

**DWELLING FIRE  
ENDORSEMENTS**

## POLICY FORMS AND ENDORSEMENTS FOR FLORIDA

### DWELLING FIRE:

FORMS	-	DP 00 01 (7/88)	Basic Form
	-	DP 00 02 (7/88)	Broad Form
	-	DP 00 03 (7/88)	Special Form
ENDORSEMENTS	*	DP 04 20 (7/88)	Permitted Incidental Occupancies
	-	DP 04 31 (7/88)	Improvements, Alterations and Additions
	-	DP 04 37 (6/97)	Windstorm or Hail Exclusion
	*	DP 04 41 (7/88)	Additional Insured-Described Location
	-	DP 04 61 (7/88)	Windstorm Exterior Paint and Waterproofing Exclusion-Seacoast
	-	DP 04 70 (7/88)	Premises Alarm or Fire Protection System
	-	DP 11 43 (7/88)	Dwelling Under Construction
	*	DP 17 67 (7/88)	Unit-Owners Coverage for Named Perils Coverage
	-	DL 24 01 (7/88)	Personal Liability Endorsement
	*	DL 24 09 (7/88)	Permitted Incidental Occupancy
	*	DL 24 10 (7/88)	Additional Insured
	-	DL 24 11 (7/88)	Personal Liability Endorsement-Tenant Occupied
	-	DL 24 16 (7/88)	No Coverage for Home Day Care Business
	-	DL 25 09 (6/94)	Special Provisions- Florida
	-	UPCIC10 (1/98)	Existing Damage Exclusion
	-	UPCIC12 (1/98)	Amendment of Loss Settlement Condition- Florida (DP0001 Only)
	-	UPCIC17 (1/98)	Special Provisions- Florida
-	UPCIC20 (1/98)	Windstorm Protective Devices	
-	UPCIC25 (1/98)	Hurricane Deductible	
-	UPCIC51 (1/98)	Outline of Dwelling Policy	

\* Endorsements needing additional information typed

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## AGREEMENT

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

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## DEFINITIONS

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In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance.

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## COVERAGES

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This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

### COVERAGE A – Dwelling

We cover:

1. the dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
2. materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
3. if not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

This coverage does not apply to land, including land on which the dwelling is located.

### COVERAGE B – Other Structures

We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. used in whole or in part for commercial, manufacturing or farming purposes; or
2. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

### COVERAGE C – Personal Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. At your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

**Property Not Covered.** We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, securities, silver other than silverware, tickets and stamps;
2. animals, birds or fish;
3. aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
4. motor vehicles or all other motorized land conveyances. This includes:
  - a. their equipment and accessories; or
  - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
    - (1) accessories or antennas; or
    - (2) tapes, wires, records, discs or other media for use with any such device or instrument;while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. used to service the Described Location; or
  - b. designed for assisting the handicapped;
5. watercraft, other than rowboats and canoes;
6. data, including data stored in:
- a. books of account, drawings or other paper records; or
  - b. electronic data processing tapes, wires, records, discs or other software media.
- However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;
7. credit cards or fund transfer cards.

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

**COVERAGE D – Fair Rental Value**

If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover its:

**Fair Rental Value**, meaning the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

**OTHER COVERAGES**

1. **Other Structures.** You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

2. **Debris Removal.** We will pay your reasonable expense for the removal of:

- a. debris of covered property if a Peril Insured Against causes the loss; or
- b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

Debris removal expense is included in the limit of liability applying to the damaged property.

3. **Improvements, Alterations and Additions.** If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

- 4. World-Wide Coverage.** You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C while anywhere in the world. This coverage does not apply to property of guests or servants or to rowboats or canoes.

Payment under this coverage reduces the Coverage C limit of liability by the amount paid for the same loss.

- 5. Rental Value.** You may use up to 10% of the Coverage A limit of liability for loss of fair rental value as described in Coverage D. We will pay only 1/12 of this 10% for each month the rented part of the Described Location is unfit for its normal use.

Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

- 6. Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the limit of liability that applies to the covered property;
- b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.

- 7. Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 5 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

- 8. Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

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## PERILS INSURED AGAINST

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Unless the loss is excluded in the General Exclusions, we insure for direct physical loss to the property covered caused by:

### 1A. Fire or lightning.

**1B. Internal Explosion**, meaning explosion occurring in the dwelling or other structure covered on the Described Location or in a structure containing personal property covered.

Explosion does not mean:

- a. electric arcing;
- b. breakage of water pipes; or
- c. breakage or operation of pressure relief devices.

This peril does not include loss by explosion of steam boilers, or steam pipes, if owned or leased by you or operated under your control.

**When a Premium for Extended Coverage is shown in the Declarations, Perils 2 through 8 are made part of Perils Insured Against.**

### 2. Windstorm or hail.

This peril does not include loss:

- a. to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening; or
- b. to the following property when outside of the building:
  - (1) awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers; or
  - (2) canoes and rowboats.

### 3. Explosion.

This peril does not include loss by explosion of steam boilers or steam pipes, if owned or leased by you or operated under your control.

Explosion does not mean:

- a. electric arcing;
- b. breakage of water pipes; or
- c. breakage or operation of pressure relief devices.

This peril replaces Peril 1B.

### 4. Riot or civil commotion.

**5. Aircraft**, including self-propelled missiles and spacecraft.

### 6. Vehicles.

This peril does not include loss:

- a. caused by a vehicle owned or operated by you or a resident of the Described Location; or
- b. caused by any vehicle to fences, driveways and walks.

**7. Smoke**, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from fireplaces or from agricultural smudging or industrial operations.

**8. Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

**When a Premium for Vandalism or Malicious Mischief is shown in the Declarations, the following is made part of Perils Insured Against.**

### 9. Vandalism or malicious mischief.

This peril does not include loss:

- a. to glass or safety glazing material constituting a part of the building other than glass building blocks;
- b. by pilferage, theft, burglary or larceny, but we will be liable for damage to the building covered caused by burglars; or
- c. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

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## GENERAL EXCLUSIONS

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- A.** We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.
- 1. Ordinance or Law**, meaning enforcement of any ordinance or law regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
  - 2. Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence mudflow; earth sinking, rising or shifting; unless direct loss by:
    - a.** fire; or
    - b.** explosion;ensues and then we will pay only for the ensuing loss.
  - 3. Water Damage**, meaning:
    - a.** flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
    - b.** water which backs up through sewers or drains or which overflows from a sump; or
    - c.** water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
  - 4. Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But, if a Peril Insured Against ensues on the Described Location, we will pay only for that ensuing loss.
  - 5. Neglect**, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss.
  - 6. War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
  - 7. Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
  - 8. Intentional Loss**, meaning any loss arising out of any act committed:
    - a.** by or at the direction of you or any person or organization named as an additional insured; and
    - b.** with the intent to cause a loss.
- B.** We do not cover loss to lawns, plants, shrubs or trees outside of buildings.
- Direct loss by fire or explosion resulting from water damage is covered.

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## CONDITIONS

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- 1. Policy Period.** This policy applies only to loss which occurs during the policy period.
- 2. Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
  - a. for an amount greater than the interest of a person insured under this policy; or
  - b. for more than the applicable limit of liability.
- 3. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, you have:
  - a. intentionally concealed or misrepresented any material fact or circumstance;
  - b. engaged in fraudulent conduct; or
  - c. made false statements;relating to this insurance.
- 4. Your Duties After Loss.** In case of a loss to covered property, you must see that the following are done:
  - a. give prompt notice to us or our agent;
  - b.
    - (1) protect the property from further damage;
    - (2) make reasonable and necessary repairs to protect the property; and
    - (3) keep an accurate record of repair expenses;
  - c. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
  - d. as often as we reasonably require:
    - (1) show the damaged property;
    - (2) provide us with records and documents we request and permit us to make copies; and
    - (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same;
  - e. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
    - (1) the time and cause of loss;
    - (2) your interest and that of all others in the property involved and all liens on the property;
    - (3) other insurance which may cover the loss;
    - (4) changes in title or occupancy of the property during the term of the policy;
    - (5) specifications of damaged buildings and detailed repair estimates;
    - (6) the inventory of damaged personal property described in 4c;
    - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.
- 5. Loss Settlement.** Covered property losses are settled at actual cash value at the time of loss but not more than the amount required to repair or replace the damaged property.
- 6. Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
  - a. repair or replace any part to restore the pair or set to its value before the loss; or
  - b. pay the difference between actual cash value of the property before and after the loss.
- 7. Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
- 8. Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.



Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

**9. Other Insurance.** If property covered by this policy is also covered by other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property.

**10. Subrogation.** You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

**11. Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.

**12. Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

**13. Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. reach an agreement with you;
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

**14. Abandonment of Property.** We need not accept any property abandoned by you.

**15. Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

**16. No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

**17. Cancellation.**

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.

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

Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
  - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
  - (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
    - (a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
    - (b) if the risk has changed substantially since the policy was issued.
- This can be done by letting you know at least 30 days before the date cancellation takes effect.
- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

**18. Non-Renewal.** We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

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

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

**20. Waiver or Change of Policy Provisions.** A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

**21. Assignment.** Assignment of this policy will not be valid unless we give our written consent.

**22. Death.** If you die, we insure:

- a. your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;

- b. with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

**23. Nuclear Hazard Clause.**

- a. "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
- c. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

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

**25. Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

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## AGREEMENT

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

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## DEFINITIONS

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In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance.

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## COVERAGES

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This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

### COVERAGE A – Dwelling

We cover:

1. the dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
2. materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
3. if not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

This coverage does not apply to land, including land on which the dwelling is located.

### COVERAGE B – Other Structures

We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. used in whole or in part for commercial, manufacturing or farming purposes; or
2. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

### COVERAGE C – Personal Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. At your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

**Property Not Covered.** We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, securities, silver other than silverware, tickets and stamps;
2. animals, birds or fish;
3. aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
4. motor vehicles or all other motorized land conveyances. This includes:
  - a. their equipment and accessories; or
  - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
    - (1) accessories or antennas; or
    - (2) tapes, wires, records, discs or other media for use with any such device or instrument;while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. used to service the Described Location; or
  - b. designed for assisting the handicapped;
5. watercraft, other than rowboats and canoes;
6. data, including data stored in:
- a. books of account, drawings or other paper records; or
  - b. electronic data processing tapes, wires, records, discs or other software media.

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;

7. credit cards or fund transfer cards.

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

**COVERAGE D – Fair Rental Value**

If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover its:

**Fair Rental Value**, meaning the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

**COVERAGE E – Additional Living Expense**

If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes the Described Location unfit for its normal use, we cover your:

**Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Additional Living Expense loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

**OTHER COVERAGES**

1. **Other Structures.** You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

Use of this coverage does not reduce the Coverage A limit of liability for the same loss.

2. **Debris Removal.** We will pay your reasonable expense for the removal of:

- a. debris of covered property if a Peril Insured Against causes the loss; or
- b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

Debris removal expense is included in the limit of liability applying to the damaged property.

3. **Improvements, Alterations and Additions.** If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Use of this coverage does not reduce the Coverage C limit of liability for the same loss.

- 4. World-Wide Coverage.** You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage C limit of liability for the same loss.

- 5. Rental Value and Additional Living Expense.** You may use up to 10% of the Coverage A limit of liability for loss of both fair rental value as described in Coverage D and additional living expense as described in Coverage E.

Use of this coverage does not reduce the Coverage A limit of liability for the same loss.

- 6. Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the limit of liability that applies to the covered property;
- b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.

- 7. Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

- 8. Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the Described Location for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by you or a resident of the Described Location or Vandalism or malicious mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage A limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

- 9. Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

- 10. Collapse.** We insure for risk of direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

- a. Perils Insured Against in this policy;
- b. hidden decay;
- c. hidden insect or vermin damage;
- d. weight of contents, equipment, animals or people;
- e. weight of rain which collects on a roof;
- f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b, c, d, e and f unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the limit of liability applying to the damaged covered property.

- 11. Glass or Safety Glazing Material.** We cover:

- a. the breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- b. damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

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

This coverage does not increase the limit of liability that applies to the damaged property.

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## PERILS INSURED AGAINST

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We insure for direct physical loss to the property covered caused by a peril listed below unless the loss is excluded in the General Exclusions.

**1. Fire or lightning.**

**2. Windstorm or hail.**

This peril does not include loss:

- a. to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening; or
- b. to the following property when outside of the building:
  - (1) awnings, signs, radio or television antennas or aerials including lead-in wiring, masts or towers;
  - (2) canoes and rowboats; or
  - (3) trees, shrubs, plants or lawns.

**3. Explosion.**

**4. Riot or civil commotion.**

**5. Aircraft,** including self-propelled missiles and spacecraft.

**6. Vehicles.**

This peril does not include loss to a fence, driveway, or walk caused by a vehicle owned or operated by you or a resident of the Described Location.

**7. Smoke,** meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

**8. Vandalism or malicious mischief.**

This peril does not include loss:

- a. by pilferage, theft, burglary or larceny; or
- b. to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

**9. Damage by Burglars,** meaning damage to covered property caused by Burglars.

This peril does not include:

- a. theft of property; or
- b. damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.

**10. Falling Objects.**

This peril does not include loss:

- a. to the inside of a building or property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object.
- b. to outdoor radio and television antennas and aerials including their lead-in wiring, masts and towers, outdoor equipment, awnings and fences.

Damage to the falling object itself is not covered.

**11. Weight of ice, snow or sleet** which causes damage to a building or property contained in the building.

This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock.

**12. Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance. We also pay for tearing out and replacing any part of a covered building necessary to repair the system or appliance from which the water or steam escaped.

This peril does not include loss:

- a. to a building caused by constant or repeated seepage or leakage over a period of weeks, months or years;
- b. on the Described Location, if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

- c. to the system or appliance from which the water or steam escaped;
- d. caused by or resulting from freezing except as provided in the peril of freezing below; or
- e. on the Described Location caused by accidental discharge or overflow which occurs off the Described Location.

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

**13. Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss caused by or resulting from freezing except as provided in the peril of freezing below.

**14. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the Described Location while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliances of water.

**15. Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

**16. Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

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## GENERAL EXCLUSIONS

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We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.
2. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:
  - a. fire;
  - b. explosion; or
  - c. breakage of glass or safety glazing material which is part of a building, storm door or storm window;
 ensues and then we will pay only for the ensuing loss.
3. **Water Damage**, meaning:
  - a. flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
  - b. water which backs up through sewers or drains or which overflows from a sump; or

- c. water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire or explosion resulting from water damage is covered.

4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But, if a Peril Insured Against ensues on the Described Location, we will pay only for that ensuing loss.
5. **Neglect**, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss.
6. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
7. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
8. **Intentional Loss**, meaning any loss arising out of any act committed:
  - a. by or at the direction of you or any person or organization named as an additional insured; and
  - b. with the intent to cause a loss.



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## CONDITIONS

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1. **Policy Period.** This policy applies only to loss which occurs during the policy period.
2. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
  - a. for an amount greater than the interest of a person insured under this policy; or
  - b. for more than the applicable limit of liability.
3. **Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, you have:
  - a. intentionally concealed or misrepresented any material fact or circumstance;
  - b. engaged in fraudulent conduct; or
  - c. made false statements;relating to this insurance.
4. **Your Duties After Loss.** In case of a loss to covered property, you must see that the following are done:
  - a. give prompt notice to us or our agent;
  - b. (1) protect the property from further damage;  
(2) make reasonable and necessary repairs to protect the property; and  
(3) keep an accurate record of repair expenses;
  - c. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
  - d. as often as we reasonably require:
    - (1) show the damaged property;
    - (2) provide us with records and documents we request and permit us to make copies; and
    - (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same;
  - e. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth to the best of your knowledge and belief:
    - (1) the time and cause of loss;
    - (2) your interest and that of all others in the property involved and all liens on the property;
    - (3) other insurance which may cover the loss;
    - (4) changes in title or occupancy of the property during the term of the policy;
    - (5) specifications of damaged buildings and detailed repair estimates;
    - (6) the inventory of damaged personal property described in 4c;
    - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.
5. **Loss Settlement.** Covered property losses are settled as follows:
  - a. (1) Personal property;  
(2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and  
(3) Structures that are not buildings;  
at actual cash value at the time of loss but not more than the amount required to repair or replace.
  - b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
    - (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
      - (a) the limit of liability under this policy that applies to the building;
      - (b) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
      - (c) the necessary amount actually spent to repair or replace the damaged building.
    - (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (a) the actual cash value of that part of the building damaged; or
  - (b) that proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
- (a) excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
  - (b) those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
  - (c) underground flues, pipes, wiring and drains.
- (4) We will pay no more than the actual cash value of the damage unless:
- (a) actual repair or replacement is complete; or
  - (b) the cost to repair or replace the damage is both:
    - (i) less than 5% of the amount of insurance in this policy on the building; and
    - (ii) less than \$2500.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability on a replacement cost basis.
- 6. Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
- a. repair or replace any part to restore the pair or set to its value before the loss; or
  - b. pay the difference between actual cash value of the property before and after the loss.
- 7. Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
- 8. Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.
- Each party will:
- a. pay its own appraiser; and
  - b. bear the other expenses of the appraisal and umpire equally.
- 9. Other Insurance.** If property covered by this policy is also covered by other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property.
- 10. Subrogation.** You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.
- If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.
- 11. Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.
- 12. Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.
- 13. Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:
- a. reach an agreement with you;
  - b. there is an entry of a final judgment; or
  - c. there is a filing of an appraisal award with us.

**14. Abandonment of Property.** We need not accept any property abandoned by you.

**15. Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

**16. No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

**17. Cancellation.**

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.

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

Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
  - (a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
  - (b) if the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

- (4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

**18. Non-Renewal.** We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

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

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

**20. Waiver or Change of Policy Provisions.** A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

**21. Assignment.** Assignment of this policy will not be valid unless we give our written consent.

**22. Death.** If you die, we insure:

- a. your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- b. with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

**23. Nuclear Hazard Clause.**

- a. "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
- c. This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

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

**25. Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

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## AGREEMENT

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

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## DEFINITIONS

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In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance.

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## COVERAGES

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This insurance applies to the Described Location, Coverages for which a Limit of Liability is shown and Perils Insured Against for which a Premium is stated.

### COVERAGE A – Dwelling

We cover:

1. the dwelling on the Described Location shown in the Declarations, used principally for dwelling purposes, including structures attached to the dwelling;
2. materials and supplies located on or next to the Described Location used to construct, alter or repair the dwelling or other structures on the Described Location; and
3. if not otherwise covered in this policy, building equipment and outdoor equipment used for the service of and located on the Described Location.

This coverage does not apply to land, including land on which the dwelling is located.

### COVERAGE B – Other Structures

We cover other structures on the Described Location, set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. used in whole or in part for commercial, manufacturing or farming purposes; or
2. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

### COVERAGE C – Personal Property

We cover personal property, usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. At your request, we will cover personal property owned by a guest or servant while the property is on the Described Location.

**Property Not Covered.** We do not cover:

1. accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, securities, silver other than silverware, tickets and stamps;
2. animals, birds or fish;
3. aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
4. motor vehicles or all other motorized land conveyances. This includes:
  - a. their equipment and accessories; or
  - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
    - (1) accessories or antennas; or
    - (2) tapes, wires, records, discs or other media for use with any such device or instrument;while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. used to service the Described Location; or
  - b. designed for assisting the handicapped;
5. watercraft, other than rowboats and canoes;
6. data, including data stored in:
- a. books of account, drawings or other paper records; or
  - b. electronic data processing tapes, wires, records, discs or other software media.

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;

7. credit cards or fund transfer cards.

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

#### **COVERAGE D – Fair Rental Value**

If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use, we cover its:

**Fair Rental Value**, meaning the fair rental value of that part of the Described Location rented to others or held for rental by you less any expenses that do not continue while that part of the Described Location rented or held for rental is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the Described Location rented or held for rental.

If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

#### **COVERAGE E – Additional Living Expense**

If a loss to property described in Coverage A, B or C by a Peril Insured Against under this policy makes the Described Location unfit for its normal use, we cover your:

**Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the Described Location or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Additional Living Expense loss for no more than two weeks.

The periods of time referenced above are not limited by the expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

#### **OTHER COVERAGES**

1. **Other Structures.** You may use up to 10% of the Coverage A limit of liability for loss by a Peril Insured Against to other structures described in Coverage B.

Use of this coverage does not reduce the Coverage A limit of liability for the same loss.

2. **Debris Removal.** We will pay your reasonable expense for the removal of:

- a. debris of covered property if a Peril Insured Against causes the loss; or
- b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

Debris removal expense is included in the limit of liability applying to the damaged property.

3. **Improvements, Alterations and Additions.** If you are a tenant of the Described Location, you may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to improvements, alterations and additions, made or acquired at your expense, to that part of the Described Location used only by you.

Use of this coverage does not reduce the Coverage C limit of liability for the same loss.

4. **World-Wide Coverage.** You may use up to 10% of the Coverage C limit of liability for loss by a Peril Insured Against to property covered under Coverage C except rowboats and canoes, while anywhere in the world.

Use of this coverage reduces the Coverage C limit of liability for the same loss.

**5. Rental Value and Additional Living Expense.** You may use up to 10% of the Coverage A limit of liability for loss of both fair rental value as described in Coverage D and additional living expense as described in Coverage E.

Use of this coverage does not reduce the Coverage A limit of liability for the same loss.

**6. Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured Against, we will pay the reasonable cost incurred by you for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril Insured Against.

This coverage:

- a. does not increase the limit of liability that applies to the covered property;
- b. does not relieve you of your duties, in case of a loss to covered property, as set forth in Condition 4.b.

**7. Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

**8. Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the Described Location for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by you or a resident of the Described Location or Vandalism or malicious mischief, including damage during a burglary or attempted burglary, but not theft of property.

The limit of liability for this coverage will not be more than 5% of the Coverage A limit of liability, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for commercial purposes.

This coverage is additional insurance.

**9. Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

**10. Collapse.** We insure for risk of direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

- a. Perils Insured Against in Coverage C – Personal Property. These perils apply to covered building and personal property for loss insured by this Other Coverage;
- b. hidden decay;
- c. hidden insect or vermin damage;
- d. weight of contents, equipment, animals or people;
- e. weight of rain which collects on a roof;
- f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b, c, d, e and f unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the limit of liability applying to the damaged covered property.

**11. Glass or Safety Glazing Material.** We cover:

- a. the breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- b. damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

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

This coverage does not increase the limit of liability that applies to the damaged property.

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## PERILS INSURED AGAINST

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### **COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES**

We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property; however, we do not insure loss:

1. involving collapse, other than as provided in Other Coverages 10;
2. caused by:
  - a. freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed unless you have used reasonable care to:
    - (1) maintain heat in the building; or
    - (2) shut off the water supply and drain the system and appliances of water;
  - b. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
    - (1) fence, pavement, patio or swimming pool;
    - (2) foundation, retaining wall or bulkhead; or
    - (3) pier, wharf or dock;
  - c. theft of property not part of a covered building or structure;
  - d. theft in or to a dwelling or structure under construction;
  - e. wind, hail, ice, snow or sleet to:
    - (1) outdoor radio and television antennas and aerials including their lead-in wiring, masts or towers; or
    - (2) trees, shrubs, plants or lawns;
  - f. vandalism and malicious mischief, theft or attempted theft if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
  - g. constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
  - h. (1) wear and tear, marring, deterioration;  
(2) inherent vice, latent defect, mechanical breakdown;  
(3) smog, rust or other corrosion, mold, wet or dry rot;

(4) smoke from agricultural smudging or industrial operations;

(5) discharge, dispersal, seepage, migration release or escape of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;

(6) settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings; or

(7) birds, vermin, rodents, insects or domestic animals.

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

3. excluded under General Exclusions.

Under items 1 and 2, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

### **COVERAGE C – PERSONAL PROPERTY**

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in the General Exclusions.

**1. Fire or lightning.**

**2. Windstorm or hail.**

This peril does not include loss to:

a. property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening;

b. canoes and rowboats; or

c. trees, shrubs or plants.

**3. Explosion.**

**4. Riot or civil commotion.**

**5. Aircraft,** including self-propelled missiles and spacecraft.

**6. Vehicles.**



7. **Smoke**, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. **Vandalism or malicious mischief.**

This peril does not include loss by pilferage, theft, burglary or larceny.

9. **Damage by Burglars**, meaning damage to covered property caused by Burglars.

This peril does not include:

- a. theft of property; or
- b. damage caused by burglars to property on the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the damage occurs. A dwelling being constructed is not considered vacant.

10. **Falling Objects.**

This peril does not include loss to property contained in the building unless the roof or an outside wall of the building is first damaged by a falling object.

Damage to the falling object itself is not covered.

11. **Weight of ice, snow or sleet** which causes damage to property contained in the building.

12. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- a. to the system or appliance from which the water or steam escaped;
- b. caused by or resulting from freezing except as provided in the peril of freezing below; or
- c. on the Described Location caused by accidental discharge or overflow which occurs off the Described Location.

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

13. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss caused by or resulting from freezing except as provided in the peril of freezing below.

14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the Described Location while the dwelling is unoccupied or being constructed, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliances of water.

15. **Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

16. **Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.

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## GENERAL EXCLUSIONS

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1. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

- a. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the use, construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.

- b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:

- (1) fire;
- (2) explosion; or

- (3) breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the ensuing loss.

- c. **Water Damage**, meaning:

- (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) water which backs up through sewers or drains or which overflows from a sump; or
- (3) water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire or explosion resulting from water damage is covered.

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But, if a Peril Insured Against ensues on the Described Location, we will pay only for that ensuing loss.
- e. **Neglect**, meaning your neglect to use all reasonable means to save and preserve property at and after the time of a loss.
- f. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of the Conditions.
- h. **Intentional Loss**, meaning any loss arising out of any act committed:
  - (1) by or at the direction of you or any person or organization named as an additional insured; and
  - (2) with the intent to cause a loss.

- 2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.
  - a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;
  - b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
  - c. **Faulty, inadequate or defective**;
    - (1) planning, zoning, development, surveying, siting;
    - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) materials used in repair, construction, renovation or remodeling; or
    - (4) maintenance;of part or all of any property whether on or off the Described Location.

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## CONDITIONS

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- 1. **Policy Period**. This policy applies only to loss which occurs during the policy period.
- 2. **Insurable Interest and Limit of Liability**. Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
  - a. for an amount greater than the interest of a person insured under this policy; or
  - b. for more than the applicable limit of liability.
- 3. **Concealment or Fraud**. The entire policy will be void if, whether before or after a loss, you have:
  - a. intentionally concealed or misrepresented any material fact or circumstance;
  - b. engaged in fraudulent conduct; or
  - c. made false statements; relating to this insurance.
- 4. **Your Duties After Loss**. In case of a loss to covered property, you must see that the following are done:
  - a. give prompt notice to us or our agent;
  - b. (1) protect the property from further damage;
  - (2) make reasonable and necessary repairs to protect the property; and
  - (3) keep an accurate record of repair expenses;
- c. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- d. as often as we reasonably require:
  - (1) show the damaged property;
  - (2) provide us with records and documents we request and permit us to make copies; and
  - (3) submit to examination under oath, while not in the presence of any other named insured, and sign the same;
- e. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - (1) the time and cause of loss;
  - (2) your interest and that of all others in the property involved and all liens on the property;
  - (3) other insurance which may cover the loss;
  - (4) changes in title or occupancy of the property during the term of the policy;

- (5) specifications of damaged buildings and detailed repair estimates;
  - (6) the inventory of damaged personal property described in 4c;
  - (7) receipts for additional living expenses incurred and records that support the fair rental value loss.
- 5. Loss Settlement.** Covered property losses are settled as follows:
- a. (1) Personal property;
    - (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
    - (3) Structures that are not buildings;
 

at actual cash value at the time of loss but not more than the amount required to repair or replace.
  - b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
    - (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
      - (a) the limit of liability under this policy that applies to the building;
      - (b) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
      - (c) the necessary amount actually spent to repair or replace the damaged building.
    - (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
      - (a) the actual cash value of that part of the building damaged; or
      - (b) that proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
    - (a) excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
    - (b) those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
    - (c) underground flues, pipes, wiring and drains.
  - (4) We will pay no more than the actual cash value of the damage unless:
    - (a) actual repair or replacement is complete; or
    - (b) the cost to repair or replace the damage is both:
      - (i) less than 5% of the amount of insurance in this policy on the building; and
      - (ii) less than \$2500.
  - (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability on a replacement cost basis.
- 6. Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
- a. repair or replace any part to restore the pair or set to its value before the loss; or
  - b. pay the difference between actual cash value of the property before and after the loss.
- 7. Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
- 8. Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the Described Location is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

**9. Other Insurance.** If property covered by this policy is also covered by other fire insurance, we will pay only the proportion of a loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of fire insurance covering the property.

**10. Subrogation.** You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, the person insured must sign and deliver all related papers and cooperate with us.

**11. Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.

**12. Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with like property.

**13. Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. reach an agreement with you;
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

**14. Abandonment of Property.** We need not accept any property abandoned by you.

**15. Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

- a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;

- b. pays any premium due under this policy on demand if you have neglected to pay the premium; and
- c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

**16. No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

**17. Cancellation.**

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

Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

**(3)** When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

- (a)** if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
- (b)** if the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

**(4)** When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

- c.** When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d.** If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

**18. Non-Renewal.** We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

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

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

**20. Waiver or Change of Policy Provisions.** A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

**21. Assignment.** Assignment of this policy will not be valid unless we give our written consent.

**22. Death.** If you die, we insure:

- a.** your legal representatives but only with respect to the property of the deceased covered under the policy at the time of death;
- b.** with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

**23. Nuclear Hazard Clause.**

- a.** "Nuclear Hazard" means any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b.** Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
- c.** This policy does not apply to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

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

**25. Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

**PERMITTED INCIDENTAL OCCUPANCIES**

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Occupancy (Describe)\* \_\_\_\_\_

For an additional premium, under Coverage C – Personal Property we cover personal property pertaining to the use of the dwelling for the occupancy described above for loss caused by a Peril Insured Against on the Described Location. We will not be liable in any one loss for more than the limit of liability shown in this policy for this coverage.

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

**IMPROVEMENTS, ALTERATIONS AND ADDITIONS**

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For an additional premium, we cover, for the limit of liability shown in this policy for this coverage, Improvements, Alterations and Additions made or acquired at your expense to your part of the Described Location whether rented to others or not.

All other provisions of this policy apply.

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

**WINDSTORM OR HAIL EXCLUSION**

1. We do not insure for loss caused directly or indirectly by:

- a. The peril of windstorm or hail; or
- b. The peril of windstorm during a hurricane.

Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

2. Direct loss by fire or explosion resulting from the peril of windstorm or hail, including the peril of windstorm during a hurricane, is covered.

3. Hurricane Described

- a. A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.
- b. A hurricane occurrence:
  - (1) Begins at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service; and
  - (2) Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.



**ADDITIONAL INSURED  
Described Location**

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Name and Address of Person or Organization\*

Interest\*

Described Location\*  
(Number, Street, Apartment, Town or City, Country, State, ZIP Code)

The person or organization named above is considered an insured in this policy with respect to Coverage A – Dwelling and Coverage B – Other Structures at the Described Location listed above.

If we decide to cancel or not to renew this policy, the party named above will be notified in writing.

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

**WINDSTORM EXTERIOR PAINT AND WATERPROOFING EXCLUSION  
SEACOAST**

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Coverage to any building or structure under this policy excludes loss caused by windstorm or hail to paint or waterproofing material applied to the exterior of the building or structure.

All other provisions of this policy apply.

**PREMISES ALARM OR  
FIRE PROTECTION SYSTEM**

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For a premium credit, we acknowledge the installation of an alarm system or automatic sprinkler system approved by us at the Described Location. You agree to maintain this system in working order and to notify us promptly of any change made to the system or if it is removed.

**DWELLING UNDER CONSTRUCTION**

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**BUILDERS' RISK**

The insurance applies only to the dwelling or structure under Coverage A while under construction.

**PREMIUM**

The premium is based on an average amount of insurance during construction.

**AMOUNT OF INSURANCE**

The limit of liability stated in the declarations for Coverage A is provisional. The actual amount of insurance on any date while the policy is in force will be a percentage of the provisional amount. The percentage will be the proportion that the actual value of the property bears to the value at the date of completion.

**OCCUPANCY**

You will advise us when construction is completed for our consent to occupy the dwelling and for adjustment of premium. Occupancy of the building under Coverage A as a dwelling is permitted for 30 days after completion.

**POLICY PROVISIONS**

All other provisions of this policy apply.

## CONDOMINIUM UNIT-OWNERS COVERAGE

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### Limit of Liability\* \$

For an additional premium, the following coverage is added for the limit of liability shown above.

### Unit-Owners Building Items

We cover for direct physical loss caused by the Perils Insured Against:

- a. the alterations, appliances, fixtures and improvements which are part of the building contained within your unit;
- b. items of real property which pertain exclusively to your unit;
- c. property which is your insurance responsibility under a corporation or association of property owners agreement; or
- d. structures owned solely by you, other than the Described Location, on the premises of the Described Location. However, we do not cover structures:
  - (1) used in whole or in part for commercial, manufacturing or farming purposes; or
  - (2) rented or held for rental to any person not a tenant of the Described Location, unless used solely as a private garage.

This coverage does not apply to land, including land on which the Described Location, real property or structures are located.

The following conditions apply only to the coverage provided by this endorsement:

### Other Insurance

If at the time of loss there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.

### Subrogation

The following sentence is added to the first paragraph of this Condition:

However, we waive any rights of recovery against the corporation or association.

### Loss Settlement

Unit-Owners Building Items losses are settled as follows:

- a. If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
- b. If the damage is not repaired or replaced within a reasonable time, at actual cash value but not exceeding the amount required to repair or replace.

### Fair Rental Value

The following sentence is added to the Fair Rental Value Coverage in all policies covering Fair Rental Value:

We also cover the fair rental value if a loss to the building containing the property described in this policy by a Peril Insured Against under this policy makes that part of the Described Location rented to others or held for rental by you unfit for its normal use.

### Additional Living Expense

The following sentence is added to the Additional Living Expense Coverage in all policies covering Additional Living Expense:

We also cover the necessary increase in living expense incurred by you so that your household can maintain its normal standard of living if a loss to the building containing the property described in this policy by a Peril Insured Against under this policy makes the Described Location unfit for its normal use.

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

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**AGREEMENT**

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

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**DEFINITIONS**

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In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
  2. "business" includes trade, profession or occupation.
  3. "insured" means you and residents of your household who are:
    - a. your relatives;
    - b. other persons under the age of 21 and in the care or any person named above;
    - c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3a or 3b above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured;"
    - d. with respect to any vehicle to which this policy applies
      - (1) persons while engaged in your employ or that of any person included in 3a or 3b above; or
      - (2) other persons using the vehicle on an "insured location" with your consent.
  4. "Insured location" means:
    - a. the "residence premises;"
    - b. the part or other premises, other structures and grounds used by you as a residence and;
      - (1) which is shown in the declarations; or
      - (2) which is acquired by you during the policy period for your use as a residence;
    - c. any premises used by you in connection with a premises in 4a or 4b above;
  - d. any part of a premises:
    - (1) not owned by an "insured;" and
    - (2) where an "insured" is temporarily residing;
  - e. vacant land; other than farm land, owned by or rented to an "insured;"
  - f. land owned by or rented to an "insured on which a one to four family dwelling is being built as a residence for an "insured;"
  - g. individual or family cemetery plots or burial vaults of an "insured" or
  - h. any part of a premises occasionally rented to an "insured" for other than "business" use.
5. "occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
    - a. "bodily injury;"
    - b. "property damage."
  6. "property damage" means physical injury to, destruction of, or loss of use of tangible property.
  7. "residence employee" means:
    - a. an employee or an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
    - b. one who performs similar duties elsewhere not related to the "business" of an "insured."
  8. "residence premises" means:
    - a. the one family dwelling, other structures, and grounds; or
    - b. that part of any other building;  
where you reside and which is shown as the "residence premises" in the Declarations.  
  
"Residence premises" also means a two, three or four family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.

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**LIABILITY COVERAGES**


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**COVERAGE L – PERSONAL LIABILITY**

If a claim is made or a suit is brought against an “insured” for damages because of “bodily injury” or “property damage” caused by an “occurrence” to which this coverage applies, we will:

1. pay up to our limit of liability for the damages for which the “insured” is legally liable. Damages include prejudgment interest awarded against the “insured.”
2. provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the “occurrence” equals our limit of liability.

**COVERAGE M –MEDICAL PAYMENTS TO OTHERS**

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing “bodily injury.” Medical expenses means reasonable charges for medical surgical, X-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents or your household except “residence employees.” As to others, this coverage applies only:

1. to a person on the “insured location” with the permission of an “insured;” or
2. to a person off the “insured location,” if the “bodily injury:”
  - a. arises out of a condition on the “insured location” or the ways immediate adjoining;
  - b. is caused by the activities of an “insured;”
  - c. is caused by a “residence employee” in the course of the “residence employee’s employment by an “insured;” or
  - d. is caused by an animal owned by or in the care of an “insured.”

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**EXCLUSIONS**


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1. **Coverage L – Personal Liability and Coverage M – Medical Payments to Others** do not apply to “bodily injury” or “property damage:”

- a. which is expected or intended by the “insured.”
- b. (1) arising out of or in connection with a “business” engaged in by an “insured.” This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the “business;”
- (2) arising out of the rental or holding for rental of any part of any premises by an “insured.” This exclusion does not apply to the rental or holding for rental of an “insured location.”
  - (a) on an occasional basis if used only as a residence;
  - (b) in part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
  - (c) in part, as an office, school, studio or private garage.

- c. arising out of the rendering of or failure to render professional services.
- d. arising out of a premises:
  - (1) owned by an “insured;”
  - (2) rented to an “insured;” or
  - (3) rented to others by an “insured;” that is not an “insured location.”
- e. arising out of:
  - (1) the ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an “insured;”
  - (2) the entrustment by an “insured” of a motor vehicle or any other motorized land conveyance to any person; or
  - (3) vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraphs (1) or (2) above.

This exclusion does not apply to:

- (1) a trailer not towed by or carried on a motorized land conveyance.
- (2) a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
  - (a) not owned by an "insured;" or
  - (b) owned by an "insured" and on an "insured location."
- (3) a motorized golf cart when used to play golf on a golf course.
- (4) a vehicle or conveyance not subject to motor vehicle registration which is:
  - (a) used to service an "insured's" residence;
  - (b) designed for assisting the handicapped; or
  - (c) in dead storage on an "insured location."

f. arising out of:

- (1) the ownership, maintenance, use, loading or unloading of a watercraft described below;
- (2) the entrustment by an "insured" of a watercraft described below to any person; or
- (3) vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a watercraft described below.

Watercraft:

- (1) with inboard or inboard-outdrive motor power owned by an "insured;"
- (2) with inboard or inboard-outdrive motor power of more than 50 horsepower rented to an "insured;"
- (3) that are sailing vessels, with or without auxiliary power, 26 feet or more in length owned by or rented to an "insured;" or
- (4) powered by one or more outboard motors with more than 25 total horsepower if the outboard motor is owned by an "insured." But outboard motors of more than 26 total horse power are covered for the policy period if:
  - (a) you acquire them prior to the policy period and:
    - (i) you declare them at policy inception, or
    - (ii) your intention to insure is reported to us in writing within 45 days after you acquire the outboard motors.
  - (b) you acquire them during the policy period.

This exclusion does not apply while the watercraft is stored.

g. arising out of:

- (1) the ownership, maintenance, use, loading or unloading of an aircraft;
- (2) the entrustment by an "insured" of an aircraft to any person; or
- (3) vicarious liability, whether or not statutorily imposed, for the action of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

- h. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge or a nuclear weapon will be deemed a warlike act even if accidental.
- i. which arises out of the transmission of a communicable disease by an "insured."
- j. arising out of sexual molestation, corporal punishment or physical or mental abuse.
- k. arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions d., e., f., and g. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured."

2. **Coverage L – Personal Liability**, does not apply to:

a. liability:

- (1) for any loss assessment charged against you as a member or an association, corporation or community of property owners;
- (2) under any contract or agreement. However, this exclusion does not apply to written contracts:
  - (a) that directly related to the ownership, maintenance or use of an "insured location;" or



(b) where the liability of others is assumed by the "insured" prior to an "occurrence;"

unless excluded in (1) above or elsewhere in this policy.

- b. "property damage" to property owned by the "insured."
- c. "property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion.
- d. "bodily injury" to any person eligible to receive any benefits:
- (1) voluntarily provided; or
  - (2) required to be provided;
- by the "insured" under any:
- (1) workers' compensation law;
  - (2) non-occupational disability law; or
  - (3) occupational disease law.
- e. "bodily injury" or "property damage" for which an "insured" under this policy:
- (1) is also an insured under a nuclear energy liability policy; or
  - (2) would be an insured under that Policy but for the exhaustion of its limit of liability.
- A nuclear energy liability policy is one issued by:
- (1) American Nuclear Insurers;
  - (2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association Canada; or any of their successors

f. "bodily injury" to you or an "insured" within the meaning of part a or b of "Insured" as defined.

3. **Coverage M – Medical payments to Others**, does not apply to "bodily injury:"

- a. to a "residence employee" if the "bodily injury:"
- (1) occurs off the "insured location;" and
  - (2) does not arise out of or in the course of the "residence employee's" employment by an "insured."
- b. to any person eligible to receive benefits:
- (1) voluntarily provided; or
  - (2) required to be provided;
- under any:
- (1) workers' compensation law;
  - (2) non-occupational disability law; or
  - (3) occupational disease law.
- c. from any:
- (1) nuclear reaction;
  - (2) nuclear radiation; or
  - (3) radioactive contamination:
- all whether controlled or uncontrolled or however caused; or
- (4) any consequence of any of these.
- d. to any person, other than a "residence employee" or an "insured," regularly residing on any part of the "insured location."

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**ADDITIONAL COVERAGES**


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We cover the following in addition to the limits of liability:

1. **Claim Expenses.** We pay:
  - a. expenses we incur and costs taxed against an "insured" in any suit we defend;
  - b. premiums of bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage L. We need not apply for or furnish any bond.
  - c. reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of a claim or suit;
  - d. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to you or any other "insured."
3. **Damage to Property of Others.** We will pay, at replacement cost, up to \$500 per "occurrence" for "property damage" to property of others caused by an "insured."

We will not pay for "property damage:"

- a. caused intentionally by an "insured" who is 13 years of age or older;
- b. to property owned by an "insured;"
- c. to property owned by or rented to a tenant or an "insured" or a resident in your household; or
- d. arising out of:
  - (1) a "business" engaged in by an "insured;"
  - (2) any act or omission in connection with a premises owned, rented or controlled by an "insured," other than the "insured location;" or
  - (3) the ownership, maintenance or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an "insured."

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**CONDITIONS**


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1. **Limit of Liability.** Our total liability under Coverage L for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage L as shown in the Declarations. This limit is the same regardless of the number of "insureds," claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence."
 

Our total liability under Coverage M for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Coverage M as shown in the Declarations.
2. **Severability of Insurance.** This insurance applies separately to each "insured." This condition will not increase our limit of liability for any one "occurrence".
3. **Duties After Loss.** In case of an accident or "occurrence," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:
  - a. give written notice to us or our agent as soon as is practical, which sets forth:
    - (1) the identify of the policy and "insured;"
    - (2) reasonably available information on the time, place and circumstances of the accident or "occurrence;" and
    - (3) names and addresses of any claimants and witnesses;
  - b. promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence;"
  - c. at our request, help us:
    - (1) to make settlement;
    - (2) to enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured;"
    - (3) with the conduct or suits and attend hearings and trials;
    - (4) to secure and give evidence and obtain the attendance of witnesses;
  - d. under the coverage – Damage to Property of Others – submit to us within 60 days after the loss a sworn statement of loss and show the damaged property, if in the "insured's" control;
    - e. the "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury."
4. **Duties of an Injured Person–Coverage M–Medical Payments to Others.**

The injured person or someone acting for the injured person will:

  - a. give us written proof of claim, under oath if required, as soon as is practical; and
  - b. authorize us to obtain copies of medical reports and records.

The injured person will submit to physical examination by a doctor of our choice when and as often as we reasonably require.
5. **Payment of Claim–Coverage M–Medical Payments to Others.** Payment under this coverage is not an admission of liability by an "insured" or us.
6. **Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.
 

No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage L can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.
7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an "insured" will not relieve us or our obligations under this policy.
8. **Other Insurance–Coverage L–Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
9. **Policy Period.** This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.
10. **Subrogation.** An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.
 

If an assignment is sought, an "insured must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Medical Payments to Others or Damage to Property of Others.

**PERMITTED INCIDENTAL OCCUPANCIES**

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For an additional premium, we cover the following  
“business”: (describe)\*

Conducted by an “insured” on premises situated:  
(address)\*

subject to the following:

Exclusion 1.b.(1) of Coverage L – Personal Liability  
and Coverage M – Medical Payments to Others, is  
deleted and the following substituted:

- b. (1) arising out of or in connection with a  
“business” engaged in by an “insured.”  
This exclusion applies but is not limited  
to an act or omission, regardless of its  
nature of circumstance, involving a  
service or duty rendered, promised,  
owed or implied to be provided  
because of the nature of the  
“business.” However, this exclusion  
does not apply to the necessary or  
incidental use of the premises to  
conduct the “business” described  
above.

This insurance does not apply to “bodily injury” to:

- a. any employee of an “insured” arising out of  
the “business” use described above other  
than to a “residence employee” while  
engaged in the employee’s employment by  
an “insured;” or
- b. any pupil arising out of corporal punishment  
administered by or at the direction of the  
“insured.”

\* Entries may be left blank if shown elsewhere in this  
policy for this coverage.

All other provisions of this policy apply.

**ADDITIONAL INSURED**

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Name and Address of Person or Organization:\*

Interest:\*

The definition of "insured" in this policy includes the person or organization named above with respect to:

Coverage L – Personal Liability and Coverage M – Medical Payments to Others but only with respect to the "insured location" shown below.

This coverage does not apply to "bodily injury" to any employee arising out of or in the course of the employee's employment by the person or organization.

If this policy is cancelled or not renewed by us, the party named above will be notified in writing.

Location\*

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

**PREMISES LIABILITY  
(Non-Owner Occupied Dwelling)**

**DL 24 11 07 88**

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... the premium charged, the premises shown below are included in the definition of "insured location."

Coverage L – Personal Liability and Coverage M – Medical Payments to Others are restricted to apply only with respect to "bodily injury" and "property damage" arising out of the ownership, maintenance or use of the premises shown below.

Exclusion 1.b.(2) does not apply to the premises shown below.

Location*	Number of Families*
1.	
2.	
3.	
4.	

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

**NO COVERAGE FOR**  
**HOME DAY CARE BUSINESS**

**DL 24 16 07 88**

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If an "insured" regularly provides home day care services to a person or persons other than "insureds" and receives monetary or other compensation for such services, that enterprise is a "business." Mutual exchange of home day care services, however, is not considered compensation. The rendering of home day care services by an "insured" to a relative of an "insured" is not considered a "business."

Therefore, with respect to a home day care enterprise which is considered to be a "business" this policy does not provide coverage, because a "business" of an "insured" is excluded under Exclusion 1.b.(1).

**THIS ENDORSEMENT DOES NOT CONSTITUTE  
A REDUCTION OF COVERAGE.**

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

**SPECIAL PROVISIONS – FLORIDA**

**EXCLUSIONS**

Under 1. Coverage L – Personal Liability and Coverage M – Medical Payments to Others, items a. and k. are deleted and replaced by the following:

- a. Which is expected or intended by one or more “insureds”;
- k. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined under federal law. Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

**CONDITIONS**

10. Subrogation. The following sentence is added to the first paragraph of this condition:

However, we waive any rights of recovery against the corporation or association of property owners of the condominium where the “residence premises” is located.

The following condition is added:

11. Concealment or Fraud. We do not provide coverage to one or more “insureds” who, whether before or after a loss, have:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements;

relating to this insurance.

**ALL OTHER PROVISIONS OF THIS POLICY APPLY.**



**UNIVERSAL PROPERTY AND CASUALTY INSURANCE COMPANY**

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

**EXISTING DAMAGE EXCLUSION ENDORSEMENT**

It is understood and agreed that this policy is not intended to and does not provide coverage for any damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy.

It is also understood and agreed that this policy is not intended to and does not provide coverage for any claims or damages arising out of workmanship, repairs and/or lack of repairs arising from damage which occurred prior to policy inception.

It is understood and agreed that this policy does not provide coverage for any stated amount until and unless all structures covered by your previous policy have been fully and completely repaired. Prior to such completion of repairs coverage will be limited to the greater: (1) the actual cash value of the property at the time of a covered loss occurring during this policy period; or (2) the cost of repairing the property to a state at which it existed at the time of a covered loss, provided that such repairs have been made.

This endorsement applies to all coverages under this policy.

**UNIVERSAL PROPERTY AND CASUALTY INSURANCE COMPANY**

**AMENDMENT OF LOSS SETTLEMENT CONDITION-FLORIDA**

**(DP 00 01 Only)**

Paragraph 5. of the Conditions Section in the DP 00 01 is replaced by the following:

5. Loss Settlement. Covered property losses are settled as follows:
- a. (1) Personal Property;
    - (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
    - (3) Structures that are not buildings; at actual cash value at the time of loss but not more than the amount required to repair or replace.
  - b. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
    - (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
      - (a) the limit of liability under this policy that applies to the building;
      - (b) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
      - (c) the necessary amount actually spent to repair or replace the damaged building.
    - (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
      - (a) the actual cash value of that part of the building damaged; or
      - (b) that proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
- (a) excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
  - (b) those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
  - (c) underground flues, pipes, wiring and drains
- (4) We will pay no more than the actual cash value of the damage unless:
- (a) actual repair or replacement is complete; or
  - (b) the cost to repair or replace the damage is both:
    - (i) less than 5% of the amount of insurance in this policy on the building; and
    - (ii) less than \$2,500.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after the loss for any additional liability on a replacement cost basis.

**UNIVERSAL PROPERTY AND CASUALTY INSURANCE COMPANY**

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

**SPECIAL PROVISIONS – FLORIDA**

**OTHER COVERAGES**

11. Glass or Safety Glazing Material is deleted and replaced by the following:
11. Glass or Safety Glazing Material
- a. We cover:
- (1) The breakage of glass or safety glazing material which is part of covered building, storm door or storm window;
  - (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and
  - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:
- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
  - (2) On the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.
- Loss to glass covered under this OTHER COVERAGE 11 will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
- This coverage does not increase the limit of liability that applies to the damaged property.

**PERILS INSURED AGAINST**

The following peril is added:

Sinkhole Collapse, meaning actual physical damage arising out of, or caused by, sudden settlement or collapse of the earth supporting such property and only when such settlement or collapse results from subterranean voids created by the action of water on limestone or similar rock formations.

The Earth Movement exclusion does not apply to this peril.

**EXCLUSIONS**

2. Earth Movement is deleted and replaced by the following:
2. Earth Movement, meaning earthquake, including land shock, waves or tremors before, during or after a volcanic eruption, landslide, mine subsidence, mudflow, earth sinking, rising or shifting; unless direct loss by:
- a. Fire; or
  - b. Explosion;
- ensues and then we will pay for the ensuing loss.
- (This is exclusion 1.b in Form DP 00 03)
4. Power Failure is deleted and replaced by the following:
4. Power Failure, meaning the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss, from a PERIL INSURED AGAINST on the Described Location, we will pay for the loss or damage caused by that PERIL INSURED AGAINST.
- (This is exclusion 1.d. in Form DP 00 03)

**CONDITIONS**

3. Concealment or Fraud is deleted and replaced by the following:
3. Concealment or Fraud. With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:
- a. Intentionally concealed or misrepresented any material fact or circumstance;
  - b. Engaged in fraudulent conduct; or
  - c. Made false statements relating to insurance.
8. Appraisal is deleted and replaced by the following:
8. Mediation or Appraisal. If you and we fail to agree on the amount of loss, either may:

a. Demand a mediation of the loss in accordance with the rules established by the Florida Insurance Department. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within three (3) business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

- b. Demand an appraisal of the loss. In this event, each party will choose a competent appraiser within twenty (20) days after the receiving of a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the "described location" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

If, however, we demand the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

11. Suit Against Us is deleted and replaced by the following:
  11. Suit Against Us. No action can be brought unless the policy provisions have been complied with and the action is started within five (5) years after the date of the loss.
13. Loss Payment is deleted and replaced with the following:
  13. Loss Payment. We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable:
    - a. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or
    - b. Sixty (60) days after we receive your proof of loss; and:
      - (1) There is an entry of a final judgement; or
      - (2) There is a filing of an appraisal award or a mediation settlement with us.
17. Cancellation. Paragraphs b., c., and d., are deleted and replaced by the following:
  - b. When this policy has been in effect for ninety (90) days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.
  - c. We may also cancel this policy subject to the following provisions: A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

    - (1) When you have not paid the premium, we may cancel at any time by letting you know at least ten (10) days before the date cancellation takes effect.

(2) When this policy has been in effect ninety (90) days or less we may cancel for any reason, except we may not cancel:

- (a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- (b) On the basis of filing claims for partial loss caused by sinkhole damage, or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
  - (i) The total of such property claim payment for this policy exceeds the current policy limits of coverage for property damage; or
  - (ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

Except as provided in item 17.b. above, we will let you know of our action at least twenty (20) days before the date cancellation takes effect.

- (3) When the policy has been in effect for more than ninety (90) days, we may cancel:
  - (a) If there has been a material misstatement;
  - (b) If the risk has changed substantially since the policy was issued;
  - (c) In the event of failure to comply with underwriting requirements established by us within ninety (90) days of the effective date of coverage;
  - (d) If the cancellation is for all insureds under policies of this type for a given class of insureds;

(e) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonable necessary as requested by us to prevent recurrence of the damage to the insured property; or

- (f) On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of sinkhole claims, or on the basis of the risk associated with the occurrence of such a claim, if:
  - (i) The total of such property claim payment for this policy exceeds the current policy limits of coverage for property damage; or
  - (ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting you know at least ninety (90) days before the date cancellation takes effect.

- d. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- e. If the return premium is not returned with the policy notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

18. Nonrenewal is deleted and replaced by the following:

18. Nonrenewal. We may elect not to renew this policy. However, we will not nonrenew this policy:

- a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested to prevent recurrence of damage to the insured property; or

b. On the basis of filing claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may elect not to renew this policy if:

- (1) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or
- (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

We may do so by delivering to you or mailing to you at your mailing address shown in the declarations, written notice, together with the specific reasons for nonrenewal, at least ninety (90) days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

The following condition is added:

26. Renewal Notification. If we elect to renew this policy, we will let you know, in writing:
- a. Of our decision to renew this policy; and
  - b. The amount of renewal premium payable to us.

This notice will be delivered to you at your mailing address shown in the Declarations at least forty five (45) days before the expiration date of this policy.

## **EXCLUSIONS**

The following is added to Personal Liability Form DL 24 01 07 88, Exclusion 2. Coverage L - Personal Liability:

- g. "Bodily injury" or "property damage" caused by any animal owned or kept by you whether or not the injury occurs on your premises or any other location.

**UNIVERSAL PROPERTY AND CASUALTY INSURANCE COMPANY**

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

**WINDSTORM PROTECTIVE DEVICES**

DESCRIBED LOCATION(S):

For the Premium charged:

- A. We acknowledge the installation of storm shutters or other windstorm protective devices, reported by you to us, that protect all exterior wall and roof openings, including doors, windows, skylights and vents, other than soffit and roof ridge vents, that are part of:
1. All buildings owned by you and located on, or at the location of, the "residence premises"; or
  2. A covered condominium or cooperative unit; or
  3. A one-family dwelling or an apartment unit in a two or more family building in which you reside as a tenant and which contains covered personal property.

At the described location(s) above.

B. You agree to:

1. Maintain each storm shutter or other windstorm protective device in working order;
2. Close and secure all storm shutters or other windstorm protective devices when necessary or arrange for others to do so in your absence; and
3. Let us know promptly of:
  - a. The alteration, disablement, replacement or removal of, or significant damage to, any storm shutter or other windstorm protective device; or
  - b. Any alterations or additions to existing buildings owned by you or the construction of any new buildings

at the described location(s) stated above.

While your failure to comply with any of the conditions in B, above will not result in denial of a claim for loss caused by the peril of Windstorm or Hail, we reserve the right to discontinue the benefits of this endorsement; including any related premium credit, in the event of such a failure.

All other provisions of the policy apply.

**UNIVERSAL PROPERTY AND CASUALTY INSURANCE COMPANY**

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

**Hurricane Deductible**

**Applies To All Dwelling Property Forms**

It is agreed that your policy is changed as follows:

A. In the Definitions section of the policy, the following definition is added:

“Hurricane” means:

A tropical weather system that has been declared and defined by the National Oceanic and Atmospheric Administration (NOAA), Hurricane Center of the National Weather Service to be a hurricane, which is a tropical cyclone windstorm, having a well defined rotary circulation, and constant surface wind speeds of seventy-four (74) miles per hour or greater.

B. Under the Conditions section of this policy the following conditions are added:

Deductible:

We will pay when a covered loss exceeds the deductible shown on the Policy Declarations. We will then pay only the excess amount, unless we have indicated otherwise in this policy.

Hurricane Deductible:

The hurricane deductible applies in the event of sudden and accidental direct physical loss caused by a hurricane to property covered under this policy.

The hurricane deductible amount will appear on your Policy Declaration as hurricane deductible. The hurricane deductible will be applied to your dwelling property policy Coverage A – Dwelling limit of liability or if you are a renter or own a condominium unit Coverage C – Personal Property limit of liability, as shown on your Policy Declarations. We will THEN PAY ONLY THE EXCESS AMOUNT, UNLESS WE HAVE INDICATED OTHERWISE in this policy.

The deductible applies regardless of any other cause or event contributing concurrently or in any sequence to the loss. When the hurricane deductible applies, no other deductible provision of this policy applies to covered damage or losses caused by hurricane.

The hurricane deductible applies during the following time periods:

1. Beginning at the time a hurricane watch or warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service;
2. continuing for the time period during which the hurricane conditions exist anywhere in Florida; and
3. ending 72 hours following the termination of the last hurricane watch or hurricane warning for any part of Florida by the National Hurricane Center of the National Weather Service.

All other provisions of this policy apply.



# UNIVERSAL PROPERTY AND CASUALTY INSURANCE COMPANY

## OUTLINE OF YOUR DWELLING POLICY

This outline is being provided to help you more easily understand your Dwelling Policy. It highlights the major coverages, exclusions, limitations and deductibles of your policy and provides information on discounts, surcharges, cancellation and nonrenewal. However, this is just a guide and not a legal contract. **Please read your Dwelling policy carefully for complete descriptions and details.**

**The following outline is for informational purposes only. Florida law prohibits this outline from changing any of the provisions of the insurance contract which is the subject of this outline.** Any endorsement including changes in types of coverage, coverage limits, exclusions, deductibles, renewal or cancellation provisions, surcharges, credits, or any other changes will be sent separately.

### **PROPERTY COVERAGE**

#### **Coverage A - Dwelling**

Applies to your residence premises and protects your dwelling and structures attached to your dwelling. It also protects against covered loss to building materials located on your residence premises which are being used in connection with your residence premises.

#### **Coverage B - Other Structures**

Protects against covered loss to any structure on your residence premises, that is not used for business purposes, not physically attached to the dwelling

#### **Coverage C - Personal Property** (Applies if coverage is purchased)

Protects against covered loss to your personal property usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the described premises. Certain items such as money, animals, motor vehicles etc. are specifically excluded.

#### **Coverage D – Fair Rental Value**

If a loss to property described in coverages A, B, or C by a covered peril makes that part of the described location rented to others, or held for rental, unfit for its normal use, we cover fair rental value.

### **PERILS INSURED AGAINST**

This policy insures under Coverage A, B, and C, if applicable to your policy, against sudden and accidental direct physical losses except as limited or excluded by your policy, caused by: Fire or Lightning; Windstorm or Hail; Explosion; Riot or Civil Commotion; Aircraft; Vehicles; Smoke; Vandalism or Malicious Mischief.

Please review your policy for complete coverages.

**NOTE:** If your property is located in a Florida Windstorm Underwriting Association (FWUA) designated area, "Windstorm or Hail" coverage **must** be excluded from your policy. Be sure to obtain this important coverage if it has been excluded from your policy.

### **PROPERTY EXCLUSIONS**

This policy does not provide protection under Coverages A, B and C, if applicable to your policy, for losses resulting in any manner from: Earth Movement, other than a covered sinkhole loss; Flood; Off Premises Power Failure; Neglect; War or Nuclear Hazard; and, Intentional or Criminal Acts.

Please review your policy for a complete list of exclusions.

#### **Personal Liability** (Applies if coverage is purchased)

Generally provides coverages for bodily injury or property damage that you or a person insured under your policy are legally obligated to pay. The bodily injury or property damage must arise from an occurrence covered under your policy. Exclusions are included for acts arising out of or in connection with a business, ownership, maintenance or use of motor vehicles, watercraft or aircraft. Please refer to your policy for other exclusions.

Provides coverages for reasonable and necessary medical expenses if a guest is injured on your premises or off the insured premises under certain circumstances. The bodily injury must arise from an occurrence covered under the Personal Liability Section of your policy with limited exceptions.

## **NONRENEWAL AND CANCELLATION PROVISIONS**

All cancellations are granted a pro-rata return of premium. Pro-rata means no Penalty for early cancellation.

### **Your Right To Cancel**

You may cancel the policy at any time, for any reason, by giving us advance written notice of the future cancellation effective date.

### **Our Right to Cancel**

If your policy has been in effect for 90 days or less and the insurance is canceled for other than nonpayment of premium we may cancel for any valid reason by giving you at least 20 days notice before the cancellation effective date, except where there has been a material misstatement, misrepresentation, or failure to comply with underwriting requirements established in the first 90 days, then we may cancel immediately.

If your policy has been in effect over 90 days, or if your policy is a renewal with us, we may cancel your policy for only a limited number of reasons by giving you at least 90 days advance written notice before the cancellation becomes effective. These include but are not limited to material misstatement or substantial change of risk.

If the cancellation is due to nonpayment of premium, we will give you at least 10 days advance written notice.

### **Nonrenewal**

If we do not intend to renew your policy we will mail notice to you at least 90 days before the expiration date of the policy. The renewal premium payment must be received no later than the renewal date or the policy will terminate.

## **PREMIUM CREDITS**

The following are brief descriptions of the premium credits that may be available on your dwelling policy. Your policy Declarations page will show which of these credits, if any, apply to your policy.

**Protective Devices** - If the dwelling has a central station burglar alarm, central station fire alarm or automatic fire sprinkler system, you maybe eligible for premium credits.

**Deductible Credits** - A hurricane deductible of 2% and a standard deductible of \$1,000 apply to your policy, however if your policy excludes wind the hurricane deductible does not apply. This is the amount of the loss you must incur before this policy pays. Deductible options greater than the standard deductibles may be available at a premium credit. Deductibles less than the standard deductibles may be available which will result in premium increase.

**Windstorm Protective Device** - This credit is available for dwellings equipped with qualifying storm shutters or other protective devices.

**Building Code Compliance** - This credit is available on dwellings built in compliance with accepted national building codes designed to lessen the effect of losses resulting from windstorms and hurricanes.

**Superior Construction** - Certain homes of fire resistive or wind resistive construction are eligible for a premium credit.

Please contact your Agent for further information regarding the above Credits.

**THIS OUTLINE IS FOR INFORMATIONAL PURPOSES ONLY. READ YOUR POLICY CAREFULLY. YOUR AGENT WILL ASSIST YOU WITH ANY QUESTIONS ABOUT YOUR POLICY.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
SPECIAL PROVISIONS – FLORIDA**

**OTHER COVERAGES (DP2 AND DP3)**

**11. Glass or Safety Glazing Material** is deleted and replaced by the following:

**11. Glass or Safety Glazing Material**

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of covered building, storm door or storm window;
- (2) The breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
- (2) On the Described Location if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in a.(2) above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this **OTHER COVERAGE 11**. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

(The above section is added on a **DP1** as **4.**)

**GENERAL EXCLUSIONS**

**2. Earth Movement** is deleted and replaced by the following:

**2. Earth Movement**, meaning earthquake, including land shock, waves or tremors before, during or after a volcanic eruption, landslide,

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mine subsidence, mudflow, earth sinking, rising or shifting; unless direct loss by:

- a. Fire; or
- b. Explosion;

ensues and then we will pay for the ensuing loss.

(This is exclusion **1.b.** in Form **DP3**)

**4. Power Failure** is deleted and replaced by the following:

**4. Power Failure**, meaning the failure of power or other utility service if the failure takes place off the Described Location. But if the failure of power or other utility service results in a loss, from a **PERIL INSURED AGAINST** on the Described Location, we will pay for the loss or damage caused by that **PERIL INSURED AGAINST**.

(This is exclusion **1.d.** in Form **DP3**)

**CONDITIONS**

**3. Concealment or Fraud** is deleted and replaced by the following:

**3. Concealment or Fraud.** With respect to all persons insured under this policy, we provide no coverage for loss if, whether before or after a loss, one or more persons insured under this policy have:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements relating to insurance.

**8. Appraisal** is deleted and replaced by the following:

**8. Mediation or Appraisal.** If you and we fail to agree on the amount of loss, either may:

- a. Demand a mediation of the loss in accordance with the rules established by the Florida Insurance Department. The loss amount must be \$500 or more, prior to application of the deductible; or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that

you request. The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within three (3) business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incur in attending the conference and also pay the mediator's fee for the rescheduled conference.

- b. Demand an appraisal of the loss. In this event, each party will choose a competent appraiser within twenty (20) days after the receiving of a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the "described location" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss. Each party will:

- (1) Pay its own appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

If, however, we demand the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

- 11. **Suit Against Us** is deleted and replaced by the following:

- 11. **Suit Against Us.** No action can be brought unless the policy provisions have been complied with and the action is started within five (5) years after the date of the loss.

- 13. **Loss Payment** is deleted and replaced with the following:

- 13. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable:

- a. Twenty (20) days after we receive your proof of loss and reach written agreement with you; or

- b. Sixty (60) days after we receive your proof of loss; and:

- (1) There is an entry of a final judgment; or

- (2) There is a filing of an appraisal award or a mediation settlement with us.

- c. Under Florida Statutes we are required to pay or deny claims or portion of claims, within 90 days of notice of such claim unless there are reasonable circumstances which prevent the company from so doing.

- 17. **Cancellation.** Paragraphs **b.**, **c.**, and **d.**, are deleted and replaced by the following:

- b. When this policy has been in effect for ninety (90) days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements;

- c. We may also cancel this policy subject to the following provisions: A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least ten (10) days before the date cancellation takes effect.

- (a) However, When a (mortgage company) lender is responsible for paying the premium

through an escrow account and the premium payment is not more than 90 days overdue we will reinstate the insurance policy, retroactive to the date of cancellation. The lender shall reimburse the insured for any penalty or fees we imposed upon you for purposes of reinstating the policy.

**(2)** When this policy has been in effect ninety (90) days or less we may cancel for any reason, except we may not cancel:

**(a)** On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or

**(b)** On the basis of filing claims for partial loss caused by sinkhole damage, or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:

**(i)** The total of such property claim payment for this policy exceeds the current policy limits of coverage for property damage; or

**(ii)** You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

**(c)** A single claim which is the result of water damage may not be used as the sole cause for cancellation or nonrenewal unless we can demonstrate that the insured has failed to take action reasonably re-

quested by the us to prevent a future similar occurrence of damage to the insured property. This rules also applies to more than 90 days.

Except as provided in item **17.b.** above, we will let you know of our action at least twenty (20) days before the date cancellation takes effect.

**(3)** When the policy has been in effect for more than ninety (90) days, we may, with the exception of **2.(c)** above, cancel:

**(a)** If there has been a material misstatement;

**(b)** If the risk has changed substantially since the policy was issued;

**(c)** In the event of failure to comply with underwriting requirements established by us within ninety (90) days of the effective date of coverage;

**(d)** If the cancellation is for all insureds under policies of this type for a given class of insureds;

**(e)** On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonable necessary as requested by us to prevent recurrence of the damage to the insured property; or

**(f)** On the basis of filing of claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of sinkhole claims, or on the basis of the risk associated with the occurrence of such a claim, if:

**(i)** The total of such property claim payment for this policy exceeds the current policy limits of coverage for property damage; or

- (ii) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

This can be done by letting you know at least one hundred (100) days before the date cancellation takes effect. However, if the cancellation occurs between June 1<sup>st</sup> and November 30<sup>th</sup> we are required to give you the (100) day notice or by June 1<sup>st</sup> which ever is earlier. Proof of Mailing will be sufficient proof of notice.

- d. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- e. If the return premium is not returned with the policy notice of cancellation or when this policy is returned to us, we will refund it within 15 working days time after the date cancellation takes effect.

**18. Nonrenewal** is deleted and replaced by the following:

**18. Nonrenewal.** We may elect not to renew this policy.

However, we will not nonrenew this policy:

- a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested to prevent recurrence of damage to the insured property; or
- b. On the basis of filing claims for partial loss caused by sinkhole damage or clay shrinkage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may elect not to renew this policy if:

(1) The total of such property claim payments for this policy exceeds the current policy limits of coverage for property damage; or

(2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.

- c. For a single claim which is the result of water damage. This may not be used as the sole cause for cancellation or nonrenewal unless we can demonstrate that the insured has failed to take action reasonably requested by the us to prevent a future similar occurrence of damage to the insured property.

We may do so by delivering to you or mailing to you at your mailing address shown in the declarations, written notice, together with the specific reasons for nonrenewal, at least one-hundred (100) days before the expiration date of this policy. However, if the renewal occurs between June 1<sup>st</sup> and November 30<sup>th</sup> we are required to give you the (100) day notice or by June 1<sup>st</sup> which ever is earlier. Proof of Mailing will be sufficient proof of notice.

The following condition is added:

**26. Renewal Notification.** If we elect to renew this policy, we will let you know, in writing:

- a. Of our decision to renew this policy; and
- b. The amount of renewal premium payable to us.

This notice will be delivered to you at your mailing address shown in the Declarations at least forty five (45) days before the expiration date of this policy.

**All other provisions of this policy apply.**