

**HOMEOWNERS**

**ENDORSEMENTS**

## POLICY FORMS AND ENDORSEMENTS FOR FLORIDA

<b>Name</b>	<b>Description</b>
Credit Disclosure	Credit Disclosure Notice
HO 00 03 04 91	Homeowners 3 Special Form
HO 00 04 04 91	Homeowners 4 Contents Broad Form
HO 00 06 04 91	Homeowners 6 Unit Owners Form
HO 00 08 04 91	Homeowners 8 Modified Coverage Form
HO 04 10 04 91	Additional Interests - Residence Premises
HO 04 16 04 91	Premises Alarm or Fire Protection System
HO 04 30 04 91	Theft Coverage Increase
HO 04 40 04 91	Structures Rented To Others - Residence Premises
HO 04 41 04 91	Additional Insured - Residence Premises
HO 04 42 04 91	Permitted Incidental Occupancies
HO 04 48 04 91	Other Structures
HO 04 81 12 13	Actual Cash Value Loss Settlement
HO 04 94 06 97 (06-07)	Exclusion for Windstorm Coverage
HO 04 96 04 91	No Coverage for Home Day Care Business
HO 17 32 04 91R (06-07)	Unit Owners Coverage A - Special Coverage
HO 17 33 04 91	Unit Owners Rental to Others
HO 23 70 06 97	Windstorm Exterior Paint or Waterproofing Endorsement
HO 23 74 12 13	Replacement Cost Loss Settlement Endorsement
UPCIC 00 07 (02-12)	Sinkhole Loss Coverage - Florida
UPCIC 01 03 06 07	Law and Ordinance Increase to 50%
UPCIC 03 33 07 08	Limited Fungi, Wet or Dry Rot, or Bacteria
UPCIC 04 33 07 08	Limited Fungi, Wet or Dry Rot, or Bacteria
UPCIC 04 90 04 91 (06-07)	Personal Property Replacement Cost
UPCIC 06 03 32 08	Limited Fungi, Wet or Dry Rot, or Bacteria
UPCIC 06 33 07 08 (1)	Limited Fungi, Wet or Dry Rot, or Bacteria
UPCIC 08 33 07 08	Limited Fungi, Wet or Dry Rot, or Bacteria
UPCIC 10 01 98 (06-07)	Existing Damage Exclusion
UPCIC 14 01 98	Amendment of Loss Settlement Condition - Florida
UPCIC 16 01 98	Loss Assessment Coverage
UPCIC 19 01 98	Windstorm Protective Devices
UPCIC 23 12 13	Special Provisions - Florida
UPCIC 23 01 16	Special Provisions - Florida
UPCIC 25 01 98 (06-07)	Hurricane Deductible
UPCIC 3 01 98	Outline of Your Homeowner Policy
UPCIC Privacy	UPCIC Privacy Statement
UPCIC SPL (05-08)	Swimming Pool Liability Exclusion

# **Universal Property & Casualty Insurance Company**

1110 W. Commercial Blvd., Suite 100  
Fort Lauderdale, FL 33309

## **CREDIT REPORT DISCLOSURE NOTICE**

This is to notify you that, as part of the Company's underwriting procedures, a credit report will be ordered on you from a credit bureau. The credit report will be used as an underwriting tool in order to establish your eligibility for insurance coverage.

If your application is denied or your policy is cancelled as the result of the credit report, you will be notified of the means by which you may obtain a copy of the report and by which you may identify the specific items in the credit report which resulted in the denial or cancellation.

This notice is provided to you in accordance with Florida Statute 4-125.004. If you have any questions, please contact your agent or write the Company at the address provided on this notice.

HOMEOWNERS 3  
SPECIAL FORM

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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; or
  - b. Other persons under the age of 21 and in the care of any person named above.

Under Section II, "insured" also means:

- 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 **3.a.** or **3.b.** 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 **3.a.** or **3.b.** 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 of 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 **4.a.** and **4.b.** 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 or two 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"; or
  - 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 of 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 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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## SECTION I – PROPERTY COVERAGES

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### COVERAGE A – Dwelling

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises."

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 "residence premises" 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 "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

### COVERAGE C – Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

**Special Limits of Liability.** These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
4. \$1000 on trailers not used with watercraft.
5. \$1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
6. \$2000 for loss by theft of firearms.
7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.
10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
  - a. Accessories or antennas; or
  - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
  - b. Is away from the "residence premises"; and
  - c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

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

- 1. Articles separately described and specifically insured in this or other insurance;
- 2. Animals, birds or fish;
- 3. Motor vehicles or all other motorized land conveyances. This includes:
  - a. Their equipment and accessories; or
  - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
    - (1) Accessories or antennas; or
    - (2) Tapes, wires, records, discs or other media; for use with any electronic apparatus.

The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is 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 an "insured's" residence; or
- b. Designed for assisting the handicapped;
- 4. 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;
- 5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- 6. Property in an apartment regularly rented or held for rental to others by an "insured," except as provided in Additional Coverages **10.**;
- 7. Property rented or held for rental to others off the "residence premises";

- 8. "Business" data, including such 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; or
- 9. Credit cards or fund transfer cards except as provided in Additional Coverages **6.**

**COVERAGE D – Loss Of Use**

The limit of liability for Coverage D is the total limit for all the coverages that follow.

- 1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph **b.** below.
  - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under **a.** or **b.** will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

- 2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:

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

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

- 3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under **1.** and **2.** above for no more than two weeks.

The periods of time under **1.**, **2.** and **3.** above are not limited by expiration of this policy.

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

#### **ADDITIONAL COVERAGES**

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

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property 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.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

**2. 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 SECTION I – CONDITION **2.d.**

**3. Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

**4. 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.

**5. 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.

**6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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

Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

- 7. Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A – DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I AND II CONDITIONS, does not apply to this coverage.

- 8. Collapse.** We insure for 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 buildings and personal property for loss insured by this additional 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; or
- 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, cess-pool, septic tank, foundation, retaining wall, bulk-head, 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.

- 9. 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 "residence premises" 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.



**10. Landlord's Furnishings.** We will pay up to \$2500 for your appliances, carpeting and other household furnishings, in an apartment on the "residence premises" regularly rented or held for rental to others by an "insured," for loss caused only by the following Perils Insured Against:

**a. Fire or lightning.**

**b. Windstorm or hail.**

This peril does not include loss to 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.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

**c. Explosion.**

**d. Riot or civil commotion.**

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

**f. Vehicles.**

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

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

**h. Vandalism or malicious mischief.**

**i. Falling objects.**

This peril does not include loss to property contained in a 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 included.

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

**k. 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:

- (1) To the system or appliance from which the water or steam escaped;
- (2) Caused by or resulting from freezing except as provided in the peril of freezing below; or
- (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

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

**l. 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.

We do not cover loss caused by or resulting from freezing under this peril.

**m. 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 "residence premises" while the dwelling is unoccupied, 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.

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

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

**o. Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

The \$2500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

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## SECTION I – 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. We do not insure, however, for loss:

1. Involving collapse, other than as provided in Additional Coverage 8.;
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 in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

d. Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

e. Any of the following:

- (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 unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage C of this policy.

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;
- (7) Birds, vermin, rodents, or insects; or
- (8) Animals owned or kept by an "insured."

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 Section I – 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 SECTION I – EXCLUSIONS.

1. **Fire or lightning.**

2. **Windstorm or hail.**

This peril does not include loss to 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.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

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.**

9. **Theft**, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.

This peril does not include loss caused by theft:

- a. Committed by an "insured";
- b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or

- c. From that part of a "residence premises" rented by an "insured" to other than an "insured."

This peril does not include loss caused by theft that occurs off the "residence premises" of:

- a. Property while at any other residence owned by, rented to, or occupied by an "insured," except while an "insured" is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
- b. Watercraft, and their furnishings, equipment and outboard engines or motors; or
- c. Trailers and campers.

**10. Falling objects.**

This peril does not include loss to property contained in a 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 included.

**11. Weight of ice, snow or sleet** which causes damage to property contained in a 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 "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

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.

We do not cover loss caused by or resulting from freezing under this peril.

**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 "residence premises" while the dwelling is unoccupied, 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.

**SECTION I – EXCLUSIONS**

**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 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.

This exclusion does not apply to loss by theft.

**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, explosion or theft 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 "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.
- e. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.
- f. **War**, including the following and any consequence of any of the following:
  - (1) Undeclared war, civil war, insurrection, rebellion or revolution;
  - (2) Warlike act by a military force or military personnel; or
  - (3) Destruction, seizure or use for a military purpose.

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 SECTION I – CONDITIONS.

- h. **Intentional Loss**, meaning any loss arising out of any act committed:

- (1) By or at the direction of an "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 "residence premises."

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## SECTION I – CONDITIONS

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- 1. **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. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- b. For more than the applicable limit of liability.

- 2. **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. Notify the police in case of loss by theft;
- c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
- d. Protect the property from further damage. If repairs to the property are required, you must:

- (1) Make reasonable and necessary repairs to protect the property; and
- (2) Keep an accurate record of repair expenses;

- e. 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;

- f. 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 "insured," and sign the same;

**g.** 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) The interest of the "insured" and 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 **2.e.** above;
- (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

**3. Loss Settlement.** Covered property losses are settled as follows:

**a.** Property of the following types:

- (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 until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of **b.(1)** and **b.(2)** above.

However, if the cost to repair or replace the damage is both:

(a) Less than 5% of the amount of insurance in this policy on the building; and

(b) Less than \$2500;

we will settle the loss according to the provisions of **b.(1)** and **b.(2)** above whether or not actual repair or replacement is complete.

- (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 according to the provisions of this Condition 3, Loss Settlement.
- 4. Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
- Repair or replace any part to restore the pair or set to its value before the loss; or
  - Pay the difference between actual cash value of the property before and after the loss.
- 5. 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.
- 6. 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 "residence premises" 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:
- Pay its own appraiser; and
  - Bear the other expenses of the appraisal and umpire equally.
- 7. Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
- 8. 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.
- 9. 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.

**10. 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:

- Reach an agreement with you;
- There is an entry of a final judgment; or
- There is a filing of an appraisal award with us.

**11. Abandonment of Property.** We need not accept any property abandoned by an "insured."

**12. 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:

- Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- Pays any premium due under this policy on demand if you have neglected to pay the premium; and
- 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:

- We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- 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.

**13. 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.

**14. 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 in Section I.

c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

**15. 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.

**16. 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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**SECTION II – LIABILITY COVERAGES**

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**COVERAGE E – 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"; and
- 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 F – 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 of 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 immediately 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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**SECTION II – EXCLUSIONS**

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**1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

- a. Which is expected or intended by the "insured";

b. 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";

**c.** 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":

- (1)** On an occasional basis if used only as a residence;
- (2)** 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
- (3)** In part, as an office, school, studio or private garage;

**d.** Arising out of the rendering of or failure to render professional services;

**e.** 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";

**f.** 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 paragraph **(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";

**g.** Arising out of:

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

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- (1)** That are not sailing vessels and are powered by:
  - (a)** Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
  - (b)** Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
  - (c)** One or more outboard engines or motors with 25 total horsepower or less;
  - (d)** One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";
  - (e)** Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:
    - (i)** You acquire them prior to the policy period; and
      - (a)** You declare them at policy inception; or
      - (b)** Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
    - (ii)** You acquire them during the policy period.

This coverage applies for the policy period.
- (2)** That are sailing vessels, with or without auxiliary power:
  - (a)** Less than 26 feet in overall length;
  - (b)** 26 feet or more in overall length, not owned by or rented to an "insured."



- (3) That are stored;
- h. 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 actions 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;

- i. Caused directly or indirectly by war, including the following and any consequence of any of the following:
  - (1) Undeclared war, civil war, insurrection, rebellion or revolution;
  - (2) Warlike act by a military force or military personnel; or
  - (3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

- j. Which arises out of the transmission of a communicable disease by an "insured";
- k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or
- l. 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 e., f., g., and h. 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 E – Personal Liability**, does not apply to:

- a. Liability:
  - (1) For any loss assessment charged against you as a member of 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 relate 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 of Canada; or any of their successors; or

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

**3. Coverage F – 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; or

d. To any person, other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

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## SECTION II – 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 on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. 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; and
- 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. To the extent of any amount recoverable under Section I of this policy;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or

e. 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."

**4. Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or

b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:

(1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and

(2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or

- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

- 1. Section II – Coverage E – Personal Liability Exclusion **2.a.(1)**;
- 2. Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS.

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## SECTION II – CONDITIONS

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**1. Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E 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 F 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 F 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 identity 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 of suits and attend hearings and trials; and
- (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 F – 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 a physical exam by a doctor of our choice when and as often as we reasonably require.

**5. Payment of Claim – Coverage F – 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 E 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 of our obligations under this policy.

**8. Other Insurance – Coverage E – 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.

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## SECTIONS I AND II – CONDITIONS

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**1. Policy Period.** This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

**2. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, an "insured" has:

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

**3. 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.

**4. 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.

**5. 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.

**6. Nonrenewal.** 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.

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

**8. 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 under Section II to Medical Payments to Others or Damage to Property of Others.

**9. Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

**a.** We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

**b.** "Insured" includes:

**(1)** Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and

**(2)** With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

## HOMEOWNERS 4 CONTENTS BROAD FORM

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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; or
  - b. Other persons under the age of 21 and in the care of any person named above.Under Section II, "insured" also means:
  - 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 **3.a.** or **3.b.** 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 **3.a.** or **3.b.** 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 of 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 **4.a.** and **4.b.** 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 or two 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"; or
  - 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 of 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 family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.

## SECTION I – PROPERTY COVERAGES

### COVERAGE C – Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

- 1. Others while the property is on the part of the "residence premises" occupied by an "insured";
- 2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

**Special Limits of Liability.** These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

- 1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
- 2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.  
  
This limit includes the cost to research, replace or restore the information from the lost or damaged material.
- 3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
- 4. \$1000 on trailers not used with watercraft.
- 5. \$1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.

- 6. \$2000 for loss by theft of firearms.
- 7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- 8. \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
- 9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.
- 10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
  - a. Accessories or antennas; or
  - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.
- 11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
  - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
  - b. Is away from the "residence premises"; and
  - c. Is used at any time or in any manner for any "business" purpose.
 Electronic apparatus includes:
  - a. Accessories or antennas; or

- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

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

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances. This includes:
  - a. Their equipment and accessories; or
  - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
    - (1) Accessories or antennas; or
    - (2) Tapes, wires, records, discs or other media; for use with any electronic apparatus.

The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is 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 an "insured's" residence; or
- b. Designed for assisting the handicapped;
4. 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;
5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
6. Property in an apartment regularly rented or held for rental to others by an "insured";
7. Property rented or held for rental to others off the "residence premises";
8. "Business" data, including such 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; or
9. Credit cards or fund transfer cards except as provided in Additional Coverages **6.**

**COVERAGE D – Loss Of Use**

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss by a Peril Insured Against under this policy to covered property or the building containing the property makes the "residence premises" not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph **b.** below.
  - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under **a.** or **b.** will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:
  - a. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

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

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under **1.** and **2.** above for no more than two weeks.

The periods of time under **1.**, **2.** and **3.** above are not limited by expiration of this policy.

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



## ADDITIONAL COVERAGES

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

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property 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.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

**2. 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 SECTION I – CONDITION 2.d.

**3. Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 10% of the limit of liability that applies to Coverage C for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

**4. 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.

**5. 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.

**6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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

Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

- 7. Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE C – PERSONAL PROPERTY, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS, does not apply to this coverage.

- 8. Collapse.** We insure for 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 buildings and personal property for loss insured by this additional 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; or
- 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.

#### **9. Glass or Safety Glazing Material.**

We cover:

- a. The breakage of glass or safety glazing material which is part of a building, storm door or storm window, and covered as Building Additions and Alterations; 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 "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss.

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.

- 10. Building Additions and Alterations.** We cover under Coverage C the building improvements or installations, made or acquired at your expense, to that part of the "residence premises" used exclusively by you. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage C.

This coverage is additional insurance.

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## SECTION I – PERILS INSURED AGAINST

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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 SECTION I – EXCLUSIONS.

**1. Fire or lightning.**

**2. Windstorm or hail.**

This peril does not include loss to 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.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

**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 to property on the "residence premises" 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. Theft,** including attempted theft and loss of property from a known place when it is likely that the property has been stolen.

This peril does not include loss caused by theft:

- a. Committed by an "insured";
- b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or
- c. From that part of a "residence premises" rented by an "insured" to other than an "insured."

This peril does not include loss caused by theft that occurs off the "residence premises" of:

- a. Property while at any other residence owned by, rented to, or occupied by an "insured," except while an "insured" is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;

- b. Watercraft, and their furnishings, equipment and outboard engines or motors; or

- c. Trailers and campers.

**10. Falling objects.**

This peril does not include loss to the 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 included.

**11. Weight of ice, snow or sleet** which causes damage to the 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 "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located.

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 "residence premises" while unoccupied, 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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**SECTION I – 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 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.

This exclusion does not apply to loss by theft.

- 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, explosion or theft 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 "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.
- 5. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.
- 6. **War**, including the following and any consequence of any of the following:
  - a. Undeclared war, civil war, insurrection, rebellion or revolution;
  - b. Warlike act by a military force or military personnel; or
  - c. Destruction, seizure or use for a military purpose.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 SECTION I – CONDITIONS.
- 8. **Intentional Loss**, meaning any loss arising out of any act committed:
  - a. By or at the direction of an "insured"; and
  - b. With the intent to cause a loss.

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**SECTION I – CONDITIONS**

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- 1. **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. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or

- b. For more than the applicable limit of liability.
- 2. **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. Notify the police in case of loss by theft;

- c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
  - d. Protect the property from further damage. If repairs to the property are required, you must:
    - (1) Make reasonable and necessary repairs to protect the property; and
    - (2) Keep an accurate record of repair expenses;
  - e. 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;
  - f. 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 "insured," and sign the same;
  - g. 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) The interest of the "insured" and 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 **2.e.** above;
    - (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
    - (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.
- 3. 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.
- 4. 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.
  - 5. 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.
  - 6. 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 "residence premises" 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.
  - 7. Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
  - 8. 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.
  - 9. 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.
  - 10. 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.

**11. Abandonment of Property.** We need not accept any property abandoned by an "insured."

**12. 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.

**13. 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 in Section I.

c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

**14. 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.

**15. 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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**SECTION II – LIABILITY COVERAGES**

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**COVERAGE E – 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"; and
- 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 F – 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 of 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 immediately 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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**SECTION II – EXCLUSIONS**

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**1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

- a. Which is expected or intended by the "insured";

b. 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";

**c.** 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":

- (1)** On an occasional basis if used only as a residence;
- (2)** 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
- (3)** In part, as an office, school, studio or private garage;

**d.** Arising out of the rendering of or failure to render professional services;

**e.** 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";

**f.** 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 paragraph **(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";

**g.** Arising out of:

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

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- (1)** That are not sailing vessels and are powered by:
  - (a)** Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
  - (b)** Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
  - (c)** One or more outboard engines or motors with 25 total horsepower or less;
  - (d)** One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";
  - (e)** Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:
    - (i)** You acquire them prior to the policy period; and:
      - (a)** You declare them at policy inception; or
      - (b)** Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
    - (ii)** You acquire them during the policy period.

This coverage applies for the policy period.
- (2)** That are sailing vessels, with or without auxiliary power:
  - (a)** Less than 26 feet in overall length;

(b) 26 feet or more in overall length, not owned by or rented to an "insured."

(3) That are stored;

h. 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 actions 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;

i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

(1) Undeclared war, civil war, insurrection, rebellion or revolution;

(2) Warlike act by a military force or military personnel; or

(3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

j. Which arises out of the transmission of a communicable disease by an "insured";

k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or

l. 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 e., f., g., and h. 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 E – Personal Liability**, does not apply to:

a. Liability:

(1) For any loss assessment charged against you as a member of 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 relate 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 of Canada; or any of their successors; or

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

3. **Coverage F – 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; or
- d. To any person, other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

## SECTION II – ADDITIONAL COVERAGES

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 on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. 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; and
  - 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. To the extent of any amount recoverable under Section I of this policy;
  - b. Caused intentionally by an "insured" who is 13 years of age or older;
  - c. To property owned by an "insured";
  - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or

- e. 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."
- 4. **Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:
  - a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or
  - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
    - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
    - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or

- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

- 1. Section II – Coverage E – Personal Liability Exclusion **2.a.(1)**;
- 2. Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS.

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## SECTION II – CONDITIONS

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**1. Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E 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 F 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 F 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 identity 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 of suits and attend hearings and trials; and

- (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 F – 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 a physical exam by a doctor of our choice when and as often as we reasonably require.

**5. Payment of Claim – Coverage F – 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 E 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 of our obligations under this policy.

**8. Other Insurance – Coverage E – 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.

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## SECTIONS I AND II – CONDITIONS

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**1. Policy Period.** This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

**2. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, an "insured" has:

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

**3. 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.

**4. 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.

**5. 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.

**6. Nonrenewal.** 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.

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

**8. 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 under Section II to Medical Payments to Others or Damage to Property of Others.

**9. Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

**a.** We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

**b.** "Insured" includes:

**(1)** Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and

**(2)** With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

## HOMEOWNERS 6 UNIT-OWNERS FORM

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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; or
  - b. Other persons under the age of 21 and in the care of any person named above.Under Section II, "insured" also means:
  - 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 **3.a.** or **3.b.** 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 **3.a.** or **3.b.** 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 of 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 **4.a.** and **4.b.** 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 or two 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"; or
  - 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 of 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 the unit where you reside shown as the "residence premises" in the Declarations.

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## SECTION I – PROPERTY COVERAGES

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### COVERAGE A – Dwelling

We cover:

1. The alterations, appliances, fixtures and improvements which are part of the building contained within the "residence premises";
2. Items of real property which pertain exclusively to the "residence premises";
3. Property which is your insurance responsibility under a corporation or association of property owners agreement; or
4. Structures owned solely by you, other than the "residence premises," at the location of the "residence premises."

This coverage does not apply to land, including land on which the "residence premises," real property or structures are located.

We do not cover:

1. Structures used in whole or in part for "business" purposes; or
2. Structures rented or held for rental to any person not a tenant of the "residence premises," unless used solely as a private garage.

### COVERAGE C – Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

**Special Limits of Liability.** These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.

2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
4. \$1000 on trailers not used with watercraft.
5. \$1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
6. \$2000 for loss by theft of firearms.
7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.
10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
  - a. Accessories or antennas; or
  - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
  - b. Is away from the "residence premises"; and
  - c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories or antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

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

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances. This includes:
  - a. Their equipment and accessories; or
  - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
    - (1) Accessories or antennas; or
    - (2) Tapes, wires, records, discs or other media; for use with any electronic apparatus.

The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is 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 an "insured's" residence; or
- b. Designed for assisting the handicapped;
4. 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;
5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
6. Property in an apartment regularly rented or held for rental to others by an "insured";

7. Property rented or held for rental to others off the "residence premises";
8. "Business" data, including such 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; or
9. Credit cards or fund transfer cards except as provided in Additional Coverages **6.**

**COVERAGE D – Loss Of Use**

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss by a Peril Insured Against under this policy to covered property or the building containing the property, makes the "residence premises" not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
  - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under **a.** or **b.** will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:

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

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

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

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

#### **ADDITIONAL COVERAGES**

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

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property 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.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

2. **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 SECTION I – CONDITION 2.d.

3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 10% of the limit of liability that applies to Coverage C for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. **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.

5. **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.

6. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;



- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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

Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

- 7. **Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A – DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I and II CONDITIONS, does not apply to this coverage.

- 8. **Collapse.** We insure for 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 buildings and personal property for loss insured by this additional 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; or
- 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.

- 9. **Glass or Safety Glazing Material**

We cover:

- a. The breakage of glass or safety glazing material which is part of a building, storm door or storm window, and covered under Coverage A; 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 "residence premises" 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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## SECTION I – PERILS INSURED AGAINST

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We insure for direct physical loss to the property described in Coverages A and C caused by a peril listed below unless the loss is excluded in SECTION I – EXCLUSIONS.

**1. Fire or lightning.**

**2. Windstorm or hail.**

This peril does not include loss 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.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

**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 a resident of the "residence premises."

**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 to property on the "residence premises" 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. Theft,** including attempted theft and loss of property from a known place when it is likely that the property has been stolen.

This peril does not include loss caused by theft:

- a. Committed by an "insured";
- b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or

- c. From that part of a "residence premises" rented by an "insured" to other than an "insured."

This peril does not include loss caused by theft that occurs off the "residence premises" of:

- a. Property while at any other residence owned by, rented to, or occupied by an "insured," except while an "insured" is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
- b. Watercraft, and their furnishings, equipment and outboard engines or motors; or
- c. Trailers and campers.

**10. Falling objects.**

This peril does not include loss 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. Damage to the falling object itself is not included.

**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 the building which is covered under Coverage A and on the "residence premises," if necessary to repair the system or appliance from which the water or steam escaped.

This peril does not include loss:

- a. On the "residence premises," if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- b. To the system or appliance from which the water or steam escaped;
- c. Caused by or resulting from freezing except as provided in the peril of freezing below; or

- d. On the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located.

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 "residence premises" while unoccupied, 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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## SECTION I – 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 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.

This exclusion does not apply to loss by theft.

- 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, explosion or theft 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 "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.
- 5. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.
- 6. **War**, including the following and any consequence of any of the following:
  - a. Undeclared war, civil war, insurrection, rebellion or revolution;
  - b. Warlike act by a military force or military personnel; or
  - c. Destruction, seizure or use for a military purpose.

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 SECTION I – CONDITIONS.
- 8. **Intentional Loss**, meaning any loss arising out of any act committed:
  - a. By or at the direction of an "insured"; and
  - b. With the intent to cause a loss.

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## SECTION I – CONDITIONS

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- 1. 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. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
  - b. For more than the applicable limit of liability.
- 2. 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. Notify the police in case of loss by theft;
  - c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
  - d. Protect the property from further damage. If repairs to the property are required, you must:
    - (1) Make reasonable and necessary repairs to protect the property; and
    - (2) Keep an accurate record of repair expenses;
  - e. 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;
  - f. 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 "insured," and sign the same;
  - g. 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) The interest of the "insured" and 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 **2.e.** above;
  - (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
  - (8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.
- 3. Loss Settlement.** Covered property losses are settled as follows:
  - a. Personal property at actual cash value at the time of loss but not more than the amount required to repair or replace.
  - b. Coverage A – Dwelling:
    - (1) If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
    - (2) If the damage is not repaired or replaced, at actual cash value but not more than the amount required to repair or replace.
- 4. 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.
- 5. 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.
- 6. 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 "residence premises" 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.

**7. Other Insurance.** If a loss covered by this policy is also covered by other insurance, except insurance in the name of a corporation or association of property owners, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

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.

**8. 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.

**9. 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.

**10. 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.

**11. Abandonment of Property.** We need not accept any property abandoned by an "insured."

**12. Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A – Dwelling 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.

**13. 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.

**14. 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 in Section I.
- c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

**15. 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.

**16. 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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## SECTION II – LIABILITY COVERAGES

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### COVERAGE E – 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"; and
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 F – 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 of 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 immediately 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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## SECTION II – EXCLUSIONS

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**1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

- a. Which is expected or intended by the "insured";
- b. 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";

c. 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":

- (1) On an occasional basis if used only as a residence;
- (2) 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
- (3) In part, as an office, school, studio or private garage;

**d.** Arising out of the rendering of or failure to render professional services;

**e.** 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";

**f.** 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 paragraph (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";

**g.** Arising out of:

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

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

(1) That are not sailing vessels and are powered by:

- (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
- (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
- (c) One or more outboard engines or motors with 25 total horsepower or less;
- (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";

(e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:

- (i) You acquire them prior to the policy period; and
  - (a) You declare them at policy inception; or
  - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.

(ii) You acquire them during the policy period.

This coverage applies for the policy period.

(2) That are sailing vessels, with or without auxiliary power:

- (a) Less than 26 feet in overall length;
- (b) 26 feet or more in overall length, not owned by or rented to an "insured."

(3) That are stored;

**h.** 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 actions 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;

i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

- (1) Undeclared war, civil war, insurrection, rebellion or revolution;
- (2) Warlike act by a military force or military personnel; or
- (3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

j. Which arises out of the transmission of a communicable disease by an "insured";

k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or

l. 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 e., f., g., and h. 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 E – Personal Liability**, does not apply to:

a. Liability:

- (1) For any loss assessment charged against you as a member of 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 relate 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 of Canada; or any of their successors; or

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

3. **Coverage F – 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 how-ever caused; or

- (4) Any consequence of any of these; or
- d. To any person, other than a "residence em-  
ployee" of an "insured," regularly residing on  
any part of the "insured location."

## SECTION II – ADDITIONAL COVERAGES

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 on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. 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; and
  - 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. To the extent of any amount recoverable under Section I of this policy;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. 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."

4. **Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:
  - a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or
  - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
    - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
    - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or

- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

- 1. Section II – Coverage E – Personal Liability Exclusion **2.a.(1)**;
- 2. Condition 1. Policy Period, under SECTIONS I AND II CONDITIONS.

## SECTION II – CONDITIONS

- 1. **Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E 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 F 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 F 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 identity 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 of suits and attend hearings and trials; and
    - (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 F – 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 a physical exam by a doctor of our choice when and as often as we reasonably require.

- 5. **Payment of Claim – Coverage F – 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 E 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 of our obligations under this policy.

- 8. **Other Insurance – Coverage E – 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.

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## SECTIONS I AND II – CONDITIONS

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- 1. Policy Period.** This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.
  - 2. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, an "insured" has:
    - a.** Intentionally concealed or misrepresented any material fact or circumstance;
    - b.** Engaged in fraudulent conduct; or
    - c.** Made false statements;  
relating to this insurance.
  - 3. 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.
  - 4. 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.
  - 5. 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.
- 6. Nonrenewal.** 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.
  - 7. Assignment.** Assignment of this policy will not be valid unless we give our written consent.
  - 8. 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 under Section II to Medical Payments to Others or Damage to Property of Others.
  - 9. Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:
    - a.** We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

**b.** "Insured" includes:

**(1)** Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and

**(2)** With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

## HOMEOWNERS 8 MODIFIED COVERAGE FORM

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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; or
    - b. Other persons under the age of 21 and in the care of any person named above.Under Section II, "insured" also means:
    - 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 **3.a.** or **3.b.** 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 **3.a.** or **3.b.** 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 of 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 **4.a.** and **4.b.** 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 or two 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"; or
    - 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 of 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 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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## SECTION I – PROPERTY COVERAGES

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### COVERAGE A – Dwelling

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises."

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 "residence premises" 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 "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

### COVERAGE C – Personal Property

We cover personal property owned or used by an "insured" while on the "residence premises." At your request, we will cover personal property owned by others while the property is on the part of the "residence premises" occupied by an "insured." We also cover personal property owned or used by an "insured" while it is anywhere in the world but our limit of liability will not be more than 10% of the limit of liability for Coverage C or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for 30 days from the time you begin to move the property there.

**Special Limits of Liability.** These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.

2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
4. \$1000 on trailers not used with watercraft.
5. \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
6. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 7. and 8. below.
7. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
  - a. Accessories or antennas; or
  - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.
8. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
  - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
  - b. Is away from the "residence premises"; and
  - c. Is used at any time or in any manner for any "business" purpose.Electronic apparatus includes:
  - a. Accessories or antennas; or
  - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus.

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

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Motor vehicles or all other motorized land conveyances. This includes:
  - a. Their equipment and accessories; or
  - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
    - (1) Accessories or antennas; or
    - (2) Tapes, wires, records, discs or other media; for use with any electronic apparatus.

The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is 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 an "insured's" residence; or
- b. Designed for assisting the handicapped;
4. 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;
5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
6. Property in an apartment regularly rented or held for rental to others by an "insured";
7. Property rented or held for rental to others off the "residence premises";
8. "Business" data, including such 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; or

9. Credit cards or fund transfer cards except as provided in Additional Coverages **6.**

**COVERAGE D – Loss Of Use**

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph **b.** below.
  - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
  - b. **Fair Rental Value**, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under **a.** or **b.** will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:

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

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

3. If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value loss as provided under **1.** and **2.** above for no more than two weeks.

The periods of time under **1.**, **2.** and **3.** above are not limited by expiration of this policy.

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

## ADDITIONAL COVERAGES

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

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property 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.

This expense is included in the limit of liability that applies to the damaged property.

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail; or
- b. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

**2. 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 SECTION I – CONDITION 2.d.

**3. Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling, for all trees, shrubs, plants or lawns. No more than \$250 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

**4. 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.

**5. 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.

**6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$500 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- c. Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. By a resident of your household;
- b. By a person who has been entrusted with either type of card; or
- c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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



Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

**7. Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A – DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS, does not apply to this coverage.

## **8. Glass or Safety Glazing Material**

We will pay up to \$100 for:

- 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 "residence premises" 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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## **SECTION I – PERILS INSURED AGAINST**

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We insure for direct physical loss to the property described in Coverages A, B and C caused by a peril listed below unless the loss is excluded in SECTION I – EXCLUSIONS.

- 1. Fire or lightning.**
- 2. Windstorm or hail.**

This peril does not include loss 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.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

- 3. Explosion.**
- 4. Riot or civil commotion.**
- 5. Aircraft,** including self-propelled missiles and spacecraft.

## **6. Vehicles.**

This peril does not include loss caused by a vehicle owned or operated by a resident of the "residence premises."

## **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. Vandalism or malicious mischief.**

This peril does not include loss to property on the "residence premises" 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. Theft,** including attempted theft and loss of property from a known place on the "residence premises" when it is likely that the property has been stolen.

This peril does not include loss caused by theft that occurs off the "residence premises."

Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the "residence premises."

Our liability will not be more than \$1000 in any one loss caused by theft.

This peril does not include loss caused by theft:

- a. Committed by an "insured";
- b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or

- c. From that part of a "residence premises" rented by an "insured" to other than an "insured."

**10. Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

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## SECTION I – 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 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.

This exclusion does not apply to loss by theft.

- 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, explosion or theft 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 "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.
- 5. **Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.
- 6. **War**, including the following and any consequence of any of the following:
  - a. Undeclared war, civil war, insurrection, rebellion or revolution;
  - b. Warlike act by a military force or military personnel; or
  - c. Destruction, seizure or use for a military purpose.

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 SECTION I – CONDITIONS.
- 8. **Intentional Loss**, meaning any loss arising out of any act committed:
  - a. By or at the direction of an "insured"; and
  - b. With the intent to cause a loss.

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## SECTION I – CONDITIONS

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- 1. 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. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
  - b. For more than the applicable limit of liability.
- 2. 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. Notify the police in case of loss by theft;
  - c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
  - d. Protect the property from further damage. If repairs to the property are required, you must:
    - (1) Make reasonable and necessary repairs to protect the property; and
    - (2) Keep an accurate record of repair expenses;
  - e. 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;
  - f. 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 "insured," and sign the same;
  - g. 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) The interest of the "insured" and 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;
- 3. Loss Settlement.** Covered property losses are settled as follows:
  - a. Property of the following types:
    - (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:
    - (1) If you repair or replace the loss or damage to restore the building structure for the same occupancy and use at the same site within 180 days of the date of loss or damage, we will pay the lesser of the following amounts:
      - (a) The limit of liability that applies to the damaged or destroyed building structure; or
      - (b) The necessary amount actually spent to repair or replace the loss or damage to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.
    - (2) If you do not make claim under Paragraph (1) above, we will pay the least of the following amounts:
      - (a) The limit of liability that applies to the damaged or destroyed building structure;
      - (b) The market value at the time of loss of the damaged or destroyed building structure exclusive of land value; or
- (6)** The inventory of damaged personal property described in **2.e.** above;
- (7)** Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8)** Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

(c) The amount which it would cost to repair or replace that part of the building structure damaged or destroyed with material of like kind and quality less allowance for physical deterioration and depreciation.

**4. 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.

**5. 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.

**6. 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 "residence premises" 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.

**7. Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

**8. 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.

**9. 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.

**10. 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.

**11. Abandonment of Property.** We need not accept any property abandoned by an "insured."

**12. 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 mortgage's claim.

**13. 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.

**14. 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 in Section I.

c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

**15. 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.

**16. 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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**SECTION II – LIABILITY COVERAGES**

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**COVERAGE E – 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"; and
- 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 F – 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 of 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 immediately 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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## SECTION II – EXCLUSIONS

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**1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

- a. Which is expected or intended by the "insured";
- b. 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";
- c. 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":
  - (1) On an occasional basis if used only as a residence;
  - (2) 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
  - (3) In part, as an office, school, studio or private garage;
- d. Arising out of the rendering of or failure to render professional services;
- e. 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";
- f. 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 paragraph (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";

**g. Arising out of:**

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

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:
  - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
  - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
  - (c) One or more outboard engines or motors with 25 total horsepower or less;

- (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";
  - (e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:
    - (i) You acquire them prior to the policy period; and
      - (a) You declare them at policy inception; or
      - (b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
    - (ii) You acquire them during the policy period.
 

This coverage applies for the policy period.
  - (2) That are sailing vessels, with or without auxiliary power:
    - (a) Less than 26 feet in overall length;
    - (b) 26 feet or more in overall length, not owned by or rented to an "insured."
  - (3) That are stored;
- h.** 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 actions 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;

- i.** Caused directly or indirectly by war, including the following and any consequence of any of the following:
  - (1) Undeclared war, civil war, insurrection, rebellion or revolution;
  - (2) Warlike act by a military force or military personnel; or
  - (3) Destruction, seizure or use for a military purpose.
 

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;
- j.** Which arises out of the transmission of a communicable disease by an "insured";

- k.** Arising out of sexual molestation, corporal punishment or physical or mental abuse; or
- l.** 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 **e.**, **f.**, **g.**, and **h.** 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 E – Personal Liability**, does not apply to:

- a.** Liability:
  - (1) For any loss assessment charged against you as a member of 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 relate 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 of Canada; or any of their successors; or

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

**3. Coverage F – 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; or

d. To any person, other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

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## SECTION II – 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 on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. 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; and

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. To the extent of any amount recoverable under Section I of this policy;

b. Caused intentionally by an "insured" who is 13 years of age or older;

c. To property owned by an "insured";

d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or

e. 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."



**4. Loss Assessment.** We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

- a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or
- b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
  - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
  - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1000 is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

- 1. Section II – Coverage E – Personal Liability Exclusion **2.a.(1)**;
- 2. Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS.

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## SECTION II – CONDITIONS

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**1. Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage E 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 F 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 F 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 identity 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 of suits and attend hearings and trials; and

- (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 F – 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 a physical exam by a doctor of our choice when and as often as we reasonably require.

**5. Payment of Claim – Coverage F – 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 E 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 of our obligations under this policy.

**8. Other Insurance – Coverage E – 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.

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**SECTIONS I AND II – CONDITIONS**

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**1. Policy Period.** This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

**2. Concealment or Fraud.** The entire policy will be void if, whether before or after a loss, an "insured" has:

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

**3. 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.

**4. 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.

**5. 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.
- 6. Nonrenewal.** 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.
- 7. Assignment.** Assignment of this policy will not be valid unless we give our written consent.
- 8. 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 under Section II to Medical Payments to Others or Damage to Property of Others.

- 9. Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:
- a. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;
  - b. "Insured" includes:
    - (1) Any member of your household who is an "insured" at the time of your death, but only while a resident of the "residence premises"; and
    - (2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

## HOMEOWNERS 3 – SPECIAL FORM

### AGREEMENT

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

### DEFINITIONS

- A.** 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.
- B.** In addition, certain words and phrases are defined as follows:
- 1.** "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:
    - a.** Liability for "bodily injury" or "property damage" arising out of the:
      - (1)** Ownership of such vehicle or craft by an "insured";
      - (2)** Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
      - (3)** Entrustment of such vehicle or craft by an "insured" to any person;
      - (4)** Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
      - (5)** Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.
    - b.** For the purpose of this definition:
      - (1)** Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
      - (2)** Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
      - (3)** Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
      - (4)** Motor vehicle means a "motor vehicle" as defined in **7.** below.
  - 2.** "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
  - 3.** "Business" means:
    - a.** A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
    - b.** Any other activity engaged in for money or other compensation, except the following:
      - (1)** One or more activities, not described in **(2)** through **(4)** below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
      - (2)** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
      - (3)** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
      - (4)** The rendering of home day care services to a relative of an "insured".
  - 4.** "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".
  - 5.** "Insured" means:
    - a.** You and residents of your household who are:
      - (1)** Your relatives; or
      - (2)** Other persons under the age of 21 and in the care of any person named above;
    - b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
      - (1)** 24 and your relative; or
      - (2)** 21 and in your care or the care of a person described in **a.(1)** above; or

**c. Under Section II:**

- (1)** 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 **a.** or **b.** above. "Insured" does not mean 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; or
- (2)** With respect to a "motor vehicle" to which this policy applies:
  - (a)** Persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
  - (b)** Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

**6. "Insured location" means:**

- a.** The "residence premises";
- b.** The part of 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 described in **a.** and **b.** 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, two, three or 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.

**7. "Motor vehicle" means:**

- a.** A self-propelled land or amphibious vehicle; or
- b.** Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.

**8. "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"; or
- b.** "Property damage".

**9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.**

**10. "Residence employee" means:**

- a.** An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, 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".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

**11. "Residence premises" means:**

- a.** The one family dwelling where you reside;
- b.** The two, three or four family dwelling where you reside in at least one of the family units; or
- c.** That part of any other building where you reside;

and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

## DEDUCTIBLE

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

## SECTION I – PROPERTY COVERAGES

### A. Coverage A – Dwelling

1. We cover:
  - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
  - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We do not cover land, including land on which the dwelling is located.

### B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
  - a. Land, including land on which the other structures are located;
  - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
  - c. Other structures from which any "business" is conducted; or
  - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

### C. Coverage C – Personal Property

#### 1. Covered Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

#### 2. Limit For Property At Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

#### 3. Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.
- j. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.  
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.
- k. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.  
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

#### 4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;

- b. Animals, birds or fish;
- c. "Motor vehicles".
  - (1) This includes:
    - (a) Their accessories, equipment and parts; or
    - (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in (a) and (b) above applies only while such property is in or upon the "motor vehicle".

- (2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:
  - (a) Used solely to service an "insured's" residence; or
  - (b) Designed to assist the handicapped;
- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.  
We do cover model or hobby aircraft not used or designed to carry people or cargo;
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in E.10. Landlord's Furnishings under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:

- (1) Books of account, drawings or other paper records; or
- (2) Computers and related equipment.

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section **I – Property Coverages**; or

k. Water or steam.

#### **D. Coverage D – Loss Of Use**

The limit of liability for Coverage **D** is the total limit for the coverages in **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** below.

##### **1. Additional Living Expense**

If a loss covered under Section **I** makes that part of the "residence premises" where you reside not fit to live in, we cover 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 damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

##### **2. Fair Rental Value**

If a loss covered under Section **I** makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

##### **3. Civil Authority Prohibits Use**

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in **1. Additional Living Expense** and **2. Fair Rental Value** above for no more than two weeks.

##### **4. Loss Or Expense Not Covered**

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

The periods of time under **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** above are not limited by expiration of this policy.

#### **E. Additional Coverages**

##### **1. Debris Removal**

a. We will pay your reasonable expense for the removal of:

- (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit is available for such expense.

b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Wind-storm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage **C**; provided the tree(s):
- (3) Damage(s) a covered structure; or
- (4) Does not damage a covered structure, but:
  - (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
  - (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

##### **2. Reasonable Repairs**

a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.



b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, described in **B.4.** under Section I – Conditions.

### 3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

### 4. 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.

### 5. 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.

### 6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

a. We will pay up to \$500 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

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

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
  - (a) By a resident of your household;
  - (b) By a person who has been entrusted with either type of card or access device; or
  - (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or

- (2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in a. above applies, the following defense provisions also apply:

- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.
- (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.

## 7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage **A**, other than:

- (1) Earthquake; or
- (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph **P**. Policy Period under Section **I** – Conditions does not apply to this coverage.

This coverage is additional insurance.

## 8. Collapse

- a. With respect to this Additional Coverage:
- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
  - (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
  - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
  - (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) The Perils Insured Against named under Coverage **C**;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.

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

## 9. Glass Or Safety Glazing Material

- a. We cover:
- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
  - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; 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 "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2) above. A dwelling being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

#### 10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C, other than Theft.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

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

#### 11. Ordinance Or Law

- a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
  - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
  - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
  - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.

- c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

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.

This coverage is additional insurance.

#### 12. Grave Markers

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage C.

This coverage does not increase the limits of liability that apply to the damaged covered property.

### SECTION I – PERILS INSURED AGAINST

#### A. Coverage A – Dwelling And Coverage B – Other Structures

- 1. We insure against risk of direct physical loss to property described in Coverages A and B.
- 2. We do not insure, however, for loss:
  - a. Excluded under Section I – Exclusions;
  - b. Involving collapse, except as provided in E.8. Collapse under Section I – Property Coverages; or
  - c. Caused by:
    - (1) 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 provision does not apply if you have used reasonable care to:
      - (a) Maintain heat in the building; or

- (b) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
  - (a) Fence, pavement, patio or swimming pool;
  - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
  - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
  - (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
  - (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or

- (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment; or

- (6) Any of the following:
  - (a) Wear and tear, marring, deterioration;
  - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
  - (c) Smog, rust or other corrosion, or dry rot;
  - (d) Smoke from agricultural smudging or industrial operations;
  - (e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.  

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;
  - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
  - (g) Birds, vermin, rodents, or insects; or
  - (h) Animals owned or kept by an "insured".

**Exception To c.(6)**

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from an accidental discharge or overflow of water or steam from within a:

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

- (ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

We do not cover loss to the system or appliance from which this water or steam escaped.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

Section I – Exclusion **A.3. Water Damage**, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under **c.(5)** and **(6)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

## **B. Coverage C – Personal Property**

We insure for direct physical loss to the property described in Coverage **C** caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

### **1. Fire Or Lightning**

### **2. Windstorm Or Hail**

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to 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.

### **3. Explosion**

### **4. Riot Or Civil Commotion**

### **5. Aircraft**

This peril includes self-propelled missiles and spacecraft.

## **6. Vehicles**

## **7. Smoke**

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

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

## **8. Vandalism Or Malicious Mischief**

## **9. Theft**

a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

b. This peril does not include loss caused by theft:

(1) Committed by an "insured";

(2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

(3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or

(4) That occurs off the "residence premises" of:

(a) Trailers, semitrailers and campers;

(b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or

(c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

## **10. Falling Objects**

This peril does not include loss to property contained in a 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 included.

## **11. Weight Of Ice, Snow Or Sleet**

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

## 12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means 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.
- b. This peril does not include loss:
  - (1) To the system or appliance from which the water or steam escaped;
  - (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;
  - (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
  - (4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I – Exclusion A.3. Water Damage, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

## 13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means 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.

We do not cover loss caused by or resulting from freezing under this peril.

## 14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
  - (1) Maintain heat in the building; or
  - (2) Shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

## 15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that are a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

## 16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

## SECTION I – EXCLUSIONS

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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

### 1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion A.1.a. does not apply to the amount of coverage that may be provided for in E.11. Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects 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.

This Exclusion A.1. applies whether or not the property has been physically damaged.

### 2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;

- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion **A.2.** does not apply to loss by theft.

### 3. Water Damage

Water Damage means:

- 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 or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material 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;

caused by or resulting from human or animal forces or any act of nature.

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

### 4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

### 5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

### 6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

### 7. Nuclear Hazard

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in **M. Nuclear Hazard Clause** under Section **I – Conditions**.

### 8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

### 9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **A, B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

**B.** 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 precluded by any other provision in this policy is covered.

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A.** above to produce the loss.
2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
3. Faulty, inadequate or defective:
  - a. Planning, zoning, development, surveying, siting;
  - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - c. Materials used in repair, construction, renovation or remodeling; or
  - d. Maintenance;
 of part or all of any property whether on or off the "residence premises".

## SECTION I – CONDITIONS

### A. 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:

1. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
2. For more than the applicable limit of liability.

### B. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages;
4. Protect the property from further damage. If repairs to the property are required, you must:
  - a. Make reasonable and necessary repairs to protect the property; and
  - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. 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;
7. As often as we reasonably require:
  - a. Show the damaged property;
  - b. Provide us with records and documents we request and permit us to make copies; and
  - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. 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:
  - a. The time and cause of loss;
  - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
  - c. Other insurance which may cover the loss;

- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in **6.** above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages, stating the amount and cause of loss.

### C. Loss Settlement

In this Condition **C.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.11. Ordinance Or Law** under Section I – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
  - a. Personal property;
  - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
  - c. Structures that are not buildings; and
  - d. Grave markers, including mausoleums;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
  - a. 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 any deductible and without deduction for depreciation, but not more than the least of the following amounts:
    - (1) The limit of liability under this policy that applies to the building;
    - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
    - (3) The necessary amount actually spent to repair or replace the damaged building.



If the building is rebuilt at a new premises, the cost described in **(2)** above is limited to the cost which would have been incurred if the building had been built at the original premises.

- b. 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:

- (1) The actual cash value of that part of the building damaged; or
- (2) That proportion of the cost to repair or replace, after application of any 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.

- c. 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:

- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2) Those supports described in **(1)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2,500;

we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **C. Loss Settlement**, provided you notify us of your intent to do so within 180 days after the date of loss.

#### **D. Loss To A Pair Or Set**

In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

#### **E. 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 and impartial 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 "residence premises" 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:

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

#### **F. Other Insurance And Service Agreement**

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

#### **G. Suit Against Us**

No action can be brought against us unless there has been full compliance with all of the terms under Section **I** of this policy and the action is started within two years after the date of loss.

## H. 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 material or property of like kind and quality.

## I. 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:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

## J. Abandonment Of Property

We need not accept any property abandoned by an "insured".

## K. Mortgage Clause

1. 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.
2. 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. Paragraphs **E.** Appraisal, **G.** Suit Against Us and **I.** Loss Payment under Section **I** – Conditions also apply to the mortgagee.
3. 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.
4. 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.

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

## L. 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.

## M. Nuclear Hazard Clause

1. "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.
2. 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.
3. This policy does not apply under Section **I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

## N. 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.

## O. Volcanic Eruption Period

One or more volcanic eruptions that occur within a 72 hour period will be considered as one volcanic eruption.

## P. Policy Period

This policy applies only to loss which occurs during the policy period.

## Q. Concealment Or Fraud

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;

2. Engaged in fraudulent conduct; or
  3. Made false statements;
- relating to this insurance.

#### **R. Loss Payable Clause**

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

### **SECTION II – LIABILITY COVERAGES**

#### **A. Coverage E – 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 an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
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 our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

#### **B. Coverage F – 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 of 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 immediately 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".

### **SECTION II – EXCLUSIONS**

#### **A. "Motor Vehicle Liability"**

1. Coverages **E** and **F** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
  - a. Is registered for use on public roads or property;
  - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
  - c. Is being:
    - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
    - (2) Rented to others;
    - (3) Used to carry persons or cargo for a charge; or
    - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
  - a. In dead storage on an "insured location";
  - b. Used solely to service an "insured's" residence;
  - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
    - (1) Being used to assist a handicapped person; or
    - (2) Parked on an "insured location";
  - d. Designed for recreational use off public roads and:
    - (1) Not owned by an "insured"; or
    - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions **B. 6.a., b., d., e. or h.**; or
  - e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
    - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
      - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;

- (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
- (c) Cross public roads at designated points to access other parts of the golfing facility; or
- (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

**B. "Watercraft Liability"**

1. Coverages **E** and **F** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
  - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
  - b. Rented to others;
  - c. Used to carry persons or cargo for a charge; or
  - d. Used for any "business" purpose.
2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
  - a. Is stored;
  - b. Is a sailing vessel, with or without auxiliary power, that is:
    - (1) Less than 26 feet in overall length; or
    - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
  - c. Is not a sailing vessel and is powered by:
    - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
      - (a) 50 horsepower or less and not owned by an "insured"; or
      - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
    - (2) One or more outboard engines or motors with:
      - (a) 25 total horsepower or less;
      - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
      - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or

- (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
  - (i) You declare them at policy inception; or
  - (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

**C. "Aircraft Liability"**

This policy does not cover "aircraft liability".

**D. "Hovercraft Liability"**

This policy does not cover "hovercraft liability".

**E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others**

Coverages **E** and **F** do not apply to the following:

**1. Expected Or Intended Injury**

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

**2. "Business"**

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion **E.2.** 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".

- b. This Exclusion **E.2.** does not apply to:

- (1) 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; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

### 3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

### 4. "Insured's" Premises Not An "Insured Location"

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
  - b. Rented to an "insured"; or
  - c. Rented to others by an "insured";
- that is not an "insured location";

### 5. War

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

### 6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

### 7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or

### 8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance 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 **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's" Premises Not An "Insured Location" 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".

### F. Coverage E – Personal Liability

Coverage **E** does not apply to:

#### 1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section **II** – Additional Coverages;
- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
  - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
  - (2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in **a.** above or elsewhere in this policy;

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

- a. Workers' compensation law;

- b. Non-occupational disability law; or
  - c. Occupational disease law;
5. "Bodily injury" or "property damage" for which an "insured" under this policy:
- a. Is also an insured under a nuclear energy liability policy issued by the:
    - (1) Nuclear Energy Liability Insurance Association;
    - (2) Mutual Atomic Energy Liability Underwriters;
    - (3) Nuclear Insurance Association of Canada;
 or any of their successors; or
  - b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or

6. "Bodily injury" to you or an "insured" as defined under Definitions **5.a.** or **b.**

This exclusion also applies to any claim made or suit brought against you or an "insured":

- a. To repay; or
- b. Share damages with; another person who may be obligated to pay damages because of "bodily injury" to an "insured".

**G. Coverage F – Medical Payments To Others**

Coverage **F** does not apply to "bodily injury":

- 1. To a "residence employee" if the "bodily injury":
  - a. Occurs off the "insured location"; and
  - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
- 2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
  - a. Workers' compensation law;
  - b. Non-occupational disability law; or
  - c. Occupational disease law;
- 3. From any:
  - a. Nuclear reaction;
  - b. Nuclear radiation; or
  - c. Radioactive contamination;
 all whether controlled or uncontrolled or however caused; or
  - d. Any consequence of any of these; or
- 4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

**SECTION II – ADDITIONAL COVERAGES**

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

**A. Claim Expenses**

We pay:

- 1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
- 2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage **E** limit of liability. We need not apply for or furnish any bond;
- 3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
- 4. 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.

**B. 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 an "insured".

**C. Damage To Property Of Others**

- 1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
- 2. We will not pay for "property damage":
  - a. To the extent of any amount recoverable under Section **I**;
  - b. Caused intentionally by an "insured" who is 13 years of age or older;
  - c. To property owned by an "insured";
  - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
  - e. 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, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion e.(3) does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

#### **D. Loss Assessment**

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
  - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
  - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
    - (1) Is elected by the members of a corporation or association of property owners; and
    - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
  - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
  - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

## **SECTION II – CONDITIONS**

### **A. Limit Of Liability**

Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E limit of liability 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 F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage F limit of liability shown in the Declarations.

### **B. Severability Of Insurance**

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".

### **C. Duties After "Occurrence"**

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
  - a. The identity of the policy and the "named insured" shown in the Declarations;
  - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
  - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
  - a. To make settlement;
  - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";

- c. With the conduct of suits and attend hearings and trials; and
- d. To secure and give evidence and obtain the attendance of witnesses;

- 5. With respect to **C. Damage To Property Of Others** under Section II – Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
- 6. No "insured" shall, except at such "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".

**D. Duties Of An Injured Person – Coverage F – Medical Payments To Others**

- 1. 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.
- 2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

**E. Payment Of Claim – Coverage F – Medical Payments To Others**

Payment under this coverage is not an admission of liability by an "insured" or us.

**F. Suit Against Us**

- 1. No action can be brought against us unless there has been full compliance with all of the terms under this Section II.
- 2. No one will have the right to join us as a party to any action against an "insured".
- 3. Also, no action with respect to Coverage **E** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

**G. Bankruptcy Of An "Insured"**

Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

**H. Other Insurance**

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.

**I. Policy Period**

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

**J. Concealment Or Fraud**

We do not provide coverage to an "insured" who, whether before or after a loss, has:

- 1. Intentionally concealed or misrepresented any material fact or circumstance;
  - 2. Engaged in fraudulent conduct; or
  - 3. Made false statements;
- relating to this insurance.

**SECTIONS I AND II – CONDITIONS**

**A. 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 with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

- 1. A subsequent edition of this policy; or
- 2. An amendatory endorsement.

**B. 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.

**C. Cancellation**

- 1. 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.
- 2. 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.
  - a. 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.
  - b. 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.



c. 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:

(1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(2) 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.

d. 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.

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

4. 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.

#### **D. Nonrenewal**

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.

#### **E. Assignment**

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

#### **F. 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 Coverage **F** or Paragraph **C**. Damage To Property Of Others under Section **II** – Additional Coverages.

#### **G. Death**

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and

2. "Insured" includes:

a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and

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

**ADDITIONAL INTERESTS**  
Residence Premises

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In addition to the Mortgagee(s) shown in the Declarations or elsewhere in this policy, the following persons or organizations also have an interest in the "residence premises:"

1. Name:  
Address:  
Description of Interest:  
Effective Date of Interest: (Optional)
2. Name:  
Address:  
Description of Interest:  
Effective Date of Interest: (Optional)

**CANCELLATION AND NON-RENEWAL NOTIFICATION**

If we decide to cancel or not to renew this policy, the parties named above will be notified in writing.  
All other provisions of this policy apply.

**PREMISES ALARM OR  
FIRE PROTECTION SYSTEM**

**HO 04 16 04 91**

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For a premium credit, we acknowledge the installation of an alarm system or automatic sprinkler system approved by us on the **residence premises**. 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**THEFT COVERAGE INCREASE**  
**Form HO 00 08**

For an additional premium, under Section I – Perils Insured Against Peril 9. Theft is deleted and replaced by the following:

9. Theft, including attempted theft and loss of property from a known place on the “residence premises” when it is likely that the property has been stolen.

Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the “residence premises”.

- a. Our liability in any one loss caused by theft will not be more than \$\_\_\_\_\_.\*

**This peril does not include loss caused by theft that occurs off the “residence premises” unless a limit of liability is shown for a. and b.**

- b. Our liability in any one loss caused by theft off the “residence premises” will not be more than \$\_\_\_\_\_.\*

This peril does not include loss caused by theft

- a. Committed by an “insured”;  
b. in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or  
c. From that part of a “residence premises” rented by an “insured” to other than an “insured”.

The coverage in **9.b.** above, for loss caused by theft that occurs off the “residence premises” does not include:

- a. Property while at any other residence owned, rented to, or occupied by an “insured”, except while an “insured” is temporarily living there. Property of a student who is an “insured” is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;  
b. Watercraft and their furnishings, equipment and outboard engines or motors; or  
c. Trailers and campers.

**COVERAGE C PERSONAL PROPERTY** – The following additional **Special Limits of Liability** apply to covered property on the “residence premises” when THEFT COVERAGE INCREASE is purchased as shown in **9.a.** above:

- a. \$1,000 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.  
b. \$2,000 for loss by theft of firearms.  
c. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

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

All other provisions of this policy apply.

**STRUCTURES RENTED TO OTHERS**  
**Residence Premises**

**HO 04 40 04 91**

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For an additional premium, we cover the following structures on the **residence premises** rented to or held for rental to any person not a tenant of the dwelling for use as a private residence.

**SECTION I**

We insure for direct physical loss to these structures caused by the Perils Insured Against for the limit of liability shown below:

Identification of Structures*	Limit of Liability*
1.	\$
2.	\$
3.	\$

**SECTION II**

Under Coverage E - Personal Liability and Coverage F - Medical Payments to Others, the structures listed above are included in the definition of **Insured location**.

With respect to the structures listed above, Exclusion 1.b(2) under Section II Exclusions - Coverage E - Personal Liability and Coverage F - Medical Payments to Others does not apply.

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

All other provisions of this policy apply.

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

**HO 04 41 04 91**

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**ADDITIONAL  
INSURED**

Name and Address of Person or Organization\*

**Residence Premises**

Interest\*

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

**SECTION I**

Coverage A - Dwelling and Coverage B - Other Structures; and

**SECTION II**

Coverage E - Personal Liability and Coverage F - Medical Payments to Others but only with respect to the "residence premises."

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 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.

**PERMITTED INCIDENTAL OCCUPANCIES  
Residence Premises**

**HO 04 42 04 91**

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

Conducted by an **Insured** on the **residence premises** in (check which)\*

the dwelling as described in the Declarations

an Other Structure (describe)\*

subject to the following:

**SECTION I**

1. Coverage B does not apply to the Structure described above.

We cover the Other Structure described above for direct physical loss by a Peril Insured Against for not more than:

Limit of Liability \$           \*

2. Coverage C - Personal Property - Item 9. Under Special Limits of Liability is deleted and the following substituted:

9. \$2,500 on property, on the **residence premises**, used at any or in any manner for any **business** purpose other than furnishings, supplies and equipment of the **business** described above.

The Coverage C limit of liability applies to property of the **business** described above.

**SECTION II**

Exclusions 1.b(1) of Coverage E - Personal Liability and Coverage F - 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 or 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.

**OTHER STRUCTURES  
Increased Limits**

**HO 04 48 04 91**

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For an additional premium, we cover each structure described below, on the **residence premises**, for the additional limit of liability shown for that structure.

The limit shown below is in addition to the amount which is applicable to that described structure under Coverage B, Other Structures.

Each additional limit of liability shown below applies only to that described structure.

Description of Structure*	Additional Limit of Liability*
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

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

All other provisions of this policy apply.



THIS CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ACTUAL CASH VALUE LOSS SETTLEMENT**

**SECTION I – CONDITIONS**

For the premium charged, Item 3. Loss Settlement is deleted and replaced by the following:

- 3. Loss Settlement.** Covered property losses shall be settled at actual cash value at the time of loss but shall not be settled at more than the amount required to repair or replace.

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 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

**NO SECTION II - LIABILITY COVERAGES FOR  
HOME DAY CARE BUSINESS**  
**LIMITED SECTION I - PROPERTY COVERAGES FOR  
HOME DAY CARE BUSINESS**

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:

1. Does not provide Section II - Liability Coverages because a "business" of an "insured" is excluded under exclusion 1.b. of Section II - Exclusions;
2. Does not provide Section I - Coverage B coverage where other structures are used in whole or in part for "business";

3. Limits coverage for property used on the "residence premises" for the home day care enterprise to \$2,500, because Coverage C - Special Limits of Liability - Item 8. Imposes that limit on "business" property on the "residence premises." (Item 8. Corresponds to Item 5. In Form HO 00 08.)
4. Limits coverage for property used away from the "residence premises" for the home day care enterprise to \$250, because Coverage C - Special Limits of Liability - Item 9. Imposes that limit on "business" property away from the "residence premises." Special Limit of Liability item 9. Does not apply to adaptable electronic apparatus as described in Special Limit of Liability items 10. And 11. (Items 9., 10. And 11. correspond to items 6., 7. And 8. respectively in Form HO 00 08.)

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

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

## **UNIT- OWNERS COVERAGE A**

### **Special Coverage Form HO 00 06 Only**

For an additional premium, the Perils Insured Against applying to Coverage A are amended as follows:

Perils Insured Against

We insure against risk of direct loss to property described in Coverage **A**, only if that loss is a physical loss to property.

However, we do not insure, for losses:

1. Which involve the collapse of your dwelling, other than as provided in the **Additional Coverages (Collapse)**.
2. That are caused by the following:
  - a. The freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or other household appliance. By the discharge, leakage or overflow from within a system or appliance caused by freezing. This exclusion applies if the unit is vacant, unoccupied or being constructed. However, this exclusion does not apply if you have used reasonable care to:
    - (1) have maintained the heat in the building; or
    - (2) you had shut off the water supply and drained the systems and appliances of their 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 in or to a unit under construction, or of materials and supplies for use in the construction until the unit is finished and occupied;
  - d. From vandalism and/or malicious mischief if the unit has been vacant for more than 30 consecutive days immediately prior to the loss. A unit under construction is not considered vacant;
  - e. Wear and tear, marring, deterioration;
  - f. Inherent vice, latent defect, mechanical breakdown;
  - g. Smog, rust or other corrosion;
  - h. Smoke from agricultural smudging or industrial operations;
  - i. Pollutants that were either discharged, dispersed, seeped, migrated, released or escaped from its place of containment. If the dispersal, seepage, migration, release or escape from the place of containment was from a covered peril under Coverage C of this policy we will cover the loss. The definition of Pollutants includes the following:
    - (1) irritants (i.e. solid, liquid, gaseous or thermal);
    - (2) contaminants (i.e. smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste); and
    - (3) waste is further defined to include materials to be recycled, reconditioned or reclaimed.

- j. The settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
- k. Birds, vermin, rodents, or insects; or Animals owned or kept by an "insured."
- l. The constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

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

### **3. Excluded under Section I - Exclusions**

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

The following exclusions are added to **SECTION I – EXCLUSIONS**

We do not insure for loss to property described in Coverage **A** caused by any of the following. However, any ensuing loss to property described in Coverage **A** 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 **SECTION I – EXCLUSIONS**, other than exclusions **b.** and **c.** below, 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 "residence premises."

**All other provisions of this policy apply**

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

**UNIT-OWNERS RENTAL TO OTHERS**

For an additional premium, this coverage applies while the "residence premises" is regularly rented or held for rental to owners.

**SECTION I**

Under Coverage C - Personal Property, Property Not Covered, Item 6. Is deleted and replaced by the following:

- 6. Property contained in an apartment, other than the "residence premises," regularly rented or held for rental to others by an "insured";

In the peril of Theft, Exclusion c., "from that part of a 'residence premises' rented by an "insured" to other than an "insured," is deleted.

We do not cover loss caused by theft from the "residence premises" of:

- a. Money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, coins and medals;

- b. Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps regardless of the medium (such as paper or computer software) on which the material exists; or

- c. Jewelry, watches, furs, precious and semi-precious stones.

**SECTION II**

Exclusion 1.c. of Coverage E - Personal Liability and Coverage F - Medical Payments to Others is deleted and replaced by the following:

- c. 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 the "residence premises";

All other provisions of this policy apply.

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

**WINDSTORM EXTERIOR PAINT OR WATERPROOFING  
EXCLUSION - SEACOAST - FLORIDA**

**A. EXCLUSION**

Coverage for any building or structure under this policy excludes loss caused by:

1. Windstorm or hail; or
2. Windstorm during a hurricane;

to paint or waterproofing material applied to the exterior of the building or structure.

**B. Hurricane Described**

1. A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service;
2. A hurricane occurrence:
  - a. 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
  - b. 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPLACEMENT COST LOSS SETTLEMENT ENDORSEMENT**  
**Form HO 00 08 Only**

For the premium charged, Section I, Condition 3. Loss Settlement, is deleted and replaced in Form HO 00 08 as follows:

**3. Loss Settlement.** Covered property losses are settled as follows:

**a.** Property of the following types:

- (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. We will pay no more than the smallest of the following:

- (1) The limit of liability under this policy that applies to the building;
- (2) The replacement cost of that part of the building damaged for like construction and use on the same premises; or
- (3) The necessary amount actually spent to repair or replace the damaged building.

**c.** We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of **b.** above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2500.

we will settle the loss according to the provisions of **b.** above whether or not actual repair or replacement is complete.

**d.** 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 than make claim within 180 days after loss for any additional liability according to the provisions of this Condition 3. Loss Settlement.

All other provisions of this policy apply.

**ATTACH THIS ENDORSEMENT TO YOUR POLICY.  
SINKHOLE COVERAGE.**

**PERILS INSURED AGAINST.**

**(HO3; HO4; HO6; and HO8).**

The following peril is added.

**Sinkhole Collapse**, meaning the collapse or settlement of earth resulting from a sinkhole. Only if there is structural damage to the building from sinkhole activity.

- a. "Sinkhole" means a landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by groundwater. A sinkhole may form by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.
- b. "Sinkhole loss" means structural damage to the building, including the foundation, caused by sinkhole activity. Contents coverage shall apply only if there is structural damage to the building caused by sinkhole activity.
- c. "Sinkhole activity" means settlement or systematic weakening of the earth supporting such property. Only when such settlement or systematic weakening results from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

The **Section I - Earth Movement Exclusion** does not apply to this peril.

**LOSS SETTLEMENT.**

The following is added.

**(HO3; HO4; HO6 and H08).**

If a covered loss resulting from a sinkhole is verified, and the dwelling or personal property is insured on the basis of replacement cost:

- (1) We may limit our payment to the actual cash value of the sinkhole loss, not including underpinning or grouting, or any other repair technique performed below the existing foundation of the building, until you enter into a contract for the performance of building stabilization or foundation repairs. After you enter into the contract, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. We may not require you to advance payment for such repairs.
- (2) If the repair has begun and the professional engineer selected or approved by us determines that the repair cannot be completed within the policy limits we must either complete the professional engineer's recommended repair or tender the policy limits. Payment will not be reduced for the repair expenses incurred.
- (3) We will pay to stabilize the land and building and repair the foundation in accordance with the recommendations of the professional engineer as provided under statute, and in consultation with you, subject to the coverage and terms of the policy. We will pay for other repairs to the structure in accordance with the terms of the policy. We will pay for contents in accordance with the terms of the policy.
- (4) Except as described in Item (2), the amount payable for a covered loss for a sinkhole shall not exceed the applicable limit of liability.



## CONDITIONS.

The following is added.

- 6. Mediation or Appraisal** is deleted and replaced by the following.
- 6. Mediation or Appraisal or Neutral Evaluation.** If you and we fail to agree on the amount of loss, either may:

- a. For all claims except sinkhole, 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. We will also pay the mediator's fee for the rescheduled conference.

- b. Following the receipt of the report provided under Section 627.7073, Florida Statutes or our denial of a claim for a sinkhole loss, demand neutral evaluation in accordance with the Florida Statutes and the rules established by the Florida Department of Financial Services.

Neutral evaluation is nonbinding, but mandatory if requested by either party. A request for neutral evaluation must be filed with the Florida Department of Financial Services. The request for neutral evaluation must state the reason for the request. The request must include an explanation of all the issues in dispute at the time of the request. Filing a request for neutral evaluation tolls the applicable time requirements for filing suit for a period of 60 days following the conclusion of the neutral evaluation process or five years whichever is later.

Neutral evaluation shall be conducted as an informal process. Formal rules of evidence and procedure need not be observed. A party to neutral evaluation is not required to attend neutral evaluation if a representative of the party attends and has the authority to make a binding decision on behalf of the party.

If the neutral evaluator first verifies the existence of a sinkhole and, second, recommends the need for and estimates costs of stabilizing the land and any covered structures or buildings and other appropriate remediation or structural repairs, which costs exceed the amount that we have offered to pay you, we are liable to you up to \$2,500 in attorney's fees for the attorney's participation in the neutral evaluation process. The term "offer to pay" means a written offer signed by the us or our legal representative. It must be delivered to you within 10 days after the we receive notice that a request for neutral evaluation has been made under this section.

If we timely agree in writing to comply and timely comply with the recommendation of the neutral evaluator, but you decline to resolve the matter in accordance with the recommendation of the neutral evaluator pursuant to this section:

- (a) We are not liable for extracontractual damages related to a claim for a sinkhole loss but only as related to the issues determined by the neutral evaluation process. This does

not affect or impair claims for extracontractual damages unrelated to the issues determined by the neutral evaluation process contained in this section; and

(b) We are not liable for attorney's fees under s. 627.428 or other provisions of the insurance code unless you obtain a judgment that is more favorable than the recommendation of the neutral evaluator.

We will pay the cost of conducting any Neutral Evaluation. We will not pay the cost of conducting any Neutral Evaluation when you or your representative with the authority to make a binding decision fails to appear at a conference. That conference will then be rescheduled upon your payment of the Neutral Evaluator's fee for that rescheduled conference. However, if we fail to appear at a Neutral Evaluation conference, we will pay your actual cash expenses you incur in attending the conference. We will also pay the Neutral Evaluator's fee for the rescheduled conference.

c. 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.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ORDINANCE OR LAW • INCREASED AMOUNT OF COVERAGE**

For the premium charged, the percentage applied to the Coverage A limit of liability, under Additional Coverage 11., Ordinance or Law, is increased from 25% to the percentage shown below.

New Total Percentage **50%**

**ALL OTHER PROVISIONS OF THIS POLICY APPLY**

# LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE HOMEOWNERS FORM 3

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SCHEDULE\*

1.	Section I – Property Coverage Limit of Liability for the Additional Coverage “Fungi”, Wet or Dry Rot, or Bacteria	\$ \$	<b>Each Covered Loss Policy Aggregate</b>
2.	Section II – Coverage E Aggregate Sublimit of Liability for “Fungi”, Wet or Dry Rot, or Bacteria	\$	

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

### DEFINITIONS

The following definition is added:

#### 9. “Fungi”

- a. “Fungi” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

### SECTION I – PROPERTY COVERAGES

#### ADDITIONAL COVERAGES

The following Additional Coverage is added:

#### 11. “Fungi”, Wet or Dry Rot, or Bacteria

- a. The amount shown in the Schedule above or on the Declaration Page is the most we will pay for:
  - (1) The total of all loss payable under Section I – Property Coverages caused by “fungi”, wet or dry rot, or bacteria;
  - (2) The cost to remove “fungi”, wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
  - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the “fungi”, wet or dry rot, or bacteria; and
  - (4) The cost of testing of air or property to confirm the absence, presence or level of “fungi”, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of “fungi”, wet or dry rot, or bacteria.
- b. The coverage described in 11.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period; and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. The **Each Covered Loss** amount shown in the Schedule or on the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage resulting from any one covered loss.

The **Policy Aggregate** amount shown in the Schedule or on the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional

Coverage for all covered losses, regardless of the number of locations insured under this endorsement or number of claims-made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by “fungi”, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage; except to the extent that “fungi”, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

### SECTION I – PERILS INSURED AGAINST

#### Coverage A – Dwelling and Coverage B – Other Structures

Paragraph 2.e.(3) is deleted and replaced by the following:

- (3) Smog, rust or other corrosion;

Paragraph 2.e.(9) is added:

- (9) Constant or repeated seepage or leakage of water or the presence of condensation or humidity, moisture, or vapor, over a period of weeks, months, or years; unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all “insureds” and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

### SECTION I – EXCLUSIONS

Exclusion 1.k. is added:

#### k. “Fungi”, Wet or Dry Rot, or Bacteria

“Fungi”, Wet or Dry Rot, or Bacteria meaning the presence, growth, proliferation, spread or any activity of “fungi”, wet or dry rot, or bacteria.

This exclusion does not apply:

- (1) When “fungi”, wet or dry rot, or bacteria results from fire or lightning; or
- (2) To the extent coverage is provided for in the “Fungi”, Wet or Dry Rot, or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from “fungi”, wet or dry rot, or bacteria is covered.

### SECTION II – CONDITIONS

Condition 1. **Limit of Liability** is deleted and replaced by the following:

#### 1. Limit of Liability

Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** limit of liability shown in the Declarations. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section **II** – Coverage **E** Aggregate Sublimit of Liability for "Fungi", Wet or Dry Rot, or Bacteria. That sublimit is the amount shown in the Schedule or Declaration Page. This is the most we will pay regardless of the:

- (1) Number of locations insured under the policy to which this endorsement is attached;
- (2) Number of persons injured;
- (3) Number of persons whose property is damaged;
- (4) Number of "insureds"; or
- (5) Number of "occurrences" or claims-made.

This sublimit is within, but does not increase, the Coverage **E** limit of liability. It applies separately to each consecutive annual period and to any remaining period

of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

Our total limit of liability under Coverage **F** for all medical expenses payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Coverage **F** shown in the Declarations.

With respect to damages arising out of "Fungi", Wet or Dry Rot, or Bacteria described in **1. Limit of Liability** of this endorsement. Condition **2. Severability of Insurance of Section II - Conditions** is deleted and replaced by the following:

## **2. Severability of Insurance**

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section **II** – **Conditions 1. Limit of Liability**. This condition will not increase the limit of liability for this coverage.

## **SECTION I AND II – CONDITIONS**

Condition **1. Policy Period** is deleted and replaced by the following:

### **1. Policy Period**

This policy applies only to loss or costs in Section **I** or "bodily injury" or "property damage" in Section **II**, which occurs during the policy period.

All other provisions of the policy apply.

# LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE HOMEOWNERS FORM 4 CONTENTS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SCHEDULE\*

1.	Section I – Property Coverage Limit of Liability for the Additional Coverage “Fungi”, Wet or Dry Rot, or Bacteria	\$	<b>Each Covered Loss</b>
		\$	<b>Policy Aggregate</b>
2.	Section II – Coverage E Aggregate Sublimit of Liability for “Fungi”, Wet or Dry Rot, or Bacteria	\$	

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

### DEFINITIONS

The following definition is added:

#### 9. “Fungi”

- a. “Fungi” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

### SECTION I — PROPERTY COVERAGES

#### ADDITIONAL COVERAGES

The following Additional Coverage is added:

#### 11. “Fungi”, Wet or Dry Rot, or Bacteria

- a. The amount shown in the Schedule above or on the Declaration Page is the most we will pay for:
  - (1) The total of all loss payable under Section I – Property Coverages caused by “fungi”, wet or dry rot, or bacteria;
  - (2) The cost to remove “fungi”, wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
  - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the “fungi”, wet or dry rot, or bacteria; and
  - (4) The cost of testing of air or property to confirm the absence, presence or level of “fungi”, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of “fungi”, wet or dry rot, or bacteria.
- b. The coverage described in 11.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. The **Each Covered Loss** amount shown in the Schedule or on the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage resulting from any one covered loss.

The **Policy Aggregate** amount shown in the Schedule or on the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage for all covered losses; regardless of the number of locations insured under this endorsement or number of claims-made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by “fungi”, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that “fungi”, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

### SECTION I – PERILS INSURED AGAINST

Paragraph 12.d is added

- d. Constant or repeated seepage or leakage of water or the presence of condensation or humidity, moisture or vapor, over a period of a weeks, months or years.

### SECTION I – EXCLUSIONS

Exclusion 9. is added:

#### 9. “Fungi”, Wet or Dry Rot, or Bacteria

“Fungi”, Wet or Dry Rot, or Bacteria meaning the presence, growth, proliferation, spread or any activity of “fungi”, wet or dry rot, or bacteria.

This exclusion does not apply:

- a. When “fungi”, wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the “Fungi”, Wet or Dry Rot, or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from “fungi”, wet or dry rot, or bacteria is covered.

### SECTION II – CONDITIONS

Condition 1. **Limit of Liability** is deleted and replaced by the following:

## 1. Limit of Liability

Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** limit of liability shown in the Declarations. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section **II** – Coverage **E** Aggregate Sublimit Of Liability for "Fungi", Wet or Dry Rot, or Bacteria. That sublimit is the amount shown in the Schedule or Declaration Page. This is the most we will pay regardless of the:

- (1) Number of locations insured under the policy to which this endorsement is attached;
- (2) Number of persons injured;
- (3) Number of persons whose property is damaged;
- (4) Number of "insureds"; or
- (5) Number of "occurrences" or claims-made.

This sublimit is within, but does not increase, the Coverage **E** limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

Our total liability under Coverage **F** for all medical expenses payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Coverage **F** shown in the Declarations.

With respect to damages arising out of "Fungi", Wet or Dry Rot, or Bacteria described in **1. Limit of Liability** of this endorsement, condition **2. Severability of Insurance** is deleted and replaced by the following:

### 2. Severability of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section **II** – **Conditions 1. Limit of Liability**. This condition will not increase the limit of liability for this coverage.

### SECTION I AND II – CONDITIONS

Condition **1. Policy Period** is deleted and replaced by the following:

#### 1. Policy Period

This policy applies only to loss or costs in Section **I** or "bodily injury" or "property damage" in Section **II**, which occurs during the policy period.

All other provisions of the policy apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
PERSONAL PROPERTY REPLACEMENT COST**

**SECTION I**

For additional premium, covered losses to the following property are settled at replacement cost at the time of loss:

- a. Coverage C-Personal Property;
- b. If covered in this policy, awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings.

Personal Property Replacement Cost coverage will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold plated ware and pewter ware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost coverage will not apply to other classes of property separately described and specifically insured.

**1. PROPERTY NOT ELIGIBLE**

Property listed below is not eligible for replacement cost settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

- a. Antiques, fine arts, paintings and similar articles of rarity or antiquity, which cannot be replaced.
- b. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
- c. Articles not maintained in good or workable condition.
- d. Articles that are outdated or obsolete and are stored or not being used.

**2. REPLACEMENT COST**

The following loss settlement procedure applies to all property insured under this endorsement:

We will pay no more than the least of the following amounts:

- a. The full cost of repair at the time of loss;
- b. The limit of liability that applies to Coverage C, if applicable;
- c. An applicable special limits of liability stated in this policy; or
- d. For loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item.

**ALL OTHER PROVISIONS OF THIS POLICY APPLY**



**LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE**  
**HOMEOWNERS FORM 6 UNIT – OWNERS**  
**FOR USE ONLY WHEN ENDORSEMENT HO 17 32 IS ATTACHED**  
**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

SCHEDULE\*

1.	Section I – Property Coverage Limit of Liability for the Additional Coverage “Fungi”, Wet or Dry Rot, or Bacteria	\$	<b>Each Covered Loss</b>
		\$	<b>Policy Aggregate</b>
2.	Section II – Coverage E Aggregate Sublimit of Liability for “Fungi”, Wet or Dry Rot, or Bacteria	\$	

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

**DEFINITIONS**

The following definition is added:

**9. “Fungi”**

- a. “Fungi” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

**SECTION I – PROPERTY COVERAGES**

**ADDITIONAL COVERAGES**

The following Additional Coverage is added:

**10. “Fungi”, Wet or Dry Rot, or Bacteria**

- a. The amount shown in the Schedule above or on the Declaration Page is the most we will pay for:
  - (1) The total of all loss payable under Section I – Property Coverages caused by “fungi”, wet or dry rot, or bacteria;
  - (2) The cost to remove “fungi”, wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
  - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the “fungi”, wet or dry rot, or bacteria; and
  - (4) The cost of testing of air or property to confirm the absence, presence or level of “fungi”, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of “fungi”, wet or dry rot, or bacteria.
- b. The coverage described in 10.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. The **Each Covered Loss** amount shown in the Schedule or on the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage resulting from any one covered loss.

The **Policy Aggregate** amount shown in the Schedule or the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage for all covered losses; regardless of the number of locations insured under this endorsement or number of claims-made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by “fungi”, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that “fungi”, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

**SECTION I – EXCLUSIONS**

Exclusion 9. is added:

**9. “Fungi”, Wet Or Dry Rot, Or Bacteria**

“Fungi”, Wet or Dry Rot, or Bacteria meaning the presence, growth, proliferation, spread or any activity of “fungi”, wet or dry rot, or bacteria.

This exclusion does not apply:

- a. When “fungi”, wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the “Fungi”, Wet or Dry Rot, or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from “fungi”, wet or dry rot, or bacteria is covered.

**SECTION II – CONDITIONS**

Condition 1. **Limit of Liability** is deleted and replaced by the following:

**1. Limit of Liability**

Our total liability under Coverage E for all damages resulting from any one “occurrence” will not be more than the Coverage E limit of liability shown in the Declarations. All “bodily injury” and “property damage” resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one “occurrence”.

However, our total liability under Coverage E for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section II – Coverage E Aggregate Sublimit of Liability for "Fungi", Wet or Dry Rot, or Bacteria. That sublimit is the amount shown in the Schedule or Declaration Page. This is the most we will pay regardless of the:

- (1) Number of locations insured under the policy to which this endorsement is attached;
- (2) Number of persons injured;
- (3) Number of persons whose property is damaged;
- (4) Number of "insureds"; or
- (5) Number of "occurrences" or claims-made.

This sublimit is within, but does not increase, the Coverage E limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

Our total limit of liability under Coverage F for all medical expenses payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Coverage F shown in the Declarations.

With respect to damages arising out of "Fungi", Wet or Dry Rot, or Bacteria described in **1. Limit of Liability** of this endorsement.

Condition **2. Severability of Insurance** is deleted and replaced by the following:

**2. Severability of Insurance**

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section II – Conditions **1. Limit of Liability**. This condition will not increase the limit of liability for this coverage.

**SECTION I AND II – CONDITIONS**

Condition **1. Policy Period** is deleted and replaced by the following:

**1. Policy Period**

This policy applies only to loss or costs in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

All other provisions of the policy apply.

# LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE HOMEOWNERS FORM 6 UNIT - OWNERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SCHEDULE\*

1.	Section I – Property Coverage Limit of Liability for the Additional Coverage “Fungi”, Wet or Dry Rot, or Bacteria	\$	<b>Each Covered Loss</b>
		\$	<b>Policy Aggregate</b>
2.	Section II – Coverage E Aggregate Sublimit of Liability for “Fungi”, Wet or Dry Rot, or Bacteria	\$	

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

### DEFINITIONS

The following definition is added:

#### 9. “Fungi”

- a. “Fungi” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

### SECTION I — PROPERTY COVERAGES

#### ADDITIONAL COVERAGES

The following Additional Coverage is added:

#### 10. “Fungi”, Wet or Dry Rot, or Bacteria

- a. The amount shown in the Schedule above or on the Declaration Page is the most we will pay for:
  - (1) The total of all loss payable under Section I – Property Coverages caused by “fungi”, wet or dry rot, or bacteria;
  - (2) The cost to remove “fungi”, wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
  - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the “fungi”, wet or dry rot, or bacteria; and
  - (4) The cost of testing of air or property to confirm the absence, presence or level of “fungi”, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of “fungi”, wet or dry rot, or bacteria.
- b. The coverage described in 10.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. The **Each Covered Loss** amount shown in the Schedule or on the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage resulting from any one covered loss.

The **Policy Aggregate** amount shown in the Schedule or the Declaration Page for this coverage is the most we will pay for the total of all loss

or costs payable under this Additional Coverage for all covered losses; regardless of the number of locations insured under this endorsement or number of claims-made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by “fungi”, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that “fungi”, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

### SECTION I – PERILS INSURED AGAINST

Paragraph 12.e is added:

- e. Constant or repeated seepage or leakage of water or the presence of condensation or humidity, moisture or vapor, over a period of weeks, months or years.

### SECTION I – EXCLUSIONS

Exclusion 9. is added:

#### 9. “Fungi”, Wet Or Dry Rot, Or Bacteria

“Fungi”, Wet or Dry Rot, or Bacteria meaning the presence, growth, proliferation, spread or any activity of “fungi”, wet or dry rot, or bacteria.

This exclusion does not apply:

- a. When “fungi”, wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the “Fungi”, Wet or Dry Rot, or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from “fungi”, wet or dry rot, or bacteria is covered.

### SECTION II – CONDITIONS

Condition 1. **Limit of Liability** is deleted and replaced by the following:

#### 1. **Limit of Liability**

Our total liability under Coverage E for all damages resulting from any one “occurrence” will not be more than the Coverage E limit of liability shown in the Declarations. All “bodily injury” and “property damage” resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one “occurrence”.

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section **II** – Coverage **E** Aggregate Sublimit of Liability for "Fungi", Wet or Dry Rot, or Bacteria. That sublimit is the amount shown in the Schedule or Declaration Page. This is the most we will pay regardless of the:

- (1) Number of locations insured under the policy to which this endorsement is attached;
- (2) Number of persons injured;
- (3) Number of persons whose property is damaged;
- (4) Number of "insureds"; or
- (5) Number of "occurrences" or claims-made.

This sublimit is within, but does not increase, the Coverage **E** limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

Our total limit of liability under Coverage **F** for all medical expenses payable for "bodily injury" to one person as the result of one accident will not be more than the

limit of liability for Coverage **F** shown in the Declarations.

With respect to damages arising out of "Fungi", Wet or Dry Rot, or Bacteria described in **1. Limit of Liability** of this endorsement.

Condition **2. Severability of Insurance** is deleted and replaced by the following:

## **2. Severability of Insurance**

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section **II** – Conditions **1. Limit of Liability**. This condition will not increase the limit of liability for this coverage.

## **SECTION I AND II – CONDITIONS**

Condition **1. Policy Period** is deleted and replaced by the following:

### **1. Policy Period**

This policy applies only to loss or costs in Section **I** or "bodily injury" or "property damage" in Section **II**, which occurs during the policy period.

All other provisions of the policy apply.

# LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE HOMEOWNERS FORM 8 MODIFIED COVERAGE FORM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SCHEDULE\*

1.	Section I – Property Coverage Limit of Liability for the Additional Coverage “Fungi”, Wet or Dry Rot, or Bacteria	\$	<b>Each Covered Loss</b>
		\$	<b>Policy Aggregate</b>
2.	Section II – Coverage E Aggregate Sublimit of Liability for “Fungi”, Wet or Dry Rot, or Bacteria	\$	<b>\$ 50,000</b>

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

### DEFINITIONS

The following definition is added:

#### 9. “Fungi”

- a. “Fungi” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

### SECTION I — PROPERTY COVERAGES

#### ADDITIONAL COVERAGES

The following Additional Coverage is added:

#### 9. “Fungi”, Wet or Dry Rot, or Bacteria

- a. The amount shown in the Schedule above or on the Declaration Page is the most we will pay for:
  - (1) The total of all loss payable under Section I – Property Coverages caused by “fungi”, wet or dry rot, or bacteria;
  - (2) The cost to remove “fungi”, wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
  - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the “fungi”, wet or dry rot, or bacteria; and
  - (4) The cost of testing of air or property to confirm the absence, presence or level of “fungi”, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of “fungi”, wet or dry rot, or bacteria.
- b. The coverage described in 9.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. The **Each Covered Loss** amount shown in the Schedule or on the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage resulting from any one covered loss.

The **Policy Aggregate** amount shown in the Schedule or on the Declaration Page for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage for all covered losses; regardless of the number of locations insured under this endorsement or number of claims-made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by “fungi”, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that “fungi”, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

### SECTION I – EXCLUSIONS

**Exclusion 9.** is added:

#### 9. Constant or Repeated Seepage or Leakage

Constant or repeated seepage or leakage of water or the presence of condensation or humidity, moisture or vapor, over a period of weeks, months, or years.

**Exclusion 10.** Is added:

#### 10. “Fungi”, Wet or Dry Rot, or Bacteria

“Fungi”, Wet or Dry Rot, or Bacteria meaning the presence, growth, proliferation, spread or any activity of “fungi”, wet or dry rot, or bacteria.

This exclusion does not apply:

- a. When “fungi”, wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the “Fungi”, Wet or Dry Rot, or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from “fungi”, wet or dry rot, or bacteria is covered.

### SECTION II – CONDITIONS

Condition 1. **Limit of Liability** is deleted and replaced by the following:

## 1. Limit of Liability

Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** limit of liability shown in the Declarations. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section **II** – Coverage **E** Aggregate Sublimit Of Liability for "Fungi", Wet or Dry Rot, or Bacteria. That sublimit is the amount shown in the Schedule or Declaration Page. This is the most we will pay regardless of the:

- (1) Number of locations insured under the policy to which this endorsement is attached;
- (2) Number of persons injured;
- (3) Number of persons whose property is damaged;
- (4) Number of "insureds"; or
- (5) Number of "occurrences" or claims-made.

This sublimit is within, but does not increase, the Coverage **E** limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

Our total liability under Coverage **F** for all medical expenses payable for "bodily injury" to one person as the result of one accident will not be more than the limit of liability for Coverage **F** shown in the Declarations.

With respect to damages arising out of "Fungi", Wet or Dry Rot, or Bacteria described in **1. Limit of Liability** of this endorsement, condition **2. Severability of Insurance** is deleted and replaced by the following:

### 2. Severability of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section **II** – **Conditions 1. Limit of Liability**. This condition will not increase the limit of liability for this coverage.

### SECTION I AND II – CONDITIONS

Condition **1. Policy Period** is deleted and replaced by the following:

#### 1. Policy Period

This policy applies only to loss or costs in Section **I** or "bodily injury" or "property damage" in Section **II**, which occurs during the policy period.

All other provisions of the policy apply.

## **EXISTING DAMAGE EXCLUSION**

The following is excluded:

1. Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date; or
2. Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception.

**This exclusion does not apply in the event of a total loss caused by a Peril Insured Against.**

**UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY**  
**AMENDMENT OF LOSS SETTLEMENT CONDITION - FLORIDA**  
**(HO 00 04 Only)**

**Paragraph 3. of the Section I - Conditions in Form HO 00 04 is replaced by the following:**

3. Loss Settlement. Covered property losses are settled as follows:
  - a. Personal property at actual cash value at the time of loss but not more than the amount required to repair or replace.
  - b. Building Additions and Alterations:
    - (1) if the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
    - (2) If the damage is not repaired or replaced, at actual cash value but not more than the amount required to repair or replace.



**UNIVERSAL PROPERTY AND CASUALTY INSURANCE COMPANY**

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

**LOSS ASSESSMENT COVERAGE**

1. Section 1. Additional Coverages - 7, and Section II. Additional Coverages - 4, are deleted in all policy forms HO 00 03 04 91, HO 00 04 04 91, and HO 00 06 04 91 and replaced by the following:

**SECTION I. - Additional Coverages**

7. Loss Assessment

We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of a direct loss to the property owned BY ALL MEMBERS COLLECTIVELY, CAUSED BY A PERIL Insured Against Under COVERAGE A - DWELLING, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the "residence premises".

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

**SECTION II. - Additional Coverages**

4. Loss Assessment

- A. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

- (1) "Bodily injury" or "property damage" NOT EXCLUDED UNDER SECTION II OF THIS POLICY; OR
- (2) Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
  - a. The director, officer or trustee is elected by the members of a corporation or association of property owners; and

- b. The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charges against you as owner or tenant of the "residence premises."

- B. We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:

- (1) One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- (2) A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following does not apply to this coverage:

Section II - Coverage E - Personal liability Exclusion 2.a.(1).

2. Increased Limit - Residence Premises

For an additional premium, the limit of liability for Section I Additional Coverage 7 and Section II Additional Coverage 4, Loss Assessment, is increased to:

**Increase in Limit of Liability \$**

**Total Limit of Liability \$**

SPECIAL LIMIT - We will not pay more than \$1,000 of your assessment that results from a deductible in the policy of insurance purchased by a corporation or association of property owners.

**UNIVERSAL PROPERTY AND CASUALTY INSURANCE COMPANY**

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

**WINDSTORM PROTECTIVE DEVICES**

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.

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 owned by you.

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.

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

**SECTION I – DEFINITIONS**

The following Definitions are added:

**10.** "Personal Watercraft" means watercraft designed to carry one to three people, propelled by a water jet pump powered by an internal combustion engine and capable of speeds greater than 25 mph.

"Personal Watercraft" include but are not limited to watercraft often referred to as jet skis, wave runners and similar watercraft.

**11.** "Structural Damage"

"Structural Damage" means a covered building, regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the "primary structural members" or "primary structural systems" that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
- c. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical "primary structural members" to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
- d. Damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or

e. Damage occurring on or after October 15, 2005, that qualifies as substantial "structural damage" as defined in the Florida Building Code.

**12.** "Primary structural member"

"Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

**13.** "Primary structural system"

"Primary structural system" means an assemblage of "primary structural members".

**14.** "Catastrophic Ground Cover Collapse"

"Catastrophic ground cover collapse" means geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. "Structural damage," other than settling or cracking, to the covered building insured under this policy, including the foundation; and
- d. The building or structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that building or structure.

**SECTION I - PROPERTY COVERAGES COVERAGE C PERSONAL PROPERTY SPECIAL LIMITS OF LIABILITY**

Items **10.** and **11.** are deleted and replaced by the following:

- 10.** \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
  - a. Accessories and antennas; or
  - b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item **10.**
- 11.** \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
  - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;

- b. Is away from the "residence premises"; and
- c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 11.

**PROPERTY NOT COVERED**

Item 3.b. is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:

b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:

- (1) Accessories or antennas; or
- (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this Item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is 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 an "insured's" residence; or
- b. Designed for assisting the handicapped;

**COVERAGE D - LOSS OF USE**

In Forms HO 00 03, HO 00 08 Item 1. is deleted and replaced by the following:

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover the 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 damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

**SECTION 1 - ADDITIONAL COVERAGES**

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

8. **Collapse**

- a. With respect to this Additional Coverage:
  - (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building, or part of the building, cannot be occupied for its intended purpose.

- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
  - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
  - (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:
- (1) Perils Insured Against in Coverage C Personal Property. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
  - (2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
  - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;
  - (4) Weight of contents, equipment, animals or people;
  - (5) Weight of rain which collects on a roof; or
  - (6) 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 (2), (3), (4), (5), and (6) unless the loss is a direct result of the collapse of a building or any part of a building.

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

c. If Endorsement HO 00 15 is attached to the policy, Section I Additional Coverages 8. **Collapse** in that endorsement is deleted in its entirety and Paragraph b.(1) above is deleted and replaced by the following:

**b.(1) Perils Insured Against in Coverages A and B.**

In addition, the following paragraph is added:  
This additional coverage does not apply to Coverage **C** Personal Property.

- d. If Endorsement **HO 17 31** is attached to the policy, Section **I** Additional Coverages **8. Collapse** in that Endorsement is deleted in its entirety and Paragraph **b.(1)** above is deleted and replaced by the following:  
**b.(1)** Perils Insured Against in Coverage **A**. In addition, the following paragraph is added:  
This additional coverage does not apply to Coverage **C** Personal Property.

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

9. **Glass Or Safety Glazing Material**

- a. We cover:
- (1) The breakage of glass or safety glazing material which is part of a 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 "residence premises" 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 Additional Coverage **9**. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

For Form **HO 00 08**, we will pay up to \$100 for loss under this coverage.

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

(This is Additional Coverage **8**. in Form **HO 00 08**)

The following Additional Coverage is added to all Forms. With respect to **Form HO 00 04**, the

words 'covered building' used below, refer to property covered under Additional Coverage **10**. Building Additions And Alterations.

**11. Ordinance Or Law**

- a. You may use up to 25% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
  - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
  - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:
- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
  - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure.
- 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.

This coverage is additional insurance.

(This is Additional Coverage **10**. in Form **HO 00 06**. and Additional Coverage **9**. in Form **HO 00 08**)

**12. Catastrophic Ground Cover Collapse**

"Catastrophic Ground Cover Collapse" coverage is added for:

a. Forms **HO 00 03** and **HO 00 08**

- (1) Loss to the property described in **Coverage A – Dwelling**;
- (2) Loss to the property described in **Coverage B – Other Structures**;
- (3) Loss to contents described for **Coverage C – Personal Property**.

(This is Additional Coverage **10.** in Form **HO 00 08**)

b. Form **HO 00 06**

- (1) Loss to the property described in **Coverage A – Dwelling**;
- (2) Loss to contents described for **Coverage C – Personal Property**.

(This is Additional Coverage **11.** in Form **HO 00 06**)

c. Form **HO 00 04**

- (1) Loss to contents described for **Coverage C – Personal Property**.

(This is Additional Coverage **11.** in Form **HO 00 04**)

**SECTION I - PERILS INSURED AGAINST  
COVERAGE A – DWELLING and COVERAGE B –  
OTHER STRUCTURES**

In Form **HO 00 03** Subsection **2.e.(6)** is deleted and replaced with the following:

- (6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios foundations, walls, floors, roofs or ceilings except for a "Catastrophic Ground Cover Collapse" loss. The Section I - Earth Movement Exclusion does not apply to a "Catastrophic Ground Cover Collapse" loss.

**SECTION I EXCLUSIONS**

- 1. **Ordinance or Law** is deleted and replaced by the following:
  - 1. **Ordinance or Law**, meaning any ordinance or law:
    - a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **1.a.** does not apply to the amount of coverage that may be provided for under Additional Coverages, Glass Or Safety Glazing Material or Ordinance Or Law;
    - b. The requirements of which result in a loss in value to property; or
    - c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects 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.

This exclusion applies whether or not the property has been physically damaged.

(This is Exclusion **1.a.** in Form **HO 00 03.**)

- 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 only for the ensuing loss.

This Exclusion **2.** does not apply to loss by:

- a. Theft; or
- b. "Catastrophic ground cover collapse".

(This is Exclusion **1.b.** in Form **HO 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 "residence premises". But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss or damage caused by that Peril Insured Against.

(This is Exclusion **1.d.** in Form **HO 00 03.**)

**SECTION I – CONDITIONS**

The following is added to **2. Your Duties After Loss**:

- h. You must give notice of a claim, a supplemental claim, or a reopened claim for loss or damage caused by the peril of windstorm or hurricane, with us in accordance with the terms of this policy and within three years after the hurricane first made landfall or the windstorm caused the covered damage. For purposes of this section, the term "supplemental claim" or "reopened claim" means any additional claim for recovery from us for losses from the same hurricane or windstorm which we have previously adjusted pursuant to the initial claim. This section does not affect any applicable limitations on civil actions for claims, supplemental claims, or reopened claims timely filed under this section.

- 3. **Loss Settlement (HO 00 03)** is deleted and replaced by the following:

- 3. **Loss Settlement (HO 00 03)** property losses are settled as follows:

- a. Property of the following types:
  - (1) Personal property;
  - (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
  - (3) Structures, **other than screened enclosures**, 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 initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to **b.(1)** and **b.(2)** above.

If a total loss of the dwelling occurs, the provisions of b.(4) above do not apply and we will pay the replacement cost coverage without reservation or holdback of any depreciation in value, pursuant to Florida Statutes. This does not prohibit us from exercising our right to repair the damaged property in compliance with this policy and pursuant to Florida Statutes.

- (5) If the dwelling where loss or damage occurs has been vacant for more than 30 consecutive days before the loss or damage, we will:

- (a) Not pay for any loss or damage caused by any of the following perils, even if they are covered causes of loss:

- (i) Vandalism;
- (ii) Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;
- (iii) Dwelling glass breakage;
- (iv) Water damage;
- (v) Theft; or
- (vi) Attempted theft.

Dwellings under construction are not considered vacant.

- (6) In the event of a "catastrophic ground cover collapse," any repairs must be made in accordance with the recommendations of our professional engineer. If our professional engineer selected or approved by us determines that repairs cannot be completed within the applicable limit of insurance, we will at our option, either:

- (a) Complete the professional

engineer's recommended repairs; or

- (b) Pay the policy limits without a reduction for the repair expenses incurred.

3. **Loss Settlement (HO 00 06)** is deleted and replaced by the following:

3. **Loss Settlement (HO 00 06)** property losses are settled as follows:

- a. Personal property at actual cash value at the time of loss but not more than the amount required to repair or replace.

- b. Coverage A – Dwelling:

- (1) At the actual cost to repair or replace.

- (2) We will initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to **b.(1)** above and this item **b.(2)**.

If a total loss of the dwelling occurs, the provisions of **b.(2)** above do not apply and we will be the replacement cost coverage without reservation or holdback of any depreciation in value, pursuant to Florida Statutes. This does not prohibit us from exercising our right to repair damaged property in compliance with this policy and pursuant to Florida Statutes.

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

6. **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 Department of Financial Services. 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 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. Request an appraisal of the loss. However, both parties must agree to the appraisal process. 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 "residence premises" 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 demanded 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.

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

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

10. **Loss Payment** is deleted and replaced by the following:

10. **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 upon the earliest of the following:

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

- b. 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.

Under Florida Statutes we are required to pay or deny an initial, reopened, or supplemental property insurance claim or portion of a claim, within ninety (90) days of notice of such claim



unless there are reasonable circumstances which prevent us from so doing. **SECTION II - EXCLUSIONS**

Under **1. Coverage E - Personal Liability** and **Coverage F - Medical Payments To Others**, Items **a.**, **g.** and **I.** are deleted and replaced by the following:

**a. Which is expected or intended by one or more "insureds";**

**g.** Arising out of:

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

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, including "personal watercraft" or are sailing vessels, whether owned by or rented to an "insured."

This exclusion does not apply to watercraft:

- (1)** That are not sailing vessels and are powered by:
  - (a)** Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
  - (b)** Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
  - (c)** One or more outboard engines or motors with 25 total horsepower or less;
  - (d)** One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";
  - (e)** Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:
    - (i)** You acquire them prior to the policy period; and
      - (a)** You declare them at policy inception; or
      - (b)** Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.
    - (ii)** You acquire them during the

policy period.

This coverage applies for the policy period.

- (2)** That are sailing vessels, with or without auxiliary power:
  - (a)** Less than 26 feet in overall length;
  - (b)** 26 feet or more in overall length, not owned by or rented to an "insured."

- I.** 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.

The following exclusions are added:

- m.** caused directly or indirectly by animals you own or are kept at the "insured location". Such loss is excluded for all activity or conduct of the insured when an animal owned or kept at the "insured location" is involved in any way with the loss either directly or indirectly. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss
- n.** caused directly or indirectly by the ownership, maintenance or use by anyone of any of the following equipment and/or accessories: **(This exclusion n. does not apply to an HO 08)**
  - (1)** swimming pool slides;
  - (2)** diving boards;
  - (3)** trampolines; and
  - (4)** skate board ramps.

Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. **SECTION II - CONDITIONS**

**1. Limit of Liability** is deleted and replaced by the following:

**1. Limit of Liability**

- a.** Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the limit of liability for Coverage **E** as shown in the Declarations. 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".

**b. Sub-limit Of Liability**

Subject to Paragraph **a.** above, our total liability under Coverage **E** for damages for

which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded, is \$10,000. This sub-limit is within, but does not increase the Coverage E limit of liability.

- c. The limit of liability in a. above and sub-limit in b. above apply regardless of the number of "insureds", claims made or persons injured.
- d. Our total liability under Coverage F 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 F as shown in the Declarations.

## SECTION I AND II - CONDITIONS

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

### 2. Concealment Or Fraud

a. Under **Section I - Property Coverages**, with respect to all "insureds" covered under this policy, we provide no coverage for loss under **Section I - Property Coverages** if, whether before or after a loss, one or more "insureds" have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made material false statements; relating to this insurance.

b. Under **Section II - Liability Coverages**, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made material false statements; relating to this insurance.

### 5. Cancellation

Paragraphs b., c., and d. are deleted and replaced by the following and e. is added:

- b. When this policy has been in effect for 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 ninety (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 for 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 a single claim on a property insurance policy 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 requested by us to prevent a future similar occurrence of damage to the insured property.

Except as provided in Item 5.b. or 5.c.(1) above, we will let you know of our action at least 20 days before the date cancellation takes effect.

(3) When this 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 reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (f) On the basis of a single claim which is the result of water damage if we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

Except as provided in Item 5.c.(1) above, If the "residence premises" has not been insured by us or any of our affiliated insurers for at least five (5) years immediately prior to the date of the written notice we will let you know at least one hundred (100) days before the cancellation takes effect. However, if the cancellation occurs between June 1st and November 30th we are required to give you the one hundred (100) day notice or written notice by June 1<sup>st</sup> whichever is earlier. Proof of mailing will be sufficient proof of notice.

Except as provided in Item 5.c.(1) above, If the "residence premises" has been insured by us or any of our affiliated insurers for at least five (5) years immediately prior to the date of the written notice we will let you know at least one-hundred and twenty (120) days before the cancellation takes effect. Proof of mailing will be sufficient proof of notice.

- d. When this policy is cancelled, 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 refunded with the notice of cancellation or when this policy is returned to us, we will refund it within fifteen (15) working days after the date cancellation takes effect.
- 6. Nonrenewal** is deleted and replaced by the following:
- 6. 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 by us to prevent recurrence of damage to the insured property; or

- b. On the basis of filing claims for sinkhole loss However, we may elect not to renew the policy if:
  - (1) The total of such payments equals or exceeds the policy limits of coverage for property damage to the covered building, for the policy in effect on the date of loss, as set forth on the declarations page; 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. On the basis of a single claim on a property insurance policy which is the result of water damage may not be used as the sole cause for cancellation or nonrenewal unless the we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property

If the "residence premises" has not been insured by us or any of our affiliated insurers for at least five (5) years immediately prior to the date of the written notice we will let you know at least one hundred (100) days before the nonrenewal takes effect. However, if the nonrenewal occurs between June 1<sup>st</sup> and November 30<sup>th</sup> we are required to give you the one hundred (100) day notice or written notice by June 1<sup>st</sup> whichever is earlier. Proof of mailing will be sufficient proof of notice.

If the "residence premises" has been insured by us or any of our affiliated insurers for at least five (5) years immediately prior to the date of the written notice we will let you know at least one-hundred and twenty (120) days before the date nonrenewal takes effect. Proof of mailing will be sufficient proof of notice.

## **8. Subrogation**

In Form **HO 00 06** 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 conditions are added:

## **10. 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 or mailed to you at your mailing address shown in the Declarations at least forty-five (45) days before the expiration date of this policy.

**11. Advance Notice**

A company employee, adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that needs access to an insured or claimant or to the insured property that

is the subject of a claim must provide at least 48 hours notice to the insured or claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property. The insured or claimant may deny access to the property if the notice has not been provided. The insured or claimant may waive the 48-hour notice.

**All other provisions of this policy apply**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SPECIAL PROVISIONS – FLORIDA**

**DEFINITIONS**

Definition 5. is deleted and replaced by:

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"; or
  - b. "Property damage."

Assault or battery is not an "occurrence," when committed by or at the direction of an "insured".

The following Definitions are added:

"Personal watercraft" means watercraft designed to carry one to three people, propelled by a water jet pump powered by an internal combustion engine and capable of speeds greater than 25 mph. "Personal watercraft" include but are not limited to watercraft often referred to as jet skis, wave runners and similar watercraft.

"Structural damage" means a covered building, regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the "primary structural members" or "primary structural systems" that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceeds one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
- c. Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical "primary structural members" to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
- d. Damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability

of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or

- e. Damage occurring on or after October 15, 2005, that qualifies as substantial "structural damage" as defined in the Florida Building Code.

"Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

"Primary structural system" means an assemblage of "primary structural members".

"Catastrophic Ground Cover Collapse" means geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. "Structural damage", other than settling or cracking, to the covered building insured under this policy, including the foundation; and
- d. The building or structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that building or structure.

"Marring" means to:

- a. Disfigure;
- b. Deface;
- c. Scar; or
- d. Blemish.

"Personal Injury" means injury that arises out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organizations goods, products or services; or
- e. Oral or written publication of material that violates a person's right to privacy.

"Spalling" is a term that describes the disintegration of stone or concrete. It can be produced by a variety of mechanisms, including as a result of:

- a. Projectile impact;
- b. Corrosion;
- c. Weathering;

- d. Cavitation; or
- e. Excessive rolling pressure (as in a ball bearing).

“Unoccupied” means the dwelling is not being inhabited as a residence.

## SECTION I – PROPERTY COVERAGES

Under **COVERAGE A - Dwelling** and **COVERAGE B – Other Structures** the following is added:

### Special Limits of Liability

#### Cosmetic and Aesthetic Damage to Floors

The total limit of liability for Coverages **A** and **B** combined is \$10,000 per policy period for cosmetic and aesthetic damages to floors.

1. Cosmetic or aesthetic damage includes but is not limited to:
  - a. Chips;
  - b. Scratches;
  - c. Dents; or
  - d. Any other damage;
 to less than 5% of the total floor surface area and does not prevent typical floor use.
2. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.
3. This limit does not increase the Coverage **A** or Coverage **B** limits of liability shown on the declaration page.
4. This limit does not apply to cosmetic or aesthetic damage to floors caused by a Peril Insured Against as named and described in **Coverage C – Personal Property**.

## COVERAGE C – PERSONAL PROPERTY

### Special Limits of Liability

Items **6.**, **7.**, **10.** and **11.** are deleted and replaced by the following:

6. \$2000 for loss by theft of firearms and related equipment.  
(This Special Limit of Liability **6.** does not apply to Form **HO 00 08.**)
7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinum ware, platinum-plated ware; pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.  
(This Special Limit of Liability **6.** does not apply to Form **HO 00 08.**)
10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
  - a. Accessories and antennas; or

- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item **10.**

(This is item **7.** in Form **HO 00 08.**)

11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:
  - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
  - b. Is away from the “residence premises”; and
  - c. Is used at any time or in any manner for any “business” purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item **11.**

(This is item **8.** in Form **HO 00 08.**)

## PROPERTY NOT COVERED

Item **3.b.** is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:
  - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
    - (1) Accessories or antennas; or
    - (2) Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item **3.b.**

The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is 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 an “insured’s” residence; or
- b. Designed for assisting the handicapped;

Item **10.** is added as follows:

10. Mopeds or similar motorized bicycles of any horsepower.

## COVERAGE D – LOSS OF USE

In Forms **HO 00 03**, **HO 00 08** Item **1.** is deleted and replaced by the following:

1. If a loss covered under this Section makes that part of the “residence premises” where you reside not fit to live in, we cover the 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 damage or, if you permanently

relocate, the shortest time required for your household to settle elsewhere.

#### **ADDITIONAL COVERAGES**

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

**8. Collapse**

a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building, or part of the building, cannot be occupied for its intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Perils Insured Against in Coverage **C** Personal Property. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) 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 (2), (3), (4), (5), and (6) unless the loss is a direct result of the collapse of a building or any part of a building.

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

(This Additional Coverage **8.** does not apply to Form **HO 00 08.**)

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

**9. Glass Or Safety Glazing Material**

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a 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 "residence premises" if the dwelling has been vacant for more than thirty (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 Additional Coverage **9.** will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

For Form **HO 00 08**, we will pay up to \$100 for loss under this coverage.

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

(This is Additional Coverage **8.** in Form **HO 00 08**)

The following Additional Coverage is added to all Forms. With respect to Form **HO 00 04**, the words 'covered building' used below, refer to property covered under Additional Coverage **10.** Building Additions And Alterations.

**11. Ordinance Or Law**

a. You may use up to 25% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or

(3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.

c. We do not cover:

(1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or

(2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure.

Pollutants mean 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.

This coverage is additional insurance.

(This is Additional Coverage 10. in Form HO 00 06. and Additional Coverage 9. in Form HO 00 08)

## 12. Catastrophic Ground Cover Collapse

"Catastrophic Ground Cover Collapse" coverage is added for:

a. Forms HO 00 03 and HO 00 08

(1) Loss to the property described in **Coverage A – Dwelling**;

(2) Loss to the property described in **Coverage B – Other Structures**;

(3) Loss to contents described for **Coverage C – Personal Property**.

(This is Additional Coverage 10. in Form HO 00 08)

b. Form HO 00 06

(1) Loss to the property described in **Coverage A – Dwelling**;

(2) Loss to contents described for **Coverage C – Personal Property**.

(This is Additional Coverage 11. in Form HO 00 06)

c. Form HO 00 04 loss to contents described for **Coverage C – Personal Property**.

(This is Additional Coverage 11. in Form HO 00 04)

## SECTION I – PERILS INSURED AGAINST

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

In Form HO 00 03 Subsection 2.e.(1), (3) and (6) are deleted and replaced with the following:

(1) Wear and tear, "marring", deterioration

(3) Smog, rust, "spalling", decay or other corrosion;

(6) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios foundations, walls, floors, roofs or ceilings except for a "Catastrophic Ground Cover Collapse" loss.

**SECTION I – EXCLUSIONS, 1.b. Earth Movement** does not apply to a "Catastrophic Ground Cover Collapse" loss.

### SECTION I – EXCLUSIONS

1. **Ordinance or Law** is deleted and replaced by the following:

1. **Ordinance or Law**, meaning any ordinance or law:

a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion 1.a. does not apply to the amount of coverage that may be provided for under Additional Coverages, Glass Or Safety Glazing Material or Ordinance Or Law;

b. The requirements of which result in a loss in value to property; or

c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants mean 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.

This exclusion applies whether or not the property has been physically damaged.

(This is Exclusion 1.a. in Form HO 00 03.)

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 only for the ensuing loss.

This Exclusion 2. does not apply to loss by:

a. Theft; or

b. "**Catastrophic Ground Cover Collapse**".

(This is Exclusion 1.b. in Form HO 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 “residence premises”. But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the “residence premises”, we will pay for the loss or damage caused by that Peril Insured Against.

(This is Exclusion **1.d.** in Form **HO 00 03.**)

The following Exclusions are added:

**Assignee(s) or Third Parties**, meaning we will not be responsible for payment under **SECTION I and II – CONDITIONS, 7. Assignment**, to any assignee(s) or third parties, for payments on losses that are not covered under this policy.

**Criminal or Illegal Activity**, meaning any and all criminal or illegal acts performed by any insured that result in damage to structure or personal property.

**Home Sharing/Bed and Breakfast**, including covered losses, on homes or condos or any part thereof, arising out of participation in home sharing or bed and breakfast program, such as Airbnb, Flipkey, HomeAway, where homes/condos are rented for days, weeks or months.

(This is added under Exclusion **1.** in Form **HO 00 03.**)

## SECTION I – CONDITIONS

### 2. Your Duties After Loss:

Item **f.** is deleted and replaced by the following:

**f.** As often as we reasonably require:

(1) Show us the damaged property and the cause of loss, if possible, except as to any repairs performed under **SECTION I – ADDITIONAL COVERAGES, 2. Reasonable Repairs.**

(2) Provide us with the records and documents we request and permit us to make copies;

(3) Any and all insureds must submit to recorded statements when requested by us;

(4) In the County where the “residence premises” is located you, your agents, your representatives and any and all “insureds” must submit to examinations under oath and sign same when requested by us;

At your or our request, the examinations will be conducted other persons except legal representation;

(5) Permit us to take samples of damaged and undamaged property for inspection, testing and analysis;

(6) Any and all “insureds” must execute all authorizations for the release of information when requested by us; and

(7) Cooperate with us in the investigation of a claim.

The following are added:

**h.** You must give notice of a claim, a supplemental claim, or a reopened claim for loss or damage caused by the peril of windstorm or hurricane, with us in accordance with the terms of this policy and within three years after the hurricane first made landfall or the windstorm caused the covered damage. For purposes of this Section, the term “supplemental claim” or “reopened claim” means any additional claim for recovery from us for losses from the same hurricane or windstorm which we have previously adjusted pursuant to the initial claim. This Section does not affect any applicable limitations on civil actions for claims, supplemental claims, or reopened claims timely filed under this Section.

**i.** As often as is reasonably necessary to effectuate repairs:

(1) Provide access to the property;

(2) Execute any necessary city, county or municipal permits for repairs to be undertaken;

(3) Execute work authorizations to allow contractors entry to the property; and

(4) Otherwise cooperate with repairs to the property;

when we exercise Our Option under **SECTION I – CONDITIONS, 9. Glass or Safety Glazing Material.**

3. **Loss Settlement (HO 00 03)** is deleted and replaced by the following:

3. **Loss Settlement (HO 00 03)** property losses are settled as follows:

**a.** Property of the following types:

(1) Personal property;

(2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and

(3) Structures, other than screened enclosures, 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 initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to **b.(1)** and **b.(2)** above.
- If a total loss of a building or structure insured under this policy occurs, the provisions of **b.(4)** above do not apply and we will pay the replacement cost coverage without reservation or holdback of any depreciation in value, subject to policy limits. This does not prohibit us from exercising our right to repair the damaged property in compliance with this policy and pursuant to Florida Statutes.
- (5) If the dwelling where loss or damage occurs has been vacant for more than thirty (30) consecutive days before the loss or damage, we will:
- Not pay for any loss or damage caused by any of the following perils, even if they are Perils Insured Against:

- (a) Vandalism;
- (b) Sprinkler leakage, when caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;
- (c) Dwelling glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

Dwellings under construction are not considered vacant.

- (6) In the event of a "Catastrophic Ground Cover Collapse", any repairs must be made in accordance with the recommendations of our professional engineer. If our professional engineer selected or approved by us determines that repairs cannot be completed within the applicable limit of insurance, we will at our option, either:
- (a) Complete the professional engineer's recommended repairs; or
  - (b) Pay the policy limits without a reduction for the repair expenses incurred.

**3. Loss Settlement (HO 00 06)** is deleted and replaced by the following:

**3. Loss Settlement (HO 00 06)** property losses are settled as follows:

In this Condition **3.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **11**. Ordinance Or Law under Additional Coverages. Covered property losses are settled as follows:

- a. Personal property at actual cash value at the time of loss but not more than the amount required to repair or replace.
- b. Coverage **A** – Dwelling:
  - (1) At the actual cost to repair or replace.
  - (2) We will initially pay at least the actual cash value of the insured loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs as work is performed and expenses are incurred, subject to **b.(1)** above and this item **b.(2)**.

If a total loss of a building or structure insured under this policy occurs, the provisions of **b.(2)** above do not apply and we will pay the replacement cost coverage without reservation or holdback of any depreciation in value, subject to policy limits. This does not prohibit us from exercising our right to repair damaged property in compliance with this policy and pursuant to Florida Statutes.

- (3) If the dwelling where loss or damage occurs has been vacant for more than thirty (30) consecutive days before the loss or damage, we will:

Not pay for any loss or damage caused by any of the following perils, even if they are Perils Insured Against:

- (a) Vandalism;
- (b) Sprinkler leakage, when caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;
- (c) Dwelling glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

Dwellings under construction are not considered vacant.

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

6. **Mediation Or Appraisal**

If there is a dispute with respect to a claim under this policy, you or we may:

- a. Demand a mediation of the loss in accordance with the rules established by the Department of Financial Services. 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.

If we fail to agree on the amount of loss, you or we may:

- b. Request an appraisal of the loss. However, both parties must agree to the appraisal process. In this event, each party will choose a competent appraiser within twenty (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 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

"residence premises" 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 demanded 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.

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

8. **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 loss.

9. **Our Option** is deleted and replaced by the following:

9. **Our Option.**

At our option, in lieu of issuing any loss payment, if we choose to exercise our option:

- a. For losses settled on an actual cash value basis, we may repair or replace any part of the damaged property with material or property of like kind and quality.
- b. For losses covered under Coverage **A** – Dwelling, insured for Replacement Cost Loss Settlement as outlined in **SECTION I – CONDITIONS**, Loss Settlement, we may repair the damaged property with material of like kind and quality without deduction for depreciation.
- c. We will provide written notice to you no later than thirty (30) days after our inspection of the reported loss.
- d. You must comply with the duties described in **SECTION I – CONDITIONS**, paragraphs **2.f.**, **2.h.**, and **2.i.**
- e. You must provide access to the property and execute any necessary municipal, county or other governmental documentation or permits for repairs to be undertaken.
- f. You must execute all work authorizations to allow contractors and related parties entry to the property.
- g. You must otherwise cooperate with repairs to the property.
- h. You are responsible for payment of the deductible stated in your declaration page.
- i. Our right to repair or replace, and our decision to do so, is a material part of this contract and under no circumstances relieves you or us of our mutual duties and obligations under this contract.

10. **Loss Payment** is deleted and replaced by the following:

#### 10. 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 upon the earliest of the following:

- 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 an initial, reopened, or supplemental property insurance claim or portion of a claim, within ninety (90) days of notice of such claim unless there are reasonable circumstances which prevent us from so doing.

Our failure to comply with this paragraph shall not form the sole basis for an action against us for breach of contract under this policy or for benefits under this policy.

#### 12. Mortgage Clause

The following is added to **12. Mortgage Clause**:

We provide coverage to no mortgagee or its representative under this policy if, whether before or after a loss, a mortgagee or its representative has:

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

The following items are added to **SECTION I – CONDITIONS**:

#### Adjustment to Property Coverage Limits.

If your policy is a renewal with us, the limit of liability for Coverages **A, B, C** and **D** may be adjusted.

Any change in the limits of liability indicated above does not, in any way represent, warrant, or guarantee to any person or entity, that:

- a. These adjustments will keep pace with inflation; or
- b. That the amounts of coverage are adequate to repair or rebuild any specific building or structure.

#### Deductible.

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under **SECTION I** that exceeds the deductible amount shown in the Declarations.

## SECTION II – EXCLUSIONS

1. **Coverage E – Personal Liability** and **Coverage F – Medical Payments To Others**, items **a., f., g.** and **I.** are deleted and replaced by the following:

- a. Which is expected or intended by one or more “insureds”;
- f. 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 paragraph (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”;
  - (b) Owned by an “insured” and in use on an “insured location”; as defined in definitions **4.a., b., d., e., or h.**;
- (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”;

- g. Arising out of:

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

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, including “personal watercraft” or are sailing vessels, whether owned by or rented to an “insured”.

This exclusion does not apply to watercraft:

- (1) That are not sailing vessels and are powered by:

- (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an “insured”;
  - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an “insured”;
  - (c) One or more outboard engines or motors with 25 total horsepower or less; or
  - (d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an “insured”.
- (2) That are sailing vessels, with or without auxiliary power:
- (a) Less than 26 feet in overall length;
  - (b) 26 feet or more in overall length, not owned by or rented to an “insured”;
- (3) That are stored;
- I. 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 healthcare professional.

The following Exclusions are added:

- m. caused directly or indirectly by animals you own or are kept at the “insured location”. Such loss is excluded for all activity or conduct of the insured when an animal owned or kept at the “insured location” is involved in any way with the loss either directly or indirectly. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss
- n. caused directly or indirectly by the ownership, maintenance or use by anyone of any of the following equipment and/or accessories:
  - (1) swimming pool slides;
  - (2) diving boards;
  - (3) trampolines; and
  - (4) skate board ramps.

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

(This Exclusion n. does not apply to Form **HO 00 08**.)

- o. **Coverage E – Personal Liability** and **Coverage F – Medical Payments to Others** do not apply to “bodily injury” or “property damage” arising:
  - (1) Out of the ingestion of paint that has lead in it;
  - (2) Out of the ingestion of paint with lead compounds in it;

**4. Coverage E – Personal Liability and Coverage F – Medical Payments To Others** do not apply to “Personal Injury”:

- a. Caused by or at the direction of an “insured” with the knowledge that the act would violate the rights of another and would inflict “personal injury”;
- b. Arising out of oral or written publication of material, if done by or at the direction of an “insured” with knowledge of its falsity;
- c. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- d. Arising out of a criminal act committed by or at the direction of an “insured”;
- e. Arising out of liability assumed by an “insured” under any contract or agreement except any indemnity obligation assumed by an “insured” under a written contract directly relating to the ownership maintenance or use of the premises;
- f. Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an “insured”;
- g. Arising out of or in connection with a “business” conducted from an “insured location” or engaged in by an “insured,” whether or not the “business” is owned or operated by an “insured” or employs 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”.

## SECTION II – CONDITIONS

1. **Limit of Liability** is deleted and replaced by the following:

### 1. Limit of Liability

a. Our total liability under Coverage **E** for all damages resulting from any one “occurrence” will not be more than the limit of liability for Coverage **E** as shown in the Declarations. 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”.

### b. Sub-limit Of Liability

Subject to Paragraph **a.** above, our total liability under Coverage **E** for damages for which an “insured” is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded, is \$10,000. This sub-limit is within, but does not increase the Coverage **E** limit of liability.

c. The limit of liability in **a.** above and sub-limit in **b.** above apply regardless of the number of “insureds”, claims made or persons injured.

d. Our total liability under Coverage **F** 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 **F** as shown in the Declarations.

## SECTION I AND II – CONDITIONS

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

### 2. Concealment Or Fraud

a. Under **SECTION I – PROPERTY COVERAGES**, with respect to all “insureds” covered under this policy, we provide no coverage for loss under **SECTION I – PROPERTY COVERAGES** if, whether before or after a loss, one or more “insureds” have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made material false statements; relating to this insurance.

b. Under **SECTION II – LIABILITY COVERAGES**, we do not provide coverage to one or more “insureds” who, whether before or after a loss, have:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made material false statements; relating to this insurance.

However, we will not deny a claim based on credit information available in public records, whether disclosed or undisclosed, if the policy has been in effect for more than ninety (90) days.

## 5. Cancellation

5. **Cancellation** is deleted and replaced by the following:

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

However, when a (mortgage company) lender is responsible for paying the premium through an escrow account and the premium payment is not more than ninety (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 for 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 a single claim on a property insurance policy 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 requested by us to prevent a future similar occurrence of damage to the insured property.

(c) On the basis of the lawful use, possession, or ownership of a firearm or ammunition by an “insured” or household member of an “insured”.

Except as provided in Item **5.b.** or **5.c. (1)** above, we will let you know of our action at least twenty (20) days before the date cancellation takes effect.

- (3) When this 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, within ninety (90) days after the effective date of coverage, with underwriting requirements established by us before 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 reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
  - (f) On the basis of a single claim which is the result of water damage if we can demonstrate that the insured has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

However, we may not cancel based on credit information available in public records after a policy has been in effect for more than ninety (90) days; or based on the lawful use, possession or ownership of a firearm or ammunition by an "insured" or household member of an "insured".

Except as provided in Item 5.c.(1) above, we will let you know at least one hundred twenty (120) days before the cancellation takes effect. Proof of mailing will be sufficient proof of notice.

- d. When this policy is cancelled, 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 refunded with the notice of cancellation or when this policy is returned to us, we will refund it within fifteen (15) working days after the date cancellation takes effect.

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

**6. 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 by us to prevent recurrence of damage to the insured property; or

- b. On the basis of filing claims for sinkhole loss. However, we may elect not to renew the policy if:

- (1) The total of such payments equals or exceeds the policy limits of coverage for property damage to the covered building, for the policy in effect on the date of loss, as set forth on the declarations page; 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. On the basis of a single claim on a property insurance policy 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 requested by us to prevent a future similar occurrence of damage to the insured property;
- d. On the basis of credit information available in public records;
- e. On the basis of the lawful use, possession, or ownership of a firearm or ammunition by an "insured" or household member of an "insured".

We shall give the first named "insured" at least one hundred and twenty (120) days before the date nonrenewal takes effect. Proof of mailing will be sufficient proof of notice.

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

**8. Our Right to Recover Payment**

- a. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:
  - (1) Whatever is necessary to enable us to exercise our rights; and
  - (2) Nothing after loss to prejudice them.
- b. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
  - (1) Hold in trust for us the proceeds of the recovery; and
  - (2) Reimburse us to the extent of our payment.

The following conditions are added:

**10. 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 or mailed to you at your mailing address shown in the Declarations at least forty five (45) days before the expiration date of this policy.

## **11. Advance Notice**

A company employee, adjuster, independent adjuster, attorney, investigator, or other persons acting on behalf of us that needs access to an insured or claimant or to the insured property that is the subject of a claim must provide at least forty-eight (48) hours notice to the insured or claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property. The insured or claimant may deny access to the property if the notice has not been provided. The insured or claimant may waive the forty-eight (48) hour notice.

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



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**CALENDAR YEAR HURRICANE DEDUCTIBLE WITH SUPPLEMENTAL REPORTING  
REQUIREMENT - FLORIDA**

**A. Loss By Windstorm During A Hurricane**

As respects Paragraph **C.** Hurricane Deductible, coverage for loss caused by the peril of windstorm during a hurricane which occurs anywhere in the state of Florida, includes loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, hail, sand or dust if the direct force of the windstorm damages the building, causing an opening in a roof or wall and the rain, snow, sleet, hail, sand or dust enters through this opening.

**B. Hurricane Described**

1. A hurricane means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.
2. A hurricane occurrence:
  - a. 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
  - b. 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.

**C. Hurricane Deductible**

1. In the event of a single hurricane loss, we will pay only that part of the total of all loss payable under Property Coverages for loss by windstorm during a hurricane that exceeds the hurricane percentage or flat dollar deductible stated in this endorsement or as indicated in the Declarations.

If a percentage, the dollar amount of the hurricane percentage deductible is determined by multiplying the limit of liability of Coverage **A**, **B**, or **D** shown in the Declarations, whichever is greatest, by the percentage amount shown in the Schedule above or as indicated in the Declarations, but in no event shall be less than \$500.

2. The hurricane deductible applies on an annual basis to all covered hurricane losses that occur during the same calendar year under this policy or under a policy(ies) issued by a member of our insurance group. In the event of a subsequent hurricane occurring during the same calendar year and there was a loss from a prior hurricane, the hurricane deductible

shall be the greater of any remaining amount of the hurricane deductible for that calendar year or the amount of the deductible that applies to perils other than a hurricane. (\*)

3. If there are covered hurricane losses in a calendar year on more than one policy issued by us or by a member of our insurance group, the hurricane deductible shall be the highest amount stated in any one of the policies. If you had a hurricane loss in the same calendar year under the prior policy, and we provide a lower hurricane deductible under the new or renewal policy, the lower deductible will not apply until January 1 of the following calendar year.
4. In the event you should have any windstorm loss caused by a hurricane occurrence which is less than your hurricane deductible, you must promptly report the loss to us so that such losses may be applied to subsequent hurricane claims during the same calendar year.
5. Refer to the policy declarations for the deductible that applies to windstorm loss if the circumstances of the loss described above do not apply.

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

(\*) Multiple Hurricane Example:

If:

A policy is written effective July 1, 2007 and on August 1, 2007 a hurricane causes damage to covered property in excess of the hurricane deductible. The loss is paid, less the hurricane deductible.

A hurricane then occurs on September 1, 2007 and damages covered property. The loss is paid less the deductible that applies to perils other than a hurricane.

On June 1, 2008, a hurricane causes damage to covered property. A new 2008 hurricane deductible applies. Assume the damage is only one quarter of the amount of the 2008 hurricane deductible and therefore the loss is not paid by us.

The policy is renewed effective July 1, 2008. A hurricane occurs on September 1, 2008. The loss is paid less an amount equal to the greater of the amount of the three-quarters of the 2008 hurricane deductible still remaining or the amount of the deductible that applies to perils other than a hurricane.

# UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY

## OUTLINE OF YOUR HOMEOWNERS POLICY

This outline is being provided to help you more easily understand your Homeowners 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 Homeowners 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.

### **SECTION I - 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**

Protects against covered loss to your personal property such as clothing and furniture. Special limits apply to some types of personal property including but not limited to: money, securities, watercraft, theft of jewelry, firearms and silverware. Please review your policy for a complete list of items that have special limits or are excluded.

#### **Coverage D - Loss Of Use**

Protects against loss resulting from any additional living expenses you incur while you are temporarily unable to live at your home because of a covered loss. Payment would include such items as temporary lodging and increased costs for food.

### **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; Theft; Falling Objects; Accidental Discharge or Overflow of Water from Plumbing, Heating, Air Conditioning or Household Appliance; and Freezing of Plumbing or Household Appliances.

**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.

### **SECTION II - LIABILITY COVERAGE**

#### **Coverage E - Personal Liability**

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 Section II of your policy. Coverage for Animal Liability, under certain conditions, and Home Day Care Operations, is not covered.

#### **Coverage F - Medical Payments To Others**

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 Section II of your policy with limited exceptions.

**Note:** Coverage E - Personal Liability and Coverage F - Medical Payments To Others do not apply to "Bodily Injury" or "Property Damage" arising out of the ingestion or inhalation of lead in any form or substance. Radon and pollutants are also excluded.

**UNIVERSAL PROPERTY & CASUALTY INSURANCE COMPANY**  
**OUTLINE OF YOUR HOMEOWNERS POLICY**

**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.

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

**Protective Devices** - If your home 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 homes equipped with qualifying storm shutters or other protective devices.

**Building Code Compliance** - This credit is available on homes 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.

**PREMIUM CREDITS**

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

# UNIVERSAL INSURANCE HOLDINGS, INC.

1110 W. Commercial Blvd., Suite 300  
Fort Lauderdale, FL 33309

## PRIVACY STATEMENT

The affiliates of Universal Insurance Holdings, Inc., strive to provide you with high quality insurance products and efficient customer service. In the course of doing so, we obtain personal information about you and your family. We consider this information confidential and have procedures in place to protect the information against unlawful use and disclosure. We will disclose your information only as necessary to process your requests for insurance, to provide services to you as a policyholder or claimant, and as otherwise allowed or required by law.

The following statements describe how we obtain and use information about you, and how we protect that information. This statement applies to our affiliates identified below, and applies not only to current customers but also to our former customers. You do not need to take any action in response to this notice.

### **Personal Information We Collect**

In connection with providing products and services to you, we obtain information from several sources. Most of the information we obtain comes directly from you, such as through the insurance applications you submit and other interactions you have with us. From these interactions with you, we learn information such as your name, address, telephone number, existing coverages, desired coverages, and similar information.

We also learn information about you from your transactions with us. This may include information such as your current or past coverages and related information, your premium levels, your payment history, your claims history, and other information. Your insurance agent also may provide information to us, such as requested additions or deletions of coverage and updated contact information for you. Finally, we may receive information from outside parties that has a bearing on your eligibility for products or services in which you are or might be interested. These parties may include consumer reporting agencies, claims reporting services, motor vehicle records bureaus, or other sources. Information obtained from these sources may include your prior claims history, information about any prior civil or criminal actions in which you have been involved, financial information, and other information about your background.

If you visit an Internet site that we maintain, we might request certain information about you that will enable us to identify you as a user, including your name, a user name, a password, and password reminders. We also might obtain information about your web browser, operating system and similar information to improve the performance and operation of our site.

## **Our Use of Your Personal Information**

We do not share the information we collect with other parties, except our affiliates, nonaffiliated parties performing contractual services for us, and as otherwise required or permitted by law. Universal Insurance Holdings, Inc. is a holding company with various subsidiaries providing various products and services relating to insurance and other financial services. The companies also may offer other products and services as the Universal Insurance Holdings family grows. In order to provide you with access to these products and services, and to improve our service to you, we may share information among members of our corporate family. The information we share among affiliates is limited to information about your transactions and experiences with us and to information that we otherwise are permitted to disclose by law.

When we provide information to parties performing contractual services for us (such as marketing and research), we contractually require those parties to preserve the confidentiality of your personal information. As indicated above, we also might share information that we obtain about you with nonaffiliated parties as allowed or required by law. This means that we will share information with parties as necessary to effect, administer, or enforce transactions that you request. In other words, we might provide your information, for example, to a company that prints and mails our insurance policies, or to a company that adjusts claims you report to us. Finally, we are permitted or required to share information with certain other parties listed in federal law and state rules, such as insurance advisory organizations, our attorneys and accountants, consumer reporting agencies, and civil and regulatory authorities.

## **How We Protect Your Personal Information**

We maintain physical, electronic, and procedural safeguards to ensure the confidentiality of the personal information we obtain about you. We restrict access to your personal information to those employees who need to know that information to provide services to you.

**This summary of our practices is furnished for your information. No action is required by you upon receipt of this notice.**

This notice describes the practices and procedures of Universal Insurance Holdings, Inc. and the subsidiaries listed below regarding products or services that you obtain from any of them. If you obtain financial products or services from other members of our corporate family, you will receive a separate notice identifying their practices and procedures.

Universal Property & Casualty Insurance Company  
American Platinum Property and Casualty Insurance Company  
Universal Risk Advisors, Inc.  
Atlas Premium Finance Company  
Universal Adjusting Corporation  
Universal Inspection Corporation  
Blue Atlantic Reinsurance Corporation  
Universal Florida Insurance Agency, Inc.  
Coastal Homeowners Insurance Specialists, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SWIMMING POOL LIABILITY EXCLUSION

This endorsement modifies the insurance provided by the policy:

This insurance does not apply to any loss, cost, damage, expense, injury, "bodily injury," or "property damage" which occurs:

- a. in, at, or around a swimming pool, including but not limited to a diving board or slide, or
- b. on or upon a swimming pool patio or deck.

All other terms and conditions of the policy remain the same.