

EARTHQUAKE AND/OR VOLCANIC ERUPTION ENDORSEMENT

CLAUSE 1. PERILS COVERED

The property covered by this policy, to which this endorsement is attached, is also insured against the physical damage directly caused by Earthquake and/or Volcanic Eruption.

Should the property or part thereof is destroyed or damaged, within the insurance term, the Company agrees to indemnify the Insured for the amount of the damage sustained, in accordance with clauses 4 and 5 of this endorsement and other related clauses, but not including the value of improvements (required or not by the authorities) for providing more stability to damaged building or buildings or for other purposes, in excess of those repairs necessary to restore the property to the same conditions existing before the loss.

The damage covered by this endorsement caused by any Earthquake and/or Volcanic Eruption shall give rise to a separate claim for each event; but if several events occur during any period of 72 consecutive hours, during the period thereof, such events shall be considered as a single loss, and the damage caused shall be included in a single claim.

CLAUSE 2. PROPERTY AND PERILS EXCLUDED BUT WHICH MAY BE COVERED BY EXPRESS AGREEMENT

Unless express agreement, this Company shall not be liable for damage covered by this endorsement to:

- 2.1. Foundations, swimming pools, fences, outside patios, outside stairs, and any other constructions separated from the building or buildings or constructions expressly covered by the policy, to which this endorsement is attached.
- 2.2. Retaining walls under the lowest floor level of access, independent retaining walls.
- 2.3. Any kind of frescos or murals painted as decoration or ornament or forming part of the covered building or buildings or constructions.
- 2.4. For business interruption.

Such are understood as: the loss of any earning, profit, yield or other similar business interruption, together with fixed expenses and salaries resulting from stoppage or interruption of business operations due to the occurrence of Earthquake and/or Volcanic Eruption perils.

CLAUSE 3. PROPERTY AND PERILS EXCLUDED WHICH CANNOT BE COVERED

IN NO EVENT SHALL THIS COMPANY BE LIABLE FOR DAMAGE, REFERRED TO IN THIS ENDORSEMENT, CAUSED:

- 3.1. TO SOILS AND LANDS.**
- 3.2. TO BUILDINGS, INSTALLATIONS AND CONSTRUCTIONS NOT TOTALLY COMPLETED AND CONTENTS THEREOF.**
- 3.3. DIRECTLY OR INDIRECTLY, PROXIMATELY OR REMOTELY BY NUCLEAR REACTION OR NUCLEAR RADIATION OR RADIOACTIVE CONTAMINATION, WHETHER CONTROLLED OR NOT, AND RESULTING FROM EARTHQUAKE AND/OR VOLCANIC ERUPTION.**

3.4. BY TIDAL WAVE OR FLOOD, EVEN THOUGH THIS IS DERIVED FROM ANY HAZARD COVERED BY THIS INSURANCE.

3.5. BY VIBRATIONS OR NATURAL MOVEMENTS OF SUBSOIL, OTHER THAN EARTHQUAKE, SUCH AS UNSUDDEN SINKING, SLIDES AND NATURAL SETTLEMENTS.

CLAUSE 4. DEDUCTIBLE

In each claim for physical damage to buildings, constructions and contents covered by this endorsement, the deductible to be applied to is indicated in the face and/or specification of the policy. The deductible is expressed in a percentage and is calculated at 100% of the insurable value (actual cash value or replacement cost, as contracted), indicated below.

Should the insurance cover two or more items or under any item two or more buildings, constructions or contents thereof, the deductible shall be applied separately with respect to each location, and hence to each building, construction and/or contents therein.

For business interruption, the deductible is expressed in waiting days.

This deductible shall be discounted from the amount of loss, before discounting any underinsurance (not proportional rule, in accordance with Clause 4 of the General Conditions of the Policy) or applying a coinsurance (Clause 5).

CLAUSE 5. COINSURANCE

It is a basic condition for granting this coverage, as established in this endorsement, that the Insured pays, on his own account, a percentage applicable to all compensable loss or damage to the covered property, in accordance with the seismic zone where the covered property is located, and arising from Earthquake and/or Volcanic Eruption. Such percentage is indicated in the Specification of the Policy.

The coinsurance shall be applied to the payable loss, after discounting the deductible and prior to the application of the proportional rule, if applicable.

CLAUSE 6. DEFINITIONS

FOUNDATIONS.- Those portions of a building under the lowest floor level of access.

Such foundations may be made of masonry, reinforced concrete, wooden, steel or concrete piles supporting the weight of the building to the subsoil.

RETAINING WALLS.- The retaining walls confine or retain the land on which there is no construction, including retaining walls under the lowest floor level of access, since such are deemed as foundations.

INDEPENDENT RETAINING WALLS.- Such walls are constructed outside of a building, without supporting or having direct connection to the structure of a building.

TOTALLY COMPLETED BUILDING.- The building ready to be used, that is to say, with its installed windows and glass, finished floors, placed doors, and plastered walls, even though it is not necessarily painted.

FACADES.- Those walls to the exterior, whether to a street, patio, light well or terrace. The bordering walls without windows or openings are not considered as facades.