
Among the kinds of liabilities excluded by this Exclusion are:
 1. Breach of any implied warranties of merchantability;
 2. Breach of any implied warranties of fitness;
 3. Breach of any liabilities for negligence; or
 4. Breach of any liabilities for a defective covered service, including strict liability.
8. Obligation extending to anyone other than the contract holder.
9. Material misrepresentation, fraudulent, dishonest, or criminal act by you or any third party or their agents or employees.
10. Theft, attempted theft, or mysterious disappearance.
11. Enforcement of any law, ordinance, or regulation by any governmental body or regulatory agency.
12. Defense of you or others in any lawsuit or other judicial, administrative, or other proceeding.
13. External causes such as, but not limited to, damage resulting from a collision with any object, or from fire, flooding, sand, dirt, windstorm, hail, earthquake, an Act of God, or damage from exposure to weather conditions, except to the extent that loss or damage from such external causes is expressly covered by the designated contract.
14. Damage to computer software or hardware due to a computer virus or defective software.
15. War, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, or military or usurped power.
16. Unallocated expenses, exclusive of indemnity payments made in the settlement of any contractual obligation, necessary in the performance of your duties. Such expenses shall include but are not limited to salaries, rentals, travel expenses, postage, data processing charges, adjuster licensing fees, adjuster occupational taxes, and adjuster fees.
17. Designated contract that is issued prior to the effective date of this Policy.
18. Forgery or the use of an alias.
19. Ownership, operation, use, loading, or unloading of any automobile.
20. Conversion, secretion, or embezzlement by a contract holder or any other person in lawful possession of the property described in the designated contract.
21. Antitrust violation, unfair competition, discrimination, or any other act or omission which violates any statute, ordinance or regulation imposing any fine, penalty, or other sanction.

- B. This Policy does not apply to any liability, claim, loss, damage, cost, or expense:
1. Excluded under the designated contract.
 2. Expected or intended from the standpoint of the named insured.
 3. Recoverable by the contract holder from other insurance, an exterminator's guarantee or warranty, or third party, whether or not collectible.

VII. CANCELLATION AND NONRENEWAL

- A. You may cancel this Policy at any time by mailing a written notice to us at least thirty (30) days prior to the requested cancellation date.
- B. In the event of cancellation by the contract holder, we will reimburse you the return premium upon proof of cancellation, at which point the designated contract is null and void.
- C. We may cancel this Policy by mailing written notice to you and the agent of record, if any, at the address shown in this Policy or, if not reflected in this Policy, at you or your agent of record's last known address, at least sixty (60) days prior to the effective date of cancellation for the following reasons:
1. You have failed to pay the premium when due;
 2. There is a substantial change in the scale of risk covered by this Policy;
 3. You have made a material misrepresentation of fact which, if known, would have caused us not to issue this Policy;
 4. You have substantially breached your contractual duties, conditions, or warranties to us; or
 5. Your nonperformance of covered services that you are legally obligated to perform under the designated contract; or
 6. Reinsurance of the risk associated with this Policy has been cancelled.

The notice of cancellation will state the effective date of the cancellation and the reason for the cancellation.

- D. Prior to cancellation of this Policy by us, we will mail or deliver a notice of cancellation.
- E. If we decide to not renew this Policy, we will provide written notice of nonrenewal to you and the agent of record, if any, at the address shown in this Policy or, if not reflected in this Policy, at your or your agent of record's last known address, at least sixty (60) days before the expiration date of this Policy. We may elect to not renew this Policy for any reason. The notice of nonrenewal will state the reason for nonrenewal.
- F. Proof of the mailing of the notice shall be sufficient proof of notice of cancellation or nonrenewal. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by you or by us shall be equivalent to mailing.

VIII. EFFECT OF TERMINATION

Termination of this Policy will not relieve us of any of our duties and obligations pertaining to any unexpired designated contract which is covered hereunder on the date of termination. This includes the payment of contract holder claims to you or on your behalf as previously described hereunder. This applies to any designated contract issued by you prior to the effective date of the termination of this Policy, provided you comply with all policy requirements.

Termination of this Policy shall not relieve you of any of your duties or obligations hereunder or under the designated contract issued by you prior to the effective date of termination

IX. CONDITIONS

A. Action Against the Company

No action can be brought against us unless as a condition precedent thereto the amount of your loss shall have been determined:

1. Either by judgment against you, or
2. By written agreement between you, the contract holder, and us.

Any other person or organization or their legal representative who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization shall have any right under this Policy to join us as a party to any action against you to determine your liability, nor shall you or your legal representative implead us.

B. Approved Designated Contracts

Any designated contract issued by you or on your behalf must be identical to the specimen copy submitted to and approved by us. Such designated contract will remain unaltered unless we are duly notified of any proposed alteration and we give prior written consent to such proposed alteration. You shall not waive or fail to enforce any term, condition, or provision of the designated contract without your receipt of our prior written consent of such waiver or failure.

C. Approved Exterminator

If an approved exterminator is unavailable to provide bed bug control services, you may request that a different bed bug or pest control company be deemed an approved exterminator. In this event, you must seek our approval of the company and the cost of its anticipated bed bug control services before any services are performed on the property described in the designated contract. You will provide us with any information we request that is reasonable for us to make this determination. We will not unreasonably withhold our approval.

D. Assignment

Assignment of interest by you under this Policy shall not bind us until we give written consent thereto and this Policy is endorsed.

E. Changes in Policy

No waiver or change of the terms of this Policy shall be made except by endorsement issued to form part of this Policy and signed by our duly authorized representative. Notice to any agent or knowledge by an agent or by any person shall not affect a waiver or change in any part of this Policy or stop us from asserting any right under the terms of this Policy.

F. Fraud or Misrepresentation

This Policy was issued in reliance upon the statements made by you to us. If you have concealed or misrepresented any material fact(s) or circumstance(s) concerning this insurance or a claim under this Policy, we have the right to cancel or rescind this Policy.

G. Fully Earned Premiums

If you cancel this Policy, the premiums paid shall be deemed to be fully earned because our liability shall continue beyond the cancellation date until all designated contracts issued during the term of this Policy have expired.

H. Inspection and Audit

You will maintain adequate books and records sufficient to verify the monthly reports and we shall be permitted but not obligated to examine and audit your books and records as they relate to the subject matter of this Policy at any reasonable time at your premises. This right remains as long as any designated contract is outstanding.

Our right to make inspections, our actual inspections, and any subsequent reports that we issue shall not be deemed an undertaking on behalf of or for the benefit of you or others to determine or warrant that your property or operations are safe or healthful, or are in compliance with any law, rule, or regulation.

I. Reporting

At the time of sale of the designated contract during the policy period, you shall remit the premium amount indicated in the designated contract and provide any additional information requested that is reasonable for the administration of this Policy.

J. Named Insured's Representation in the declarations

By acceptance of this Policy, you agree that:

1. The statements in the Declarations are your agreements and representations;
2. This Policy is issued in reliance upon the truth of such representations; and
3. This Policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

J. Claims Reporting

You shall notify us or our agent of each claim, and supply the particulars of such claim. To report claims, please provide us or our agent with the following information:

4. Unit address and designated contract number;
5. Copy of the receipt from the approved exterminator;
6. Copy of the rental agreement signed by the tenant;
7. Statement that the tenant was given bed bug mitigation information;
8. Copy of the check or monthly statement to unit owner reflecting reimbursement of rent
9. Receipt for laundry and maid service; and
10. Any other information or documentation requested by us.

K. Jurisdiction and Venue

In the event of any litigation involving any matter arising out of or related to this Policy, it is agreed that you shall submit to the jurisdiction of New York state and New York federal courts, and shall comply with all the requirements necessary to give such courts jurisdiction. Any litigation arising out of or relating to this Policy shall be brought only in the state or federal courts of New York. Nothing in this clause constitutes or should be understood to constitute a waiver of our right to remove an action to a United States District Court in that state.

L. Choice of Law

All matters arising out of or relating to this Policy, including, without limitation, its procurement, formation and issuance and all matters related to the validity, interpretation, performance and enforcement of this Policy or any part of it shall be determined in accordance with the law and practice of the State of New York (notwithstanding New York's conflicts of law rules).

M. Other Insurance

If a claim is filed under this Policy and there is any other insurance for the loss in your name or for your benefit, the insurance provided by this Policy shall be considered excess insurance and shall not apply to, nor contribute to, the payment of any loss until such other insurance is exhausted.

N. Pre-Existing Infestation

We will have no obligations under this Policy for any liability or claim for loss, damage, cost, or expense arising out of bed bugs that were present at the property described in the designated contract prior to the date of the designated contract.

O. Premiums

The named insured is responsible for the payment of the premium for each designated contract. The premium for this Policy shall be determined at the time each designated contract is issued. The named insured shall report and remit to the entity identified in Item 8. of the Declarations any premiums due from the issuance of the designated contract. The named insured will be the payee for any return premium that we pay.

P. Right of Contract Holder

A contract holder may make a direct claim against us if you fail to provide a contractual obligation under the designated contract within sixty (60) days of the submission of proof of loss of a contract holder claim. However, our liability is limited by the terms of this Policy and the designated contracts.

Q. Recoveries

If we make any payment under the Policy we shall be subrogated to your right of recovery against any person, organization, or entity, and you shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights. All amounts recovered by you for which you have received benefits under this Policy shall become our property and shall be forwarded to us by you, subject to the total amount of all benefits we have paid. You shall do nothing after payment of a claim to prejudice such rights.

R. Sale of Designated Contracts

You shall maintain and keep an accurate record of all designated contracts issued on your behalf.

S. Terms of Policy Conformed to Statute

The terms of this Policy that are in conflict with the statutes or regulations of the state wherein this Policy is issued are hereby amended to conform to such statutes or regulations.

T. Savings Provision

Should any provisions of this Policy be found void or otherwise unenforceable by a court or any applicable governing body, all remaining provisions of this Policy shall be enforced as written to the fullest extent permissible under law, and the parties agree that all such remaining provisions will be interpreted in such a way as to give maximum fidelity to this Policy as originally issued. Subject to this provision, the parties agree that they are sophisticated business entities that negotiated this Policy at arms' length, that this Policy is not a contract of adhesion, and that this Policy shall not be construed against the drafter(s).

U. Service of Suit

Service of process in any suit against us may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the statute or his successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of any insured or any beneficiary hereunder arising out of this Policy.

This company has been approved by the director or his designee of the South Carolina Department of Insurance to write business in this State as an eligible surplus lines insurer, but it is not afforded guaranty fund protection. Surplus Lines Licensee, Michael G. Anderson, License #6424184. Address: 4 Settlers Ct, Myrtle Beach, SC 29577