

State: Tennessee **Filing Company:** American Strategic Insurance Corp
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: TN Initial HO
Project Name/Number: /

Filing at a Glance

Company: American Strategic Insurance Corp
Product Name: TN Initial HO
State: Tennessee
TOI: 04.0 Homeowners
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Filing Type: Form
Date Submitted: 04/07/2014
SERFF Tr Num: AMSI-129408484
SERFF Status: Closed-Approved
State Tr Num: 141355
State Status: Closed
Co Tr Num: INITIAL HO

Effective Date: 07/01/2014
Requested (New):
Effective Date: 07/01/2014
Requested (Renewal):
Author(s): Mandi Miller
Reviewer(s): John Duncan, CPCU (primary)
Disposition Date: 04/09/2014
Disposition Status: Approved
Effective Date (New): 07/01/2014
Effective Date (Renewal): 07/01/2014

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General Information

Project Name: Status of Filing in Domicile: Not Filed
Project Number: Domicile Status Comments: In Florida, our State of Domicile, our proprietary HO4 product (10 13 version) is filed for use. However, for the HO3 and HO6 products, we utilizes the 04 91 version of the ISO form.
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 04/09/2014
State Status Changed: 04/09/2014 **Deemer Date:**
Created By: Mandi Miller **Submitted By:** Mandi Miller
Corresponding Filing Tracking Number:

Filing Description:

This filing consists of our initial HO3, HO4, HO5 and HO6 programs. Please let me know if you have any questions or concerns during your review.

Company and Contact

Filing Contact Information

Mandi Miller, MandiM@asicorp.org
 1 ASI Way 727-821-8765 [Phone] 1994 [Ext]
 St Petersburg, FL 33702

Filing Company Information

American Strategic Insurance Corp	CoCode: 10872	State of Domicile: Florida
1 ASI Way	Group Code: 1344	Company Type: P&C
St Petersburg, FL 33702	Group Name: ARX Holding Corp	State ID Number:
(866) 274-8765 ext. 232[Phone]	FEIN Number: 59-3459912	

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Have you read the General Instructions?: Yes

Have you read the Additional Information Requirements?: Yes

If a rate filing, have you completed the Rate Information as required?: Not Applicable to this filing.

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	John Duncan, CPCU	04/09/2014	04/09/2014

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	John Duncan, CPCU	04/08/2014	04/08/2014

Response Letters

Responded By	Created On	Date Submitted
Mandi Miller	04/09/2014	04/09/2014

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Disposition

Disposition Date: 04/09/2014

Effective Date (New): 07/01/2014

Effective Date (Renewal): 07/01/2014

Status: Approved

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Detailed Filing Overview		Yes
Supporting Document	Third Party Authorization		Yes
Supporting Document	Filing Fees For Property and Casualty		Yes
Supporting Document	Applications that become part of the policy		Yes
Supporting Document	Side-by-Side Comparison - Form and/or Rule		Yes
Form	HOMEOWNERS 3 – SPECIAL FORM		Yes
Form	Renters Protection Policy		Yes
Form	HOMEOWNERS 5 – COMPREHENSIVE FORM		Yes
Form	HOMEOWNERS 6 – UNIT-OWNERS FORM		Yes
Form	SPECIAL PROVISIONS - TENNESSEE		Yes
Form	ADDITIONAL INSURED		Yes
Form	ADDITIONAL INTERESTS		Yes
Form	Additional Interest		Yes
Form	ANIMAL LIABILITY ENDORSEMENT		Yes
Form	COVERAGE C INCREASED SPECIAL LIMITS OF LIABILITY		Yes
Form	HOME COMPUTER COVERAGE		Yes
Form	HomeShield Package		Yes
Form	HomeShield Plus Package		Yes
Form	INCREASED REPLACEMENT COST COVERAGE		Yes
Form	INCREASED REPLACEMENT COST COVERAGE		Yes
Form	LEAD LIABILITY EXCLUSION		Yes

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Schedule	Schedule Item	Schedule Item Status	Public Access
Form	NO SECTION II – LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS LIMITED SECTION I – PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS		Yes
Form	LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE		Yes
Form	LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE		Yes
Form	LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE		Yes
Form	LIMITED WATER DAMAGE COVERAGE		Yes
Form	LOSS ASSESSMENT COVERAGE		Yes
Form	NON-STRUCTURAL HAIL LOSS LIMITATION ENDORSEMENT		Yes
Form	ORDINANCE OR LAW COVERAGE		Yes
Form	PERSONAL INJURY		Yes
Form	PERSONAL PROPERTY EXCLUSION		Yes
Form	PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT		Yes
Form	PREMISES ALARM OR FIRE PROTECTION SYSTEM		Yes
Form	PREMISES LIABILITY		Yes
Form	SCHEDULED PERSONAL PROPERTY ENDORSEMENT		Yes
Form	Homesield R Package		Yes
Form	Scheduled Jewelry Endorsement		Yes
Form	UNIT-OWNERS COVERAGE A SPECIAL COVERAGE		Yes
Form	SPECIAL PERSONAL PROPERTY COVERAGE		Yes
Form	UNIT-OWNERS MODIFIED OTHER INSURANCE AND SERVICE AGREEMENT CONDITION		Yes
Form	UNIT-OWNERS RENTAL TO OTHERS		Yes
Form	WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW		Yes
Form	WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE		Yes
Form	SPECIAL STRUCTURE BUYBACK		Yes
Form	PROGRESSIVE HOME ADVANTAGE		Yes
Form	EARTHQUAKE		Yes

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Schedule	Schedule Item	Schedule Item Status	Public Access
Form	FUNCTIONAL REPLACEMENT COST LOSS SETTLEMENT		Yes
Form	Sinkhole Loss Coverage - Tennessee		Yes
Form	ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING		Yes
Form	Insurance Application		Yes
Form	Insurance Application		Yes
Form	Homeowners Declaration Page		Yes
Form	Homeowners Declaration Page		Yes
Form	Cancellation Notice		Yes
Form	Notice of Intent to Cancel		Yes
Form	Notice of Cancellation		Yes
Form	Notice of Non-renewal		Yes

State: Tennessee **Filing Company:** American Strategic Insurance Corp
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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	04/08/2014
Submitted Date	04/08/2014
Respond By Date	04/22/2014

Dear Mandi Miller,

Introduction:

The following issues must be addressed before we can proceed:

Objection 1

- SPECIAL PROVISIONS - TENNESSEE, ASI HO TN SP , 12 12 (Form)

Comments: There may be somewhat of a problem with the "catastrophic ground cover collapse" and TCA 56-7-130 (revised this legislative session) that requires the offer of sinkhole collapse. I noticed a sinkhole collapse rate in the rate and rule filing and a sinkhole collapse endorsement attached to this filing.

While I seem to recall that Florida statutes have been revised and that the new term there is ground cover collapse, such is not the case in Tennessee. If the company does not feel there is a conflict, please explain.

Conclusion:

Please respond promptly.

Sincerely,

John Duncan, CPCU

State: Tennessee Filing Company: American Strategic Insurance Corp
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Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/09/2014
Submitted Date 04/09/2014

Dear John Duncan, CPCU,

Introduction:

Thanks for the correspondence.

Response 1

Comments:

We are offering two different coverages:

1. The Sinkhole Loss Coverage, as provided in the "Sinkhole Loss Coverage - Tennessee" Endorsement, ASI HO TN SH 03 14, is the optional coverage required per SB 880. The corresponding rate for this optional coverage is included in the rate filing, under SERFF tracking number AMSI-129432283.
2. We have also included separate coverage for "Catastrophic Ground Cover Collapse" coverage in the base policy, as shown in the Special Provisions - Tennessee, ASI HO TN SP 12 12. This is automatically included in all HO3, HO5 and HO6 policies. There is no charge for this additional coverage.

Related Objection 1

Applies To:

- SPECIAL PROVISIONS - TENNESSEE, ASI HO TN SP , 12 12 (Form)

Comments: There may be somewhat of a problem with the "catastrophic ground cover collapse" and TCA 56-7-130 (revised this legislative session) that requires the offer of sinkhole collapse. I noticed a sinkhole collapse rate in the rate and rule filing and a sinkhole collapse endorsement attached to this filing.

While I seem to recall that Florida statutes have been revised and that the new term there is ground cover collapse, such is not the case in Tennessee. If the company does not feel there is a conflict, please explain.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Please let me know if I can provide any additional information, to aide in the approval of this filing.

Sincerely,

Mandi Miller

State: Tennessee

Filing Company:

American Strategic Insurance Corp

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Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		HOMEOWNERS 3 – SPECIAL FORM	HO 00 03	10 00	PCF	New		46.200	HO 00 03 10 00.pdf
2		Renters Protection Policy	ASI HO 00 04	10 13	PCF	New		41.200	ASI HO 00 04 10 13.pdf
3		HOMEOWNERS 5 – COMPREHENSIVE FORM	HO 00 05	10 00	PCF	New		45.700	HO 00 05 10 00.pdf
4		HOMEOWNERS 6 – UNIT-OWNERS FORM	HO 00 06	10 00	PCF	New		45.300	HO 00 06 10 00.pdf
5		SPECIAL PROVISIONS - TENNESSEE	ASI HO TN SP	12 12	END	New		42.300	ASI HO TN SP 12 12.pdf
6		ADDITIONAL INSURED	HO 04 41	10 00	END	New		45.900	HO 04 41 10 00.pdf
7		ADDITIONAL INTERESTS	HO 04 10	10 00	END	New		46.200	HO 04 10 10 00.pdf
8		Additional Interest	ASI HO AI	10 13	END	New		50.600	ASI HO AI 10 13.pdf
9		ANIMAL LIABILITY ENDORSEMENT	ASI HO AL	09 10	END	New		46.100	ASI HO AL 09 10.pdf
10		COVERAGE C INCREASED SPECIAL LIMITS OF LIABILITY	HO 04 65	10 00	END	New		45.900	HO 04 65 10 00.pdf
11		HOME COMPUTER COVERAGE	ASI HO HC	06 08	END	New		45.600	ASI HO HC 06 08.pdf
12		HomeShield Package	ASI HO HS	09 11	END	New		46.100	ASI HO HS 09 11.pdf
13		HomeShield Plus Package	ASI HO HS+	09 11	END	New		45.900	ASI HO HS+ 09 11.pdf
14		INCREASED REPLACEMENT COST COVERAGE	ASI HO IRC	01 14	END	New		40.900	ASI HO IRC 01 14.pdf
15		INCREASED REPLACEMENT COST COVERAGE	ASI HO IRC2	01 14	END	New		40.900	ASI HO IRC2 01 14.pdf

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Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
16		LEAD LIABILITY EXCLUSION	ASI HO LD	09 10	END	New		45.900	ASI HO LD 09 10.pdf
17		NO SECTION II – LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS LIMITED SECTION I – PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS	HO 04 96	10 00	END	New		46.500	HO 04 96 10 00.pdf
18		LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE	ASI HO LF	11 09	END	New		45.900	ASI HO LF 11 09.pdf
19		LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE	ASI HO LF2	05 11	END	New		45.600	ASI HO LF2 05 11.pdf
20		LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE	ASI HO LF3	11 09	ERS	New		45.700	ASI HO LF3 11 09.pdf
21		LIMITED WATER DAMAGE COVERAGE	ASI HO LWD	11 09	END	New		46.200	ASI HO LWD 11 09.pdf
22		LOSS ASSESSMENT COVERAGE	HO 04 35	10 00	END	New		46.400	HO 04 35 10 00.pdf
23		NON-STRUCTURAL HAIL LOSS LIMITATION ENDORSEMENT	ASI HO HL	05 07	END	New		46.100	ASI HO HL 05 07.pdf
24		ORDINANCE OR LAW COVERAGE	ASI HO OL	11 09	END	New		46.100	ASI HO OL 11 09.pdf
25		PERSONAL INJURY	ASI HO PNJ	03 11	END	New		45.700	ASI HO PNJ 03 11.pdf
26		PERSONAL PROPERTY EXCLUSION	ASI HO CE	02 08	END	New		46.200	ASI HO CE 02 08.pdf
27		PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT	HO 04 90	10 00	END	New		46.300	HO 04 90 10 00.pdf
28		PREMISES ALARM OR FIRE PROTECTION SYSTEM	HO 04 16	10 00	END	New		46.300	HO 04 16 10 00.pdf

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Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
29		PREMISES LIABILITY	ASI HO PL	02 09	END	New		45.500	ASI HO PL 02 09.pdf
30		SCHEDULED PERSONAL PROPERTY ENDORSEMENT	ASI HO SPP	05 07	END	New		47.500	ASI HO SPP 05 07.pdf
31		Homesield R Package	ASI HO4 HSR	10 13	END	New		40.400	ASI HO4 HSR 10 13.pdf
32		Scheduled Jewelry Endorsement	ASI HO4 SPP	10 13	END	New		55.800	ASI HO4 SPP 10 13.pdf
33		UNIT-OWNERS COVERAGE A SPECIAL COVERAGE	ASI HO UOA	11 09	END	New		45.000	ASI HO UOA 11 09.pdf
34		SPECIAL PERSONAL PROPERTY COVERAGE	ASI HO SPC	05 12	END	New		45.800	ASI HO SPC 05 12.pdf
35		UNIT-OWNERS MODIFIED OTHER INSURANCE AND SERVICE AGREEMENT CONDITION	HO 17 34	10 00	END	New		45.300	HO 17 34 10 00.pdf
36		UNIT-OWNERS RENTAL TO OTHERS	ASI HO URO	12 08	END	New		45.700	ASI HO URO 12 08.pdf
37		WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW	ASI HO WBU	09 13	END	New		47.400	ASI HO WBU 09 13.pdf
38		WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE	HO 03 12	10 00	END	New		46.200	HO 03 12 10 00.pdf
39		SPECIAL STRUCTURE BUYBACK	ASI HO SSB	04 13	END	New		37.400	ASI HO SSB 04 13.pdf
40		PROGRESSIVE HOME ADVANTAGE	ASI HO BP	05 11	END	New		46.100	ASI HO BP 05 11.pdf
41		EARTHQUAKE	ASI HO EQ	01 11	END	New		46.400	ASI HO EQ 01 11.pdf
42		FUNCTIONAL REPLACEMENT COST LOSS SETTLEMENT	HO 05 30	10 00	END	New		46.500	HO 05 30 10 00.pdf
43		Sinkhole Loss Coverage - Tennessee	ASI HO TN SH	03 14	END	New		43.700	ASI HO TN SH 03 14.pdf

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Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
44		ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING	ASI HO ACVR	03 14	END	New		46.300	ASI HO ACVR 03 14.pdf
45		Insurance Application	ASI HO TN APP	03 14	ABE	New			ASI HO TN APP 03 14.pdf
46		Insurance Application	ASI HO4 APP	10 13	ABE	New			ASI HO4 APP 10 13.pdf
47		Homeowners Declaration Page	ASI HO DEC	02 14	DEC	New			ASI HO DEC 02 14.pdf
48		Homeowners Declaration Page	ASI HO4 DEC	10 13	DEC	New			ASI HO4 DEC 10 13.pdf
49		Cancellation Notice	ASI CXL	12 08	CNR	New			ASI CXL 12 08.pdf
50		Notice of Intent to Cancel	ASI NPCXL	12 08	CNR	New			ASI NPCXL 12 08.pdf
51		Notice of Cancellation	ASI UCXL	12 08	CNR	New			ASI UCXL 12 08.pdf
52		Notice of Non-renewal	ASI NRW	12 08	CNR	New			ASI NRW 12 08.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

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.



American Strategic Insurance

Renters Protection Policy



Underwritten by:
American Strategic Insurance Corp.

YOUR RENTERS PROTECTION POLICY

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PLEASE READ THIS POLICY CAREFULLY.

This is a legal contract between You and Us. It contains certain limitations and exclusions.

INSURANCE AGREEMENT

In reliance on the information you have provided to us, we agree to provide the insurance coverages indicated on the Policy Declarations pursuant to the policy terms and conditions. In return, you must pay the premium when due, comply with the policy terms and conditions, and immediately inform us of any change of use or occupancy of the residence premises.

DEDUCTIBLE

Unless otherwise noted in this policy, all losses covered under Section I are subject to the applicable deductible amount shown in the Declarations.

SECTION I – PROPERTY COVERAGES

COVERAGE C – PERSONAL PROPERTY

Covered 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, which is not excluded elsewhere in this policy, that is owned by:

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

Limit For Property At Storage Facilities or Other Residences

We cover personal property that is located in a storage facility or that is usually located at an "insured's" residence that is not the "residence premises" listed in this policy for up to 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater. This limitation does not apply to personal property:

- a. Moved from the "residence premises" because the "residence premises" is being repaired, renovated or rebuilt and is unfit to live in or store property in;
- b. In a newly acquired principal residence for the first 30 days from the time you begin to move your property there.

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. Additional coverage may apply if purchased and provided elsewhere in this policy. These special limits do not increase the Coverage C limit of liability.

1. We will pay no more than \$250 for each of the following categories of property:
 - a. 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. 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 2.e. and 2.f. below.
2. We will pay no more than \$1,000 for each of the following categories of property:
 - a. 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.

- b. Watercraft of all types, including their furnishings, equipment and outboard engines or motors.
 - c. Trailers or semitrailers of all types.
 - d. Loss by theft of jewelry, watches, furs, precious and semiprecious stones.
 - e. 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 e.
 - f. 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 f.
 - g. Art glass windows and other works of art such as, but not limited to paintings, statuary (including but not limited to Hummels), marbles, bronzes, porcelains, rare glass, and bric-a-brac.
 - h. Collections including but not limited to baseball cards, comic books, album covers and any other memorabilia. This limit applies regardless of the number of collections or collectibles.
3. We will pay no more than \$1,500 for each of the following categories of property:
- a. Bicycles and related equipment.
 - b. Tools.
4. We will pay no more than \$2,500 for each of the following categories of property:
- a. Loss by theft of firearms, related equipment, and ammunition.
 - b. 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.
 - c. Property used primarily for "business" purposes that is located on the "residence premises" at the time of loss.
 - d. Personal computers, including but not limited to tablet, laptop and desktop computers, accessories, and related peripherals such as disk drives, printers, and commercial software. We will not pay for other software or lost data.
 - e. Electronic equipment and related data, including but not limited to:
 - (1) Televisions, audio, video and other electronic media playing and/or recording devices.
 - (2) Audio and video media storage devices such as dvds, records, cds, and tapes.
 - (3) Cameras, projectors and related equipment.
 - (4) Gaming systems including their games and accessories.

Additionally, we will pay no more than 10% of the total Coverage C amount for loss of or to any one item of unscheduled personal property.

Property Not Covered

We do not cover:

- a. Personal property separately described and specifically insured in this or any other insurance policy;
- b. Any animals, including but not limited to mammals, reptiles, birds or fish;
- c. "Motor vehicles" and all other motorized land conveyances. This includes, while such property is in or upon the "motor vehicle," the following:

- (a) Accessories, equipment and parts; or
- (b) Any device or instrument for the transmitting, recording, receiving or reproduction of sound or picture which is operated by power from the electrical system of motor vehicle or all other land conveyances. This include accessories or antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

We do cover vehicles or conveyances not required to be registered which are:

- (a) Used solely to service an "insured's" residence; or
- (b) Designed for assisting the handicapped;
- d. Aircraft and Aircraft Parts. Aircraft means any contrivance used or designed for flight. Aircraft does not include model or hobby aircraft not used or designed to carry people or cargo;
- e. Property of roomers, boarders, tenants and anyone who regularly resides at the insured premises who is not an "insured";
- f. Property away from the "residence premises" in a location regularly rented or held for rental to others by an "insured";
- g. Property away from the "residence premises" and rented or held for rental to others;
- h. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) electronic data processing or storage tapes, devices, records, discs, wires, software media, computers or related equipment.

However, we do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market. The most we will pay is the limit of liability for "business" property;
- i. Credit cards, fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in Credit Card, Fund Transfer Card, Forgery And Counterfeit Money under Section I – Property Coverages; or
- j. Water or steam.

COVERAGE D – LOSS OF USE

The Coverage D limit of liability shown in the Declarations is the total limit of liability for all coverages within Coverage D. This limit applies on an aggregate basis for Additional Living Expense, Fair Rental Value, and Civil Authority Prohibits Use.

Additional Living Expense

If a loss by a Peril Insured Against causes the "residence premises" to become uninhabitable, we will cover any necessary increase in living expenses you incur to maintain your normal household standard of living.

Payment will be for the shortest time required to repair or replace the premises or permanently settle your household elsewhere.

Fair Rental Value

If a loss by a Peril Insured Against causes that part of the "residence premises" rented to others or held for rental by you to become uninhabitable, we cover its fair rental value.

Payment will be for the shortest time required to repair or replace the part of the "residence premises" rented or held for rental. Fair rental value does not include any expenses that do not continue while that part of the "residence premises" rented or held for rental is uninhabitable.

Civil Authority Prohibits Use

If a civil authority prohibits your use of the "residence premises" as a result of direct damage to a neighboring premise by a Peril Insured Against, we will cover, pursuant to the above provisions, any Additional Living Expense and Fair Rental Value losses that you incur. Coverage is for a period of no more than two weeks while use is prohibited.

Loss Not Covered

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

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

ADDITIONAL COVERAGES

Debris Removal

We will pay the reasonable expense you incur for the removal of:

- a. Debris of covered property if the loss is from a covered loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to covered property.

If the amount we owe for the actual damage to the property plus the reasonable debris removal expense exceeds the limit of liability for the damaged property, an additional 5% of that limit is available for such expense. This coverage does not change the limit of liability that applies to the damaged property.

Emergency Repairs

If a Peril Insured Against causes damage to covered property, we will pay the reasonable cost you incur for emergency repairs or measures that are necessary to protect that covered property from further damage. This coverage does not increase the limit of liability that applies to the covered property or relieve you of your Duties After Loss.

Trees, Shrubs And Other Plants

We cover outdoor trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following perils:

- 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.

Property grown for "business" purposes is not covered.

The limit of insurance, including debris removal, for any one loss will not exceed:

- a. 10% of the limit of liability that applies to Coverage C for all trees, shrubs, plants or lawns; and
- b. No more than \$500 of this limit for any one tree, shrub or plant.

This coverage is additional insurance.

Fire Department Service Charge

We will pay up to \$500 for incurred service fees charged by a fire department when called to protect covered property from a covered loss. We will pay no more than \$500 in fees resulting from any one service call. This coverage is additional insurance. No deductible applies to this coverage.

Property Removed

We cover accidental direct physical loss to covered property while being removed from a premises that is endangered by a Peril Insured Against. This coverage also applies to the property for up to 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

Credit Card, Fund Transfer Card, Forgery And Counterfeit Money

We will pay up to \$1000 for:

- a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards or fund transfer cards issued to or registered in an "insured's" name;
- b. Loss to an "insured" as a result of forgery or alteration of a check or negotiable instrument; and
- c. Loss to an "insured" as a result of good faith acceptance of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts which are committed by any one person or group of persons or which involved or implicated any one person or group of persons is considered to be one loss.

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

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.

If a suit is brought against an "insured" for liability under a. or b. above, we will provide a defense at our expense by counsel of our choice.

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 c. above.

We do not cover:

- a. Use of a credit card or fund transfer card:
 - (1) By a resident of your household;
 - (2) By a person who has been entrusted with either type of card; or
 - (3) If an "insured" has not complied with all terms and conditions under which the cards are issued; or
- b. Loss arising out of "business" use or dishonesty of an "insured".

**Building Additions
And Alterations**

We cover under Coverage C the building additions, alterations, improvements or installations, completed at your expense, to the part of the "residence premises" used exclusively by you. The limit of liability for this coverage is 10% of the limit of liability that applies to Coverage C. This coverage is additional insurance.

SECTION I – PERILS INSURED AGAINST

We insure for sudden and accidental 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.

Fire Or Lightning

Windstorm Or Hail

This peril does not include loss to property contained in a building if the loss is 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 only while located inside a fully enclosed building.

Explosion

**Riot Or Civil
Commotion**

Aircraft

This peril includes spacecraft and self-propelled missiles.

Vehicles

Smoke

This peril means sudden and accidental damage from smoke. This peril does not include loss caused by smoke from industrial operations or agricultural smudging.

Vandalism Or

If the dwelling has been "vacant" or "unoccupied" for more than 90 consecutive days immediately before

Malicious Mischief

the loss, this peril does not include loss to property on the "residence premises" or any ensuing loss caused by any intentional or wrongful act committed in the course of the vandalism or malicious mischief. A dwelling being constructed is not considered "vacant" or "unoccupied".

Theft

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

We do not cover theft or attempted theft:

- a. Committed by an "insured";
- b. From that part of the "residence premises" rented by you to someone other than another "insured";
- c. Of trailers, campers, or watercraft while located away from the "residence premises";
- d. In or to the "residence premises" while under construction, or of materials and supplies for use in the construction of the "residence premises" until it is finished and occupied; or
- e. Of 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 occupied the residence during the 60 days immediately before the loss.

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. This peril does not include loss caused by objects which fall as a result of any loss excluded under Section I – Exclusions.

Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in the "residence premises".

Accidental Discharge Or Overflow Of Water Or Steam

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.

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 Peril Insured Against Freezing;
- c. On the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located; or
- d. Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, 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.

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

The portions of Paragraphs a. and c. of the Section I – Exclusion for Water Damage that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

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 system, or an automatic fire protective sprinkler system. This peril does not include loss caused by or resulting from freezing except as provided in Freezing below.

Freezing

This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance. This peril does not include loss while the "residence premises" is "vacant" or "unoccupied" unless 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.

**Sudden And
Accidental
Damage From
Artificially
Generated
Electrical Current**

With respect to this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, downspout, gutter or similar fixtures or equipment.

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

**Breakage of Glass
Or Safety Glazing
Material**

This peril includes:

- a. The breakage of glass or safety glazing material which is covered as Building Additions And Alterations; and
- b. Direct physical loss to covered personal property caused solely by the breakage of glass or safety glazing material which is part of a building on the "residence premises."

This peril does not include loss on the "residence premises" if the dwelling has been "vacant" or "unoccupied" for more than 30 consecutive days immediately before the loss, except when the breakage results directly from earth movement. A dwelling being constructed is not considered vacant.

Volcanic Eruption

This peril does not include loss caused by earthquake, tremors or land shock waves. One or more volcanic eruptions that occur within a 72 hour period will be considered one volcanic eruption.

Collapse

With respect to this peril, Collapse means an abrupt falling down or falling into pieces of a building or part of a building that:

1. Results in the "residence premises" being unable to be occupied for its current intended purpose; and
2. Is caused by one or more of the following:
 - a. A Peril Insured Against;
 - b. Hidden decay of a structural member of the building, unless the presence of such decay is known to an "insured" prior to collapse;
 - c. Hidden insect or vermin damage to a structural member of the building, unless the presence of such damage is known to an "insured" prior to collapse;
 - d. Weight of contents, equipment, animals or people;
 - e. Weight of snow, ice, rain or sleet 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.

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. 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. 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.

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 a. through f. above, unless the loss is a direct result of the collapse of a building or any part of a building.

SECTION I – EXCLUSIONS

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.

Ordinance Or Law	Ordinance Or Law means enforcement of any ordinance or law requiring or regulating the construction, demolition, remodeling, renovation or repair of a building or other structure.
Earth Movement	Earth Movement means any sinking, rising, shifting, expansion or contraction of earth, whether the cause is natural or not. Earth Movement includes but is not limited to earthquake, land shock waves, tremors, landslide, mudslide, mudflow, subsidence, sinkhole, erosion, and volcanic explosion or lava flow, except as provided in the Peril Insured Against for Volcanic Eruption. This Exclusion does not apply to loss by theft or an ensuing direct loss by fire or explosion.
Water Damage	Water Damage means: <ul style="list-style-type: none"> a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge; b. Water or any other substance that backs up through sewers or drains; c. Water or any other substance that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure; or d. Water or any other substance on or below the surface of the ground, regardless of its source. This includes but is not limited to water or any other substance which exerts pressure on or flows, seeps or leaks through any part of the "residence premises." This exclusion applies to, but is not limited to, escape, overflow or discharge, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system. Direct loss by fire, explosion or theft resulting from water damage is covered.
Power Interruption	Power Interruption means the failure of power or other utility service that occurs off the "residence premises". However, if the failure results in accidental direct physical loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.
Neglect	Neglect means neglect of any "insured" to use all reasonable means to protect and preserve property at and after the time of a loss. Neglect by any "insured" excludes coverage for all "insureds".
War	War includes the following and any consequence of any of the following: <ul style="list-style-type: none"> a. Declared war, undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, discharge of a nuclear weapon even if accidental; or b. Destruction, seizure or use for a military purpose.
Nuclear Hazard	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. Loss caused by a nuclear hazard will not be considered loss caused by fire, explosion, or smoke. However, direct loss by fire resulting from a nuclear hazard is covered.
Intentional Loss	Intentional Loss means loss resulting from any act performed by, at the direction of, or in conspiracy with any "insured", with the intent to cause a loss or which may reasonably have been expected to result in a loss. Coverage is excluded for all insureds, regardless of whether all "insureds" committed or conspired to commit the act which caused the intentional loss.
Governmental Taking or Destruction	Governmental Action means the taking or destruction of property described in Coverage C by order of any governmental or public authority. However, coverage applies for Governmental Action taken to prevent the spread of fire at the time of a covered fire loss.
Illegal or Criminal	Illegal or Criminal Acts means any illegal or criminal act performed by, at the direction of, or in conspiracy

Acts	with any "insured", that results in loss to covered property. This exclusion applies regardless of whether the insured is charged with a crime.
Diminished Value	We do not cover any loss due to diminished value of any property covered under this policy.
"Fungi", Wet or Dry Rot, or "Bacteria"	We do not cover any loss due to "fungi", wet or dry rot, or "bacteria". This includes the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or "bacteria".

SECTION I – CONDITIONS

What Must Be Done After A Loss	<p>In the event of a loss to which coverage may apply, the following duties must be performed either by you, an "insured" seeking coverage, or a representative of either:</p> <ol style="list-style-type: none"> 1. Give immediate notice to us; 2. Notify the police of loss by theft and: <ol style="list-style-type: none"> a. File a police report describing all items stolen; b. Submit the filed report to us; and c. Cooperate with the police in their investigation; 3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in the Additional Coverage for Credit Card, Fund Transfer Card, Forgery And Counterfeit Money; 4. Protect the property from further damage. If repairs to the property are required, you must: <ol style="list-style-type: none"> 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 and processing of a claim; 6. Prepare a written inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss for each item. Attach all bills, receipts and related documents that verify or support the information stated in the inventory; 7. As often as we reasonably require: <ol style="list-style-type: none"> a. Show the damaged property; b. Provide us with records and documents we request and permit us to make copies; and c. You, any "insured" and anyone you hire in connection with your claim must: <ol style="list-style-type: none"> (1) Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and (2) Sign the same; and <p style="margin-left: 40px;">Representations made by any of the preceding persons who appear in examinations under oath or recorded statements will be deemed to be your representations.</p> 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: <ol style="list-style-type: none"> a. The time and cause of loss; b. The interests of all "insureds" and others in the property involved, and any encumbrances on the property; c. Other insurance which may cover the loss; d. Changes in title or occupancy of the property during the term of this policy; e. The inventory of damaged personal property described in 6. above; f. Receipts for additional living expenses incurred and records that support the fair rental value
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loss; and

- g. Evidence or affidavit that supports a claim under the Additional Coverage for Credit Card, Fund Transfer Card, Forgery And Counterfeit Money, stating the amount and cause of loss.

We have no duty to provide coverage under this policy if there is a failure to comply with the above duties and that failure is prejudicial to us.

How A Loss Will Be Settled

We will pay the full cost of repair or replacement for covered property losses, subject to all policy provisions.

1. Ineligible Property for Replacement Cost Settlement

Property listed below is not eligible for loss settlement at replacement cost. 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 the property.

- a. Jewelry that is not separately described and specifically insured in this policy.
- b. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
- c. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
- d. Articles not maintained in good or workable condition.
- e. Articles that are outdated or obsolete and are stored or not being used.

2. Replacement Cost Loss Settlement Condition

The following loss settlement condition applies to all covered property not listed in 1. Ineligible Property for Replacement Cost Settlement.

- a. We will pay no more than the least of the following amounts:
 - (1) Replacement cost at the time of loss without deduction for depreciation;
 - (2) The full cost of repair at the time of loss;
 - (3) The limit of liability that applies to Coverage C, if applicable;
 - (4) Any applicable special limits of liability stated in this policy; or
 - (5) For loss to any separately described and specifically insured item, the limit of liability that applies to the item.
- b. If the cost to repair or replace the property is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.

You may elect to make a claim for loss on an actual cash value basis and subsequently make claim for any additional replacement cost. However, any claim for replacement cost must be made within 180 days after the date of loss.

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. We will pay within 60 days after:

- 1. We reach an agreement with you;
- 2. A final judgment is entered, provided that judgment is not appealed; or
- 3. An appraisal award is filed, provided that appraisal award is not contested.

Our Options

We have the option to repair or replace any part of the damaged property with material or property of like kind and quality. We may also take all or part of the damaged property at the agreed or appraised value.

Insurable Interest

In the event of a covered loss, we will not be liable to an "insured" for more than the amount of such "insured's" interest in the covered property at the time of loss.

Loss To A Pair Or Set

In the event of a covered loss to a pair or set, we may elect to:

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

Appraisal	<p>If you and we do not agree on the amount of covered loss, either party may demand that the amount of the loss be determined by appraisal. Any appraisal award is subject to the applicable limits of liability and all other policy provisions.</p> <p>If an appraisal is demanded, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will then choose a competent and impartial umpire. If the appraisers cannot agree upon an umpire within 15 days, you or we may request that a judge of a court of record in the state where the "residence premises" is located choose an umpire.</p> <p>The appraisers will each provide a written, itemized opinion on the amount of loss. If the appraisers agree and submit a written report of agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree within a reasonable time, they will submit their differences to the umpire. The umpire will provide a written, itemized opinion of the amount of loss.</p> <p>If any two members of the panel of appraisers and umpire agree on the amount of loss, the amount agreed upon will be the amount of loss.</p> <p>Each party will</p> <ol style="list-style-type: none"> 1. Pay its own appraiser; and 2. Share the other expenses of the appraisal and umpire equally.
Other Insurance And Service Agreement	<p>If a loss covered by this policy is also covered by:</p> <ol style="list-style-type: none"> 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.
Legal Action Against Us	<p>No legal action can be brought against us unless there has been full compliance with all of the terms of this policy and the legal action is filed within two years after the date of loss.</p>
Abandonment Of Property	<p>We have no liability for and no duty to accept any property abandoned by an "insured".</p>
No Benefit To Bailee	<p>We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee. This provision applies regardless of any other provision of this policy.</p>
Recovered Property	<p>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. You may choose to take possession of the recovered property or it will become our property. If you choose to take possession of the recovered property, the loss payment will be adjusted based on the amount you received for the recovered property.</p>
Policy Period	<p>This policy applies only to loss which occurs during the policy period.</p>
Concealment Or Fraud	<p>We provide coverage to no "insureds" under this policy if, whether before or after a loss, any "insured" has:</p> <ol style="list-style-type: none"> 1. Concealed or misrepresented any material fact or circumstance; 2. Engaged in fraudulent conduct; or 3. Made false statements; <p>relating to this insurance.</p>
Assignment of Claim Benefits	<p>No assignment of claim benefits, regardless of whether made before loss or after loss, shall be valid without the written consent of all "insureds" and all additional insureds named in this policy.</p>

SECTION II – LIABILITY COVERAGES

COVERAGE E – PERSONAL LIABILITY

If a claim or lawsuit 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; and
2. Provide a legal defense at our expense by counsel of our choice.

We may, at our discretion, investigate or settle any claim or lawsuit against an insured. Our duty to pay or defend ends when the amount we pay for damages resulting from an "occurrence" equals our limit of liability.

COVERAGE F – MEDICAL PAYMENTS TO OTHERS

In the event of "bodily injury" due to an "occurrence," we will pay necessary medical expenses incurred within three years from the date of the "occurrence". 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 any insured. This coverage applies only:

1. To persons on the "insured location" with the permission of an "insured"; or
2. To persons off the "insured location", if the "bodily injury" is caused by:
 - a. A condition on the "insured location" or the ways immediately adjoining;
 - b. The activities of an "insured";
 - c. A "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. An animal to which coverage applies under this policy and that is owned by or in the care of an "insured" at the time of the "occurrence".

SECTION II – EXCLUSIONS

EXCLUSIONS APPLYING TO COVERAGE E

Coverage E does not apply to any of the following:

Loss Assessment	Liability for any loss assessment charged against you as a member of an association or community of property owners.
Contractual Liability	Liability assumed by an "insured" under any contract or agreement.
Property Owned	"Property damage" to property owned by an "insured" or any other resident of the "insured location".
Property Rented, Occupied, Used or In Care Of	"Property damage" to property rented to, occupied by, used by or in the care of an "insured". This exclusion does not apply to "property damage" resulting from fire, smoke or explosion.

Liability Insured by a Nuclear Energy Liability Policy

"Bodily injury" or "property damage" for which an "insured" under this policy is also an insured under a nuclear energy liability policy or would be an insured under such a policy but for the exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, the Mutual Atomic Energy Liability Underwriters, the Nuclear Insurance Association of Canada, or any of their successors.

Bodily Injury to Any Insured

"Bodily injury" to any "insured" as defined in the Definitions.
This exclusion also applies to any claim or lawsuit brought against any "insured" to repay or share damages with another person who may be obligated to pay damages because of "bodily injury" to an "insured".

Punitive Damages

This policy does not provide any coverage for punitive or exemplary damages, fines or penalties in any amount regardless of how they are imposed. This exclusion includes, but is not limited to, those imposed by civil fine or penalty assessed or imposed under any code, statute, regulation or court order. This policy also does not provide any coverage for the cost of defense, including but not limited to attorney fees or costs, related to any such damages, fines or penalties.

EXCLUSIONS APPLYING TO COVERAGE F

Coverage F does not apply to any of the following types of "bodily injury":

"Residence Employee" Off Insured Location

"Bodily injury" to a "residence employee" if the "bodily injury" occurs off the "insured location" and does not arise out of or in the course of the "residence employee's" employment by an "insured".

Nuclear Reaction, Radiation, or Contamination

"Bodily injury" from any nuclear reaction, nuclear radiation, radioactive contamination, (all whether controlled or uncontrolled or however caused) or any consequence of any of these.

Injury to Residents

"Bodily injury to any person regularly residing at the "insured location". This exclusion does not apply to a "residence employee" of an "insured".

EXCLUSIONS APPLYING TO COVERAGES E AND F

Coverages E and F do not apply to any of the following:

"Motor Vehicle", "Aircraft", and "Watercraft" Liability

We do not cover liability for "bodily injury" or "property damage" arising out of the:

- a. Ownership, maintenance, occupancy, operation, use, loading or unloading of a "motor vehicle", "aircraft", or "watercraft";
- b. Entrustment of a "motor vehicle", "aircraft", or "watercraft" by an "insured" to any person;
- c. Failure to supervise or negligent supervision of any person involving a "motor vehicle", "aircraft", or "watercraft" by an "insured"; or
- d. Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving a "motor vehicle", "aircraft", or "watercraft".

This exclusion does not apply to "watercraft" liability if, at the time of the "occurrence", the watercraft:

- a. Is being stored;
- b. Is a sailing vessel that is less than 26 feet in overall length;
- c. Has inboard or inboard-outdrive engine or motor power of no more than 50 horsepower; or
- d. Is powered by one or more outboard motors with cumulative power of no more than 25 horsepower;

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

Expected Or Intended Injury	<p>"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage" is of a different kind, quality or degree than initially expected or intended or is sustained by a different person, entity, real or personal property, than initially expected or intended.</p> <p>However, this exclusion does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property.</p>
"Business"	<p>"Bodily injury" or "property damage" arising out of or in connection with a "business" engaged in by an "insured" or conducted from an "insured location".</p> <p>However, this exclusion does not apply to:</p> <ol style="list-style-type: none"> 1. The rental or holding for rental of part of the "residence premises"; <ol style="list-style-type: none"> a. On an occasional basis for sole use as a residence; b. To no more than two roomers or boarders; or c. As an office, school, studio or private garage; or 2. An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees.
Professional Services	<p>"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services.</p>
Injury to a Person Whom You Must or Do Provide Benefits	<p>"Bodily injury" to any person for whom an "insured" is required to provide or voluntarily provides benefits under any workers' compensation law, non-occupational disability law, or occupational disease law.</p>
Loss On An "Insured's" Premises That Is Not An "Insured Location"	<p>"Bodily injury" or "property damage" arising out of a premises:</p> <ol style="list-style-type: none"> a. Owned by an "insured"; b. Rented to an "insured"; or c. Rented to others by an "insured"; <p>that is not an "insured location".</p>
War	<p>"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:</p> <ol style="list-style-type: none"> a. Declared war, undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, discharge of a nuclear weapon even if accidental; or b. Destruction, seizure or use for a military purpose.
Communicable Disease	<p>"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease or illness by an "insured".</p>
Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse	<p>"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse.</p>
Controlled Substance	<p>"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 lawful use of prescription drugs by a person following the orders of a licensed physician.</p>

Trampolines

"Bodily injury" or "property damage" arising out of the ownership or use of a trampoline owned by, rented by or loaned to any insured, whether on the "residence premises" or elsewhere.

Animals

"Bodily injury" or "property damage" caused, whether in whole or in part, by:

1. any prohibited breed of dog;
2. any exotic, farm or saddle animals; or
3. any animal for which the owner has been notified by a state department that the animal has been deemed dangerous, vicious, or potentially dangerous under state law

that is owned or kept, including temporary supervision, by you or any insured, resident, tenant, or guest whether or not the injury or damage occurs on the "residence premises" or elsewhere.

Prohibited breeds of dogs include Akitas, American Bulldogs, Beaucerons, Belgian Malinois, Bull Mastiffs, Caucasian Mountain Dogs, Chows, Doberman Pinschers, German Shepherds, Great Danes, Pit Bulls, Rhodesian Ridgebacks, Rottweilers, Staffordshire Terriers, and Wolf hybrids. Any mixed breed made up of one or more of the breeds listed above is also considered a prohibited breed of dog.

Exotic, farm or saddle animals include but are not limited to hoofed animals, livestock, reptiles, primates, and fowl.

"Fungi", Wet or Dry Rot, or "Bacteria"

"Bodily injury" or "property damage" arising directly or indirectly, in whole or 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".

Diving Boards or Slides

"Bodily injury" or "property damage" arising out of the ownership or use of a diving board or slide owned by or rented by any insured or resident whether on the "residence premises" or elsewhere.

Exclusions "Motor Vehicle", "Aircraft", and "Watercraft" Liability and "Loss On An "Insured's" Premises That Is 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".

SECTION II – ADDITIONAL COVERAGES

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

Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any lawsuit we defend;
2. Premiums on bonds required in a lawsuit we defend, but not for bond amounts more than the Coverage E limit of liability. We have no obligation to 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 lawsuit; 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.

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".

Damage To Property Of Others

We will pay, at replacement cost, up to \$1,000 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;
- 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", "watercraft" or "motor vehicles".This exclusion 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.

SECTION II – CONDITIONS

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.

What Must Be Done After A Loss

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;

Duties Of An Injured Person – Coverage F – Medical Payments To Others	<p>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".</p> <p>The injured person or someone acting for the injured person will:</p> <ol style="list-style-type: none"> 1. Give us written proof of claim, under oath if required, as soon as is practical; and 2. Authorize us to obtain copies of medical reports and records. <p>The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.</p>
Payment Of Claim – Coverage F – Medical Payments To Others	<p>Payment under this coverage is not an admission of liability by an "insured" or us.</p>
Lawsuit Against Us	<p>No action can be brought against us unless there has been full compliance with all of the terms under this Section II.</p> <p>No one will have the right to join us as a party to any action against an "insured".</p> <p>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.</p>
Bankruptcy Of An "Insured"	<p>Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.</p>
Other Insurance	<p>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.</p>
Severability Of Insurance	<p>This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".</p>
Policy Period	<p>This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.</p>
Concealment Or Fraud	<p>We do not provide coverage to any "insured" who, whether before or after a loss, has:</p> <ol style="list-style-type: none"> 1. Concealed or misrepresented any material fact or circumstance; 2. Engaged in fraudulent conduct; or 3. Made false statements; <p>relating to this insurance.</p>

SECTION I AND II – CONDITIONS

Liberalization Clause	<p>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.</p> <p>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:</p> <ol style="list-style-type: none"> 1. A subsequent edition of this policy; or 2. An amendatory endorsement.
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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.

Cancellation

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.

We may cancel this policy only for the reasons stated below by letting you know in writing of the date the 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.

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

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.

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.

Assignment

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

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.

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.

Our Right To Recompute Premium

We established the premium for this policy based on the statements you made in the application for insurance. We have the right to recompute the premium if we later obtain information which affects the premium we charged.

DEFINITIONS

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 appear in quotations and are defined as follows:

"Aircraft"	means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo.
"Bodily injury"	means physical harm to the body, including sickness or disease, and resulting death except that "bodily injury" does not include communicable diseases.
"Business"	means: <ul style="list-style-type: none">a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; orb. Any other activity engaged in for money or other compensation, except the following:<ul style="list-style-type: none">(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".
"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".
"Fungi"	means any type or form of fungus, including mold or mildew, and any microtoxins, spores, scents or by-products produced or released by fungi.
"Bacteria"	means any type, kind or form of bacterium.
"Insured"	means: <ul style="list-style-type: none">a. You and residents of your household who are:<ul style="list-style-type: none">(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:<ul style="list-style-type: none">(1) 24 and your relative; or(2) 21 and in your care or the care of a person described in a.(1) above; orc. Under Section II:<ul style="list-style-type: none">(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".

"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, is reported to us within 30 days of your acquisition, and is 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.

"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.

"Motor vehicle" does not include a vehicle that is:

- a. In dead storage on an "insured location" at the time of an "occurrence";
- b. Not subject to motor vehicle registration and is used solely to service the "residence premises";
- c. Designed for recreational use off public roads and not owned by an "insured";
- d. A motorized wheelchair being used to assist a handicapped person on an "insured location" at the time of an "occurrence";
- e. A motorized golf cart that is owned by an "insured", designed to carry no more than 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 which is subject to the authority of a property owners association and contains an "insured's" residence.

"Occurrence"

means an accident, including exposure to harmful conditions, which results during the policy period, in:

- a. "Bodily injury"; or
- b. "Property damage".

"Property damage"	Repeated or continuous exposure to the same general harmful conditions is considered to be one "occurrence." "Occurrence" does not include accidents or events which take place during the policy period which do not result in "bodily injury" or "property damage" until after the policy period.
"Residence employee"	means physical injury to or destruction of tangible property, including loss of its use as a result of its physical injury or destruction.
"Residence premises"	means an employee of an "insured" who performs duties related to the maintenance or use of the "residence premises", including household or domestic services.
"Watercraft"	means: <ul style="list-style-type: none"> 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" on 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.
"Vacant"	means a craft principally designed to be propelled on or in water by wind, engine power or electric motor.
"Unoccupied"	means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy of the dwelling as a residence.
"Unoccupied"	means the dwelling is not being inhabited as a residence.

OPTIONAL COVERAGES (MUST BE PURCHASED TO APPLY)

Each Optional Coverage below applies only if shown on the Declarations Page and is subject to all policy terms, provisions, exclusions, and conditions.

INCREASED SPECIAL LIMIT ON JEWELRY COVERAGE

For **SECTION I – PROPERTY COVERAGES, COVERAGE C – PERSONAL PROPERTY, Special Limits Of Liability**, item **2.d.**:

Loss by theft of jewelry, watches, furs, precious and semi precious stones,

the \$1,000 limit of liability is replaced by the limit shown on the Declarations page for Increased Jewelry.

All other provisions of this policy apply.

HOME COMPUTER COVERAGE

For an additional premium, we cover your home computer as described below for the indicated coverages:

Covered Property	Your home computer is defined to include the electronic data processing system designed for use in the
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Under This Coverage	<p>home, including tablet, laptop, and desktop computers, accessories, peripheral hardware and connecting cables, plug in cartridges and expansion hardware, commercially purchased software, blank tapes, blank disks, disc drives, printers and modems.</p> <p>Your home computer does not include data or home developed software, any television set used as a computer monitor, and telephone equipment used to connect the computer to a network through telephone lines.</p>
Perils Insured Against Under This Coverage	<p>We cover your home computer against all risks of direct physical loss or damage from any external cause except:</p> <ol style="list-style-type: none"> Loss or damage caused by or resulting from wear and tear, an original defect in the property covered, gradual deterioration, insects, vermin, dampness, dryness, cold or heat. Dishonest acts by any insured or anyone entrusted with the property, except a carrier for hire. Errors or omissions in processing or machine programming error or instructions to the machine. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except by a confirmed direct lightning strike to the dwelling in which the home computer is located. Mechanical breakdown, faulty construction, error or omission in design. A direct loss caused by resulting fire or explosion is covered. Delay, loss of market, loss of income or interruption of business. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Nuclear hazard.
Business Use Permissible	<p>Business use of your computer is permissible under this coverage.</p>
Deductible For This Coverage	<p>A deductible amount of \$500 applies to this coverage; however, if the same "occurrence" results in losses to other property insured by this policy to which a deductible applies, unreimbursed losses will be applied to the deductible under this coverage.</p>
Limit of Liability	<p>For SECTION I – PROPERTY COVERAGES, COVERAGE C – PERSONAL PROPERTY, Special Limits Of Liability, item 4.d.:</p> <p>Personal computers and related peripherals such as disk drives, printers, and commercial software. We will not pay for other software or lost data.</p> <p>the \$2,500 limit of liability is replaced by the limit shown on the Declarations page for Home Computer Coverage.</p>

All other provisions of this policy apply.

HOMEOWNERS 5 – COMPREHENSIVE 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, misplacing or losing of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft, misplacing or losing of firearms and related equipment.
- g. \$2,500 for loss by theft, misplacing or losing 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 under **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;

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

(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. This Additional Coverage applies to property covered under Coverages A and B. 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 under Coverages A and B;
 - (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.

- (1) The Perils Insured Against under Coverages A and B;

- (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

- (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 only by the following Perils Insured Against:

a. **Fire Or Lightning**

b. **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.

c. **Explosion**

d. **Riot Or Civil Commotion**

e. **Aircraft**

This peril includes self-propelled missiles and spacecraft.

f. **Vehicles**

g. **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.

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**

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

k. **Accidental Discharge Or Overflow Of Water Or Steam**

(1) 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.

(2) 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 m. Freezing below;

(c) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or

(d) 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.

(3) 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.

I. 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.

m. Freezing

(1) 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:

- (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.

(2) 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.

n. 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.

o. Volcanic Eruption

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

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.

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

SECTION I – PERILS INSURED AGAINST

We insure against risk of direct physical loss to property described in Coverages **A**, **B** and **C**.

We do not insure, however, for loss:

A. Under Coverages **A**, **B** and **C**:

1. Excluded under Section I – Exclusions;
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 provision does not apply 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.

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;

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) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
- (3) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
- (4) 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. 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:

- (1) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or
- (2) 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

e. Any of the following:

- (1) Wear and tear, marring, deterioration;
- (2) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
- (3) Smog, rust or other corrosion, 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 in **a.** through **o.** as listed in **E.10**. Landlord's Furnishings under Section I – Property Coverages.

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 bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
- (7) Birds, vermin, rodents, or insects; or
- (8) Animals owned or kept by an "insured".

Exception To 2.e.

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage **A**, **B** or **C** 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 **d.** and **e.** above.

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

B. Under Coverages A and B:

- 1. Caused by 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;
- 2. Involving collapse, other than as provided in **E.8**. Collapse under Section **I** – Property Coverages. However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

C. Under Coverage C caused by:

- 1. Breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles other than jewelry, watches bronzes, cameras and photographic lenses.

However, there is coverage for breakage of the property by or resulting from:

- a. Fire, lightning, windstorm, hail;
- b. Smoke, other than smoke from agricultural smudging or industrial operations;
- c. Explosion, riot, civil commotion;
- d. Aircraft, vehicles, vandalism and malicious mischief;
- e. Collapse of a building or any part of a building;
- f. Water not otherwise excluded;
- g. Theft or attempted theft; or
- h. Sudden and accidental tearing apart, cracking, burning or bulging of:
 - (1) A steam or hot water heating system;
 - (2) An air conditioning or automatic fire protective sprinkler system; or
 - (3) An appliance for heating water;
- 2. Dampness, of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail;
- 3. Refinishing, renovating or repairing property other than watches, jewelry and furs;
- 4. Collision, other than collision with a land vehicle, sinking, swamping or stranding of watercraft, including their trailers, furnishings equipment and out board engines or motors;
- 5. Destruction, confiscation or seizure by order of any government or public authority; or
- 6. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss to property described in Coverage **C** not precluded by any other provision in this policy is covered.

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.

Water damage to property described in Coverage **C** away from a premises or location owned, rented, occupied or controlled by an "insured" is covered.

Water damage to property described in Coverage **C** on a premises or location owned, rented, occupied or controlled by an "insured" is excluded even if weather conditions contribute in any way to produce the loss.

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, or 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 are 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 Coverage**, 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.

HOMEOWNERS 6 – UNIT-OWNERS 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 the unit where you reside shown as the "residence premises" in the Declarations.**

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 alterations, appliances, fixtures and improvements which are part of the building contained within the "residence premises";

- b. Items of real property which pertain exclusively to the "residence premises";
- c. Property which is your insurance responsibility under a corporation or association of property owners agreement; or
- d. Structures owned solely by you, other than the "residence premises", at the location of the "residence premises".

2. We do not cover:

- a. Land, including land on which the "residence premises", real property or structures are located;
- b. Structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Structures from which any "business" is conducted; or
- d. 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.

B. 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";

- 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 D.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages; or

- k. Water or steam.

C. 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 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 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.

D. 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) Tree(s) you solely own felled by the peril of Windstorm 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) damage(s) a covered structure.

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, you solely own at the location of 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 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 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 building, storm door or storm window and covered under Coverage **A**;
 - (2) The breakage of glass or safety glazing material which is part of a building, storm door or storm window and covered under Coverage **A** 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) To the "residence premises" if the building containing the "residence premises" 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 building being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

10. 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 property covered under Coverage **A** damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of property covered under Coverage **A**, when that property must be totally demolished because of damage by a Peril Insured Against to another part of that property covered under Coverage **A**; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of property covered under Coverage **A** necessary to complete the remodeling, repair or replacement of that part of the property covered under Coverage **A** 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 property covered under Coverage **A** 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 property covered under Coverage **A**.

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.

11. Grave Markers

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

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

SECTION I – PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverages **A** and **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 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.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes 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

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

This peril does not include loss to property which pertains to the "residence premises", and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the building containing the "residence premises" has been vacant for more than 60 consecutive days immediately before the loss. A building being constructed is not considered vacant.

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 "residence premises" under construction, or of materials and supplies for use in the construction until the "residence premises" 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 away from the "residence premises" or the location of 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 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

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

- 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. We also pay to tear out and replace any part of a building or other structure owned solely by you which is covered under Coverage **A** and at the location of the "residence premises", but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building owned solely by you at the location of the "residence premises".
- b. This peril does not include loss:
 - (1) To or within the "residence premises", if the building containing the "residence premises" has been vacant for more than 60 consecutive days immediately before the loss. A building being constructed is not considered vacant;
 - (2) To the system or appliance from which the water or steam escaped;
 - (3) Caused by or resulting from freezing except as provided in Peril Insured Against **14**. Freezing;
 - (4) To or within the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located; or
 - (5) 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 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.

This peril does not include loss caused by or resulting from freezing except as provided in Peril Insured Against **14**. Freezing below.

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 "residence premises" 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

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 **1.a.** does not apply to the amount of coverage that may be provided for in **D.10. 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 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 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 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 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.

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 under as provided for in **D.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 **D.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

Covered property losses are settled as follows:

1. Personal property and 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. Coverage A – Dwelling:
 - a. If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
 - b. If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

In this provision, the terms "repaired" or "replaced" 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 **D.10. Ordinance Or Law** under Section I – Property Coverages.

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

1. If a loss covered by this policy is also covered by:
 - a. 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; or
 - b. A service agreement, except a service agreement in the name of a corporation or association of property owners, 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.
2. If, at the time of loss, there is other insurance or a service agreement 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 or service agreement.

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 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - TENNESSEE

AGREEMENT is replaced by the following:

In reliance on the information you have given us, we agree to provide the insurance coverages indicated on the Policy Declarations. In return, you must pay the premium when due and comply with the policy terms and conditions and immediately inform us of any change of title, use or occupancy of the residence premises.

DEFINITIONS

In all Forms except **HO 00 06**, under Paragraph **B.**, item **11.** is replaced by the following:

11. "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" on 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.

The following items are added to Paragraph **B.**:

12. "Vacant" means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy of the dwelling as a residence.

13. "Unoccupied" means the dwelling is not being inhabited as a residence.

14. "Fuel System" means:

- a. One or more containers, tanks or vessels which have a total combined fuel storage capacity of 100 or more U.S. gallons; and:
 - (1) Are, or were, used to hold fuel; and
 - (2) Are, or were, located on any one location;
- b. Any pumping apparatus, which includes the motor, gauge, nozzle, hose or pipes that are, or were, connected to one or more containers, tanks or vessels described in Paragraph **a.**;
- c. Filler pipes and flues connected to one or more containers, tanks or vessels described in Paragraph **a.**;
- d. A boiler, furnace or a water heater, the fuel for which is stored in a container, tank or vessel described in Paragraph **a.**;

e. Fittings and pipes connecting the boiler, furnace or water heater to one or more containers, tanks or vessels described in Paragraph **a.**; or

f. A structure that is specifically designed and built to hold escaped or released fuel from one or more containers, tanks or vessels described in Paragraph **a.**

A "fuel system" does not include any fuel tanks that are permanently affixed to a motor vehicle or watercraft owned by an "insured", used for powering the motor vehicle or watercraft and not used at any time or in any manner for "business".

15. "Catastrophic Ground Cover Collapse" means geological activity that results in all of the following:

- a. The abrupt collapse of ground cover due to subterranean voids created by the action of water on limestone or similar rock formations;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. An abrupt falling down or caving in of the "covered building"; and
- d. The "covered building" being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that "covered building."

"Catastrophic ground cover collapse" coverage does not apply to a building, regardless of whether the building is condemned or ordered to be vacated, that:

- a. Is in danger of caving in;
- b. Is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion; or
- c. Has damage consisting merely of the settling or cracking of a foundation.

16. "Covered building" means a residential building, including its foundation, floor slab, and footings supporting the building.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

Item **1.a.** is replaced by the following:

- a. The dwelling on the “residence premises” used mainly as your private residence shown on the Declarations, including attached structures, other than fences, and attached wall-to-wall carpeting if damage to the dwelling is caused by a covered loss.

The following is added under item 1.:

- c. In-ground swimming pools including related permanently installed equipment such as pumps and filters.

(This does not apply to Forms **HO 00 06**.)

B. Coverage B – Other Structures

Item 1. is replaced by the following:

1. We cover:
 - a. Other structures on the “residence premises” set apart from the dwelling by a clear space;
 - b. Other structures connected to the dwelling by only a fence, utility line, or similar connection; and
 - c. Fences.

Item 3. is replaced by the following:

3. The limit of liability for this coverage will not be more than the limit of liability on the declaration page for Coverage B. Use of this coverage does not reduce the Coverage A limit of liability.

(This does not apply to Forms **HO 00 06**.)

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 term for cosmetic and aesthetic damages to floors, resulting from a covered cause of loss.

1. Cosmetic or aesthetic damage includes, but is not limited to, chips, scratches, dents or any other damage to less than 5% of the total floor surface area and does not prevent typical use of the floor.
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 de-

scribed for Coverage C – Personal Property.

(This is added under **COVERAGE A – Dwelling in Form HO 00 06** and applies only to Coverage A.)

C. Coverage C – Personal Property

Under item 3. **Special Limits of Liability**, the following items are added:

- l. \$2,500 on personal computers and related peripherals such as disk drives, printers, and commercial software. We will not pay for other software or lost data.
- m. 5% of the total Coverage C amount for any one item of unscheduled personal property.
- n. \$500 on all collections including but not limited to baseball cards, comic books, album covers and any other memorabilia. This limit applies regardless of the number of collections or collectibles.
- o. \$1,000 for loss to art glass windows and other works of art such as, but not limited to statuary (including but not limited to Hummels), marbles, bronzes, porcelains, rare glass, and bric-a-brac.
- p. \$1,000 for bicycles and related equipment.
- q. \$2,000 for any individual item or set of electronic equipment caused directly or indirectly by theft or vandalism with a maximum total limit of 10% of the Coverage C limit for all electronic equipment. Electronic equipment includes, but is not limited to:
 - (1) Televisions, audio, video and other electronic media playing and/or recording devices.
 - (2) Audio and video media storage devices such as dvds, records, cds, and tapes.
 - (3) Cameras, projectors and related equipment.
 - (4) Gaming systems including their games and accessories.
- r. \$5,000 for loss to tools.

(These are added to Paragraph A.3. in Form and B.3. in Form **HO 00 06**.)

In Form **HO 00 05**, under 3. **Special Limits of Liability**, items e., f. and g. are replaced by the following:

- 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.

D. Coverage D – Loss of Use

Item **2. Fair Rental Value** is deleted.

(This is item **C.2.** in Form **HO 00 06.**)

SECTION I – PERILS INSURED AGAINST

The introductory paragraphs are replaced by the following:

In Form **HO 00 03**, item **A.1.** is replaced by:

We insure for sudden and accidental direct physical loss to property described in Coverages **A** and **B**.

In Form **HO 00 03**, item **B.** is replaced by:

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

In Form **HO 00 05**:

We insure for sudden and accidental direct physical loss to the property described in Coverages **A**, **B** and **C**.

We do not insure, however, for loss:

In Form **HO 00 06**:

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

The following peril is added:

Catastrophic Ground Cover Collapse

1. We insure for direct physical loss to the "covered building" caused by the peril of "catastrophic ground cover collapse".
2. **Coverage C - Personal Property** applies if there is a direct physical loss resulting from a "catastrophic ground cover collapse", unless the loss is excluded elsewhere in this policy.

The date of loss to be applied on a claim for "catastrophic ground cover collapse" is the earliest date a qualified and licensed engineer reports in writing that, based on reasonable testing and analysis, the loss meets all of the sections **a.** through **d.** of the definition of "catastrophic ground cover collapse".

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

The **SECTION I – Earth Movement and Settlement exclusion A.2.c.** does not apply to this peril. In Form **HO 00 03**:

Paragraph **A. Coverage A – Dwelling and Coverage B – Other Structures**:

Item **2.c.(4)** is replaced by the following:

- (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" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied";

Item **2.c.(5)** is replaced by the following:

- (5) Constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

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

Item **2. Exception To c.6.(i)** is deleted.

Paragraph **B. Coverage C – Personal Property**:

Item **12.b.(4)** is replaced by the following:

- (4) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

In Forms **HO 00 06**:

Item **8. Vandalism or Malicious Mischief** is replaced by the following:

8. Vandalism or Malicious Mischief

This peril does not include loss to property on the "residence premises", 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" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied";

In Form **HO 00 06**, Item **12.b.(5)** is replaced by:

- (5) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

In Form **HO 00 05**:

Paragraph **A**. Under Coverages **A**, **B** and **C**:

Item **2.d.** is replaced by the following:

- d.** Constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

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

Item **2. Exception To 2.e.(i)** is deleted.

Paragraph **B**. Under Coverages **A** and **B**:

Item **1.** is replaced by the following:

- 1.** 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" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied";

Paragraph **C**. Under Coverage **C** caused by:

The following Exclusion is added:

- 7.** Mysterious disappearance, losing or misplacement.

SECTION I – EXCLUSIONS

3. Water Damage is replaced by the following:

3. Water Damage

Water Damage means:

- a.** Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- b.** Water, water-borne material, sewage or any other substance which backs up through sewers or drains;
- c.** Water, water-borne material, sewage or any other substance that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure; or

- d.** Water, water-borne material, sewage or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on or flows, seeps or leaks through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure;

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

This exclusion applies to, but is not limited to, escape, overflow or discharge, for any reason of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

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

(This is Exclusion **A.3.** in Forms **HO 00 03** and **HO 00 05.**)

The following Exclusions are added:

10. Criminal or Illegal Activity

Criminal and Illegal Activity means any and all criminal and illegal acts performed by any "insured" that result in damage to your structure or personal property.

(This is Exclusion **A.10.** in Forms **HO 00 03** and **HO 00 05.**)

11. Existing Damage

- a.** 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
- b.** Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception.

(This is Exclusion **A.11.** in Forms **HO 00 03** and **HO 00 05.**)

12. Windstorm or Hail to:

- a.** outdoor radio equipment, television antennas, satellite dishes, and aerials including their lead wiring, masts and towers;
- b.** awnings, aluminum framed screened enclosures, aluminum framed carports, and aluminum sheds;
- c.** Solar panels; solar water heating systems including solar panels, pipes supplying and returning water to solar panels, and equipment or devices controlling solar water heating systems; and
- d.** Any structure defined as part of Coverage **B** – Other Structures unless the structure is constructed of the same or superior construction materials and methods as that of the dwelling

and attached to a permanent concrete foundation.

(This is Exclusion **A.12.** in Forms **HO 00 03** and **HO 00 05**)

13. Diminished Value

We do not cover any loss due to diminished value of any property covered under this policy.

(This is Exclusion **A.13.** in Forms **HO 00 03** and **HO 00 05.**)

SECTION I – CONDITIONS

B. Duties After loss

Paragraph **2.** is replaced by the following:

- 2.** Notify the police in case of loss by theft. You must:
 - a.** File a police report describing all items stolen;
 - b.** Submit the filed report to us; and
 - c.** Cooperate with the police in their investigation.

Paragraph **7.** is replaced by the following:

- 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.** You, any "insured" and any one you hire in connection with your claim, must:
 - (1)** Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and
 - (2)** Sign the Same; and
 - d.** If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity and anyone you hire in connection with your claim; must:
 - (1)** Submit to examinations under oath and recorded statements, while not in the presence of any other "insured"; and
 - (2)** Sign the Same.
 - e.** Representations made by any of the preceding persons who appear in the examinations under oath and/or recorded statements will be deemed to be your representations.

K. Mortgage Clause

Paragraph **2.c.** is replaced by the following:

- c.** Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs **B.2.** and **B.7.** of Duties After Loss, **E.** Appraisal, **G.** Suit Against Us and **I.** Loss Payment under Section **I – Conditions** also apply to the mortgagee.

The following is added to **K.** Mortgage Clause:

- 6.** We provide coverage to no mortgagee or its representatives under this policy if, whether before or after a loss, a mortgagee or its representatives 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.
- 7.** The rights and obligations set forth in Paragraphs **1.** through **6.** apply to any party who has an insurable interest in the "residence premises" who is not an "insured".

The following Conditions are added:

S. Venue. This policy and any performance there under shall be construed with and governed by the laws of the State of Tennessee.

T. Assignment of Claim Benefits

No assignment of claim benefits, regardless of whether made before loss or after loss, shall be valid without the written consent of all "insureds", all additional insureds and all mortgagee(s) named in this policy.

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

Under Paragraph **2.:**

Item **d.(2)** is deleted.

E. Coverage E – Personal Liability and Coverage F – Medical Payments to Others

The following Exclusions are added:

9. Trampolines

"Bodily injury" or "property damage" arising out of the ownership or use of a trampoline owned by, rented by or loaned to any insured, whether on the "residence premises" or elsewhere.

10. Animals

“Bodily injury” or “property damage” caused, whether in whole or in part, by any animal owned or kept, including temporary supervision, by you or any insured, resident, tenant, or guest whether or not the injury or damage occurs on the “residence premises” or elsewhere.

11. “Fungi”, Wet or Dry Rot, or “Bacteria”

“Bodily injury” or “property damage” arising directly or indirectly, in whole or 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”.

“Fungi” means any type or form of fungus, including mold or mildew, and any microtoxins, spores, scents or by-products produced or released by fungi.

“Bacteria” means any type, kind or form of bacterium.

12. Diving Boards or Slides

“Bodily injury” or “property damage” arising out of the ownership or use of a diving board or slide owned by or rented by any insured or resident whether on the “residence premises” or elsewhere.

13. “Fuel Systems”

“Bodily injury” or “property damage” arising out of, resulting from, caused by or contributed to by the escape or release of fuel from a “fuel system”. This exclusion applies, but is not limited to:

- a. Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
- b. Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such “bodily injury” or “property damage”, damages, loss, cost, payment or expense; or
- c. Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of fuel in any form.

However, this exclusion does not apply to “bodily injury” or “property damage” arising out of fire or explosion resulting from such escaped or released fuel.

SECTION I AND II – CONDITIONS

The following Condition is added:

H. Our Right To Recompute Premium

We established the premium for this policy based on the statements you made in the application for insurance. We have the right to recompute the premium if we later obtain information which affects the premium we charged.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED
RESIDENCE PREMISES

SCHEDULE*

Name And Address Of Person Or Organization	
Interest	
*Entries may be left blank if shown elsewhere in this policy for this coverage.	

DEFINITIONS

Definition 5. which defines "insured" is extended to include the person or organization named in the Schedule above, but only with respect to:

1. Coverage **A** – Dwelling and Coverage **B** – Other Structures; and
2. Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises".

SECTION II – EXCLUSIONS

This coverage does not apply to "bodily injury" to an "employee", "residence employee" or a temporary employee furnished to the "insured" to substitute for a permanent "residence employee" arising out of or in the course of the employee's employment by the person or organization.

CANCELLATION AND NONRENEWAL NOTIFICATION

If we decide to cancel or not to renew this policy, the person or organization named in the Schedule will be notified in writing.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INTERESTS

Residence Premises

SCHEDULE*

<p>Name And Address Of Person Or Organization:</p> <p>Effective Date Of Interest: (Optional)</p> <p>Description Of Interest:</p>
<p>Name And Address Of Person Or Organization:</p> <p>Effective Date Of Interest: (Optional)</p> <p>Description Of Interest:</p>
<p>* Entries may be left blank if shown elsewhere in this policy for this coverage.</p>

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

CANCELLATION AND NONRENEWAL NOTIFICATION

If we decide to cancel or not to renew this policy, the persons or organizations named in the Schedule will be notified in writing.

All other provisions of this policy apply.

POLICY NUMBER:

HOMEOWNERS
ASI HO AI 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Additional Interest

Residence Premises

SCHEDULE*

Name And Address Of Additional Interest:

Description Of Interest:

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

The persons or organizations named in the Schedule above also have an interest in the "residence premises".

CANCELLATION AND NONRENEWAL NOTIFICATION

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ANIMAL LIABILITY ENDORSEMENT
(ASI HO AL)

For an additional premium, your policy is changed as follows:

These limits of liability apply to loss caused by animals owned or kept by you:		
1.	Section II – Coverage E – Personal Liability	\$ *
2.	Section II – Coverage F – Medical Payments to Others	\$ **
*Entries may be left blank if shown elsewhere in this policy for this coverage. **Refer to the limit of liability shown as Section II: F. Medical Payments to Others under “Coverages and Limits of Liability” on your declarations page.		

SECTION II - EXCLUSIONS

Under E. Coverages E – **Personal Liability** and F – **Medical Payments to Others**
Coverages E and F do not apply to the following:

Item 10. is replaced by the following:

10. “Bodily injury” or “property damage” caused, whether in whole or in part, by:
- a. prohibited breeds of dogs;
 - b. any exotic, farm or saddle animals; or
 - c. any animal deemed dangerous, vicious, or potentially dangerous under state statute

owned or kept, including temporary supervision, by you or any insured, resident, tenant or guest whether or not the damage occurs on your premises or any other location.

Prohibited breeds of dogs include Akitas, American Bulldogs, Beaucerons, Caucasian Mountain Dogs, Chows, Doberman Pinschers, German Shepherds, Great Danes, Pit Bulls, Rottweilers, Staffordshire Terriers and Wolf hybrids. Any mixed breed made up of one or more of the breeds listed above is also considered a prohibited breed of dog.

Exotic, farm or saddle animals include but are not limited to hoofed animals, livestock, reptiles, primates and fowl.

All other provisions of your policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE C INCREASED SPECIAL LIMITS OF LIABILITY

SCHEDULE*

SECTION I – PROPERTY COVERAGES COVERAGE C – PERSONAL PROPERTY

3. Special Limits Of Liability

The special limits of liability are increased as noted below:

Property	Increase In Limit Of Liability	Total Limit Of Liability
a. Money, bank notes, bullion, gold other than gold-ware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.		
b. Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps.		
e. Jewelry, watches, furs, precious and semiprecious stones for loss by theft, but not more than \$1,000 for any one article.		
f. Firearms and related equipment for loss by theft.		
g. Silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware for loss by theft.		
j. 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.		
k. 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.		

All other provisions of this policy apply.

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

HOME COMPUTER COVERAGE (ASI HO HC)

For an additional premium, we cover your home computer as described below for the indicated coverages:

Property

Your home computer is defined to include the electronic data processing system designed for use in the home, including peripheral hardware and connecting cables, plug in cartridges and expansion hardware, commercially purchased software, blank tapes, blank disks, disc drives, printers and modems.

Your home computer does not include data or home developed software, any television set used as a computer monitor, and telephone equipment used to connect the computer to a network through telephone lines.

Perils

We cover your home computer against all risks of direct physical loss or damage from any external cause except:

- a. Loss or damage caused by or resulting from wear and tear, an original defect in the property covered, gradual deterioration, insects, vermin, inherent vice, dampness, dryness, cold or heat.
- b. Dishonest acts by any insured or anyone entrusted with the property, except a carrier for hire.
- c. Errors or omissions in processing or machine programming error or instructions to the machine.
- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except by a confirmed direct lightning strike to the dwelling in which the home computer is located.
- e. Mechanical breakdown, faulty construction, error or omission in design. A direct loss caused by resulting fire or explosion is covered.
- f. Delay, loss of market, loss of income or interruption of business.
- g. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military

purpose, and including any consequence of any of these.

- h. Nuclear hazard, to the extent set forth in the Nuclear Hazard Clause.

Loss Settlement

If at the time of loss, the damaged property is:

- a. Not insured for Replacement Cost Loss Settlement as outlined in Section I – Conditions, Loss Settlement, and 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 of like kind and quality.
- b. Insured for Replacement Cost Loss Settlement as outlined in Section I – Conditions, Loss Settlement, we will pay the amount of loss, whether or not you repair or replace the damaged property.

Additional Provisions

- a. Business use of your computer is permissible under this endorsement.
- b. Special limits of liability pertaining to property used for “business” purposes and home computers do not apply to coverage provided by this endorsement.
- c. A deductible amount of \$500 applies to coverage provided by this endorsement; however, if the same “occurrence” results in losses to other property insured by this policy to which a deductible applies, unreimbursed losses will be applied to the deductible under this endorsement.

Limit of Liability

Our limit of liability for loss shall not exceed the limit of liability stated in the Declaration page for this endorsement.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HomeShield Package

**FOR USE WITH FORM HO 00 03
(ASI HO HS)**

This is intended to be an outline of the package listed above. Please read your entire policy for details on the coverage provided.

For an additional premium, your policy is changed as follows:

COVERAGE A - INCREASED REPLACEMENT COST COVERAGE

This endorsement is added with a limit of **25%** of Coverage A. Please see form **ASI HO IRC** for coverage conditions.

COVERAGE C – PERSONAL PROPERTY

50% of Coverage A

As shown on your Declarations Page, the limit of liability for Coverage C is **50%** of the Coverage A amount.

Replacement Cost Coverage Loss Settlement – Personal Property

This endorsement is added to your policy. Please see form **HO 04 90** for coverage conditions.

INCREASED LIMIT – JEWELRY

In Form **HO 00 03**; Under **SECTION I – PROPERTY COVERAGES**, Item **3.e** is replaced by the following:

e. \$3,000 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.

However, our limit of liability for any one item will be **\$1,500**.

INCREASED LIMIT – CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY

In Form **HO 00 03**; Under **SECTION I – PROPERTY COVERAGES, E. ADDITIONAL COVERAGES**, item **6.**, **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money**, our limit of liability for any one loss is increased to **\$1,000**.

LOCK REPLACEMENT COVERAGE

In Form **HO 00 03**; Under **SECTION I – PROPERTY COVERAGES, E. ADDITIONAL COVERAGES**, the following Additional Coverage is added to the policy:

Lock Replacement Coverage is provided for loss caused by theft of:

- A. Keys to dwelling doors and window locks; and/or
- B. Automatic garage door transmitters.

We will pay the cost of replacing your locks and/or the cost of reprogramming the frequency on additional transmitters and/or the unit control box. No deductible applies to this coverage. Coverage is limited to an annual payment of **\$250**. Coverage will apply only if you notify us within seventy-two (72) hours of discovering the loss.

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

FIRE DEPARTMENT SERVICE CHARGE

In Form **HO 00 03**, Under **SECTION I – PROPERTY COVERAGES, E. ADDITIONAL COVERAGES**, Item **4. Fire Department Service Charge** of **\$500** is increased to **\$750**.

LOSS ASSESSMENT

The limit for this coverage is increased to **\$2,500**. Please see form **HO 04 35** for coverage conditions.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement is added with a limit of **\$5,000**. Please see form **ASI HO WBU** for coverage conditions.

PERSONAL INJURY

This endorsement is added to your policy. Please see form **ASI HO PNJ** for coverage conditions.

This form is intended to be an outline of the package listed above. Please read your entire policy for details on the coverage provided.

All other provisions of your policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HomeShield Plus Package

FOR USE WITH FORM HO 00 03
(ASI HO HS+)

This form is intended to be an outline of the package listed above. Please read your entire policy for details on the coverage provided.

For an additional premium, your policy is changed as follows:

COVERAGE A - INCREASED REPLACEMENT COST COVERAGE

This endorsement is added with a limit of **50%** of Coverage A. Please see form **ASI HO IRC2** for coverage conditions.

COVERAGE C – PERSONAL PROPERTY

70% of Coverage A

As shown on you declarations page, the limit of liability for Coverage C is increased to **70%** of the Coverage A amount.

Replacement Cost Coverage Loss Settlement – Personal Property

This endorsement is added to your policy. Please see form **HO 04 90** for coverage conditions.

SPECIAL LIMITS

In Form **HO 00 03**, Under **SECTION I – PROPERTY COVERAGES**, Subsection **C. COVERAGE C – PROPERTY COVERAGES, Item 3.**, the following items are replaced:

- a. **\$300** 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. **\$2,500** 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.
- e. **\$5,000** for loss by theft of jewelry, watches, furs, precious and semiprecious stones. However, our limit of liability for any one item will be **\$2,500**.
- f. **\$3,500** for loss by theft of firearms and related equipment.
- g. **\$4,000** 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. **\$3,000** on property, on the "residence premises", used primarily for "business" purposes.
- i. **\$750** 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.

INCREASED LIMIT – CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY

In Form **HO 00 03**, Under **SECTION I – PROPERTY COVERAGES, E. ADDITIONAL COVERAGES**, item **6, Credit Card, Fund Transfer Card, Forgery and Counterfeit Money**, our limit of liability for any one loss is increased to **\$2,000**.

LOCK REPLACEMENT COVERAGE

In Form **HO 00 03**, Under **SECTION I – PROPERTY COVERAGES, E. ADDITIONAL COVERAGES**, the following Additional Coverage is added to the policy:

Lock Replacement Coverage is provided for loss caused by theft of:

- A. Keys to dwelling doors and window locks; and/or
- B. Automatic garage door transmitters.

We will pay the cost of replacing your locks and/or the cost of reprogramming the frequency on additional transmitters and/or the unit control box. No deductible applies to this coverage. Coverage is limited to an annual payment of **\$500**. Coverage will apply only if you notify us within seventy-two (72) hours of discovering the loss.

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

FIRE DEPARTMENT SERVICE CHARGE

In Form **HO 00 03**, Under **SECTION I – PROPERTY COVERAGES, E. ADDITIONAL COVERAGES**; Item **4. Fire Department Service Charge** of **\$500** is increased to **\$1,000**.

LOSS ASSESSMENT

The limit for this coverage is increased to **\$5,000**. Please see form **HO 04 35** for coverage conditions.

ORDINANCE AND LAW COVERAGE

The limit for this coverage is increased to **25%** of Coverage **A**. Please see form **ASI HO OL** for coverage conditions.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement is added with a limit of **\$10,000**. Please see form **ASI HO WBU** for coverage conditions.

SPECIAL PERSONAL PROPERTY COVERAGE

This endorsement is added to your policy. Please see form **ASI HO SPC** for coverage conditions.

PERSONAL INJURY

This endorsement is added to your policy. Please see form **ASI HO PNJ** for coverage conditions.

This form is intended to be an outline of the package listed above. Please read your entire policy for details on the coverage provided.

All other provisions of your policy apply.

INCREASED REPLACEMENT COST COVERAGE (ASI HO IRC)

For an additional premium, and if you have notified us within 90 days of the start of any alterations to the insured building(s) which increase the replacement cost of the building(s) by \$10,000 or more, or there have been no such alterations:

your Homeowners policy is changed as follows:

We will increase the Coverage A limit of liability by 25% of the stated limit of the building if the cost to replace the building is more than the limit of liability indicated in the Declarations Page.

SECTION 1 – CONDITIONS

Under **C. Loss Settlement**, item **2., a.** is deleted and replaced by 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 deductible and without deduction for depreciation, but not more than the least of the following amounts:
- (1)** The limit of liability shown on the Declaration page increased by 25% with respect to buildings.
 - (2)** The replacement cost of that part of the building damaged for equivalent construction and use on the same premises.
 - (3)** The amount actually and necessarily spent to repair or replace the damaged building.

This coverage is intended to protect you from unforeseen increases in construction costs due to economic factors. We will not increase the stated limit to cover loss caused by ordinances or laws that regulate the construction, repair, or demolition of this property.

All other provisions of your policy apply.

INCREASED REPLACEMENT COST COVERAGE (ASI HO IRC2)

For an additional premium, and if you have notified us within 90 days of the start of any alterations to the insured building(s) which increase the replacement cost of the building(s) by \$10,000 or more, or there have been no such alterations:

your Homeowners policy is changed as follows:

We will increase the Coverage A limit of liability by 50% of the stated limit of the building if the cost to replace the building is more than the limit of liability indicated in the Declarations Page.

SECTION 1 – CONDITIONS

Under **C. Loss Settlement**, item **2., a.** is deleted and replaced by 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 deductible and without deduction for depreciation, but not more than the least of the following amounts:
- (1)** The limit of liability shown on the Declaration page increased by 50% with respect to buildings.
 - (2)** The replacement cost of that part of the building damaged for equivalent construction and use on the same premises.
 - (3)** The amount actually and necessarily spent to repair or replace the damaged building.

This coverage is intended to protect you from unforeseen increases in construction costs due to economic factors. We will not increase the stated limit to cover loss caused by ordinances or laws that regulate the construction, repair, or demolition of this property.

All other provisions of your policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD LIABILITY EXCLUSION

This Exclusion applies to structures built prior to 1978 and have not been certified as lead-free by the appropriate governing agency.

The following Exclusion is added under **Section II – Exclusions**.

E. Coverage E – Personal Liability and Coverage F – Medical Payments to Others

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

Lead

Any loss, cost, payment or expense, including, but not limited to, defense and investigation, of any kind arising out of, resulting from, caused by or contributed to by the actual or alleged presence or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead pigment, lead compounds or lead in any form which is or was contained or incorporated into any material or substance. This exclusion applies, but it not limited to:

- a. Any supervision, instructions, recommendations, warnings or advice given in connection with the above;
- b. Any obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such “bodily injury” or “property damage”, damages, loss, cost, payment or expense; or
- c. Any request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of lead, lead pigment, lead compounds or materials or substances containing lead in any form.

All other provisions of this policy apply.

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

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

- A.** "Business", as defined in the policy, means:
1. A trade, profession or occupation engaged in on a full-time, part-time, or occasional basis; or
 2. Any other activity engaged in for money or other compensation, except the following:
 - a. One or more activities:
 - (1) Not described in **b.** through **d.** below; and
 - (2) For which no "insured" receives more than \$2000 in total compensation for the 12 months before the beginning of the policy period;
 - b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - d. The rendering of home day care services to a relative of an "insured".
- B.** If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".
- C.** If home day care service is not a given "insured's" trade, profession or occupation but is an activity:
1. That an "insured" engages in for money or other compensation; and
 2. From which an "insured" receives more than \$2,000 in total/combined compensation from it and any other activity for the 12 months before the beginning of the policy period;
- the home day care service and other activity will be considered a "business".
- D.** With respect to **C.** above, home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:
1. Described in **A.2.** above, and
 2. Engaged in for money by a single "insured";
- may be considered a "business" if the \$2000 threshold is exceeded.
- E.** With respect to **A.** through **D.** above, coverage does not apply to or is limited with respect to home day care service which is a "business". For example, this policy:
1. Does not provide:
 - a. Section **II** coverages. This is because a "business" of an "insured" is excluded under **E.2.** of Section **II** – Exclusions;
 - b. Coverage, under Section **I**, for other structures from which any "business" is conducted; and
 2. Limits Section **I** coverage, under Coverage **C** – Special Limits of Liability, for "business" property:
 - a. On the "residence premises" for the home day care "business" to \$2,500. This is because Category **h.** (**e.** in Form **HO 00 08**) imposes that limit on "business" property on the "residence premises";
 - b. Away from the "residence premises" for the home day care "business" to \$500. This is because Category **i.** (**f.** in Form **HO 00 08**) imposes that limit on "business" property away from the "residence premises". Category **i.** does not apply to property described in Categories **j.** and **k.** (**g.** and **h.** respectively in Form **HO 00 08**).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

FOR USE WITH FORMS HO 00 03 AND HO 00 05

SCHEDULE*

These limits of liability apply to the total of all loss or costs payable under this endorsement, regardless of the number of "occurrences", the number of claims-made, or the number of locations insured under this endorsement and listed in this Schedule.

1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$ 5,000

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

DEFINITIONS

The following definition is added:

"Fungi"

"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.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

Paragraph **10.k.(2)(d)** is deleted in Form **HO 00 05** only.

The following Additional Coverage is added:

13. "Fungi", Wet Or Dry Rot, Or Bacteria

a. The amount shown in the Schedule above 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 **13.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 amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage regardless of the:

- (1)** Number of locations insured under this endorsement; or
- (2)** 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

In Form **HO 00 03**:

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

Paragraph **2.c.(5)** is replaced by the following:

- (5) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days 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.

Paragraph **2.c.(6)(c)** is replaced by the following:

- (c) Smog, rust or other corrosion;

B. Coverage C – Personal Property

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph **b.(4)** is replaced by the following:

- (4) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days 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.

In Form **HO 00 05**:

A. Under Coverages A, B and C:

Paragraph **2.d.** is replaced by the following:

- d. Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days 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.

Paragraph **2.e.(3)** is replaced by the following:

- (3) Smog, rust or other corrosion;

SECTION I – EXCLUSIONS

The following Exclusion is added:

"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 I – CONDITIONS

Condition **P. Policy Period** is replaced by the following:

P. Policy Period

This policy applies to loss or costs which occur during the policy period.

All other provisions of the policy apply.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

FOR USE WITH FORM HO 00 06 WITH ASI HO UOA OR ASI HO SPC

SCHEDULE*

These limits of liability apply to the total of all loss or costs payable under this endorsement, regardless of the number of "occurrences", the number of claims-made, or the number of locations insured under this endorsement and listed in this Schedule.

1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$ 5,000

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

DEFINITIONS

The following definition is added:

"Fungi"

"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.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

The following Additional Coverage is added:

12. "Fungi", Wet Or Dry Rot, Or Bacteria

a. The amount shown in the Schedule above 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 13.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 amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage regardless of the:

- (1) Number of locations insured under this endorsement; or
- (2) 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.

(This is Additional Coverage **D.12.** in Form **HO 00 06.**)

SECTION I – PERILS INSURED AGAINST

In Form **HO 00 06** with **ASI HO SPC:**

For Coverage **C:**

Paragraph **2.d.** is replaced by the following:

- d. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days 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.

Paragraph **2.j.(3)** is replaced by the following:

- (3) Smog, rust or other corrosion;

In Form **HO 00 06** with **ASI HO UOA:**

For Coverage **A:**

Paragraph **2.c.(5)** is replaced with the following:

- (5) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days 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.

Paragraph **2.c.(6)(c)** is replaced by the following:

- (c) Smog, rust or other corrosion;

SECTION I – EXCLUSIONS

The following Exclusion is added:

"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 I – CONDITIONS

Condition **P. Policy Period** is replaced by the following:

P. Policy Period

This policy applies to loss or costs which occur during the policy period.

All other provisions of the policy apply.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

FOR USE WITH HO 00 06

SCHEDULE*

These limits of liability apply to the total of all loss or costs payable under this endorsement, regardless of the number of "occurrences", the number of claims-made, or the number of locations insured under this endorsement and listed in this Schedule.		
1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$ 5,000
*Entries may be left blank if shown elsewhere in this policy for this coverage.		

DEFINITIONS

The following definition is added:

"Fungi"

"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.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

The following Additional Coverage is added:

13. "Fungi", Wet Or Dry Rot, Or Bacteria

a. The amount shown in the Schedule above 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 **13.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 amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage regardless of the:

- (1)** Number of locations insured under this endorsement; or
- (2)** 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.

(This is Additional Coverage **D.12.** in Form **HO 00 06.**)

SECTION I – PERILS INSURED AGAINST

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph **b.(5)** in Form **HO 00 06** is replaced by the following:

- (5) To a building caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days 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

The following exclusion is added.

"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 I – CONDITIONS

Condition **P. Policy Period** is deleted and replaced by the following:

P. Policy Period

This policy applies to loss or costs which occur during the policy period.

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED WATER DAMAGE COVERAGE

The following is added under **SECTION I – PROPERTY COVERAGES**:

F. SPECIAL LIMITS OF LIABILITY

1. WATER DAMAGE COVERAGE

- a. The total limit of liability for water damage to covered property is **\$10,000** per policy term. This limit applies to all damaged covered property under Coverage **A, B** and **C** combined.
- b. This limit applies to direct physical damage caused by sudden and 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.
- c. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the system from which the discharge occurred.
- d. We do not cover loss to the system from which the water escaped.
- e. This coverage does not increase the limit of liability that applies to the damaged covered property.

(This is added as **E.1.** in Form **HO 00 06.**)

Except as stated in this endorsement, we do not provide coverage for any loss precluded by another provision in this policy.

All other provisions of your policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS ASSESSMENT COVERAGE

SCHEDULE*

<p>A. "Residence Premises" – Additional Amount Of Insurance:</p>
<p>B. Additional Locations Location Of Unit And Limit Of Liability</p>
<p>*Entries may be left blank if shown elsewhere in this policy for this coverage.</p>

1. Additional Insurance – Residence Premises

We will pay, up to the additional amount of insurance shown in **A.** in the Schedule above, for one or more assessments arising out of a single loss covered under:

- a. Section I Additional Coverage **E.7.** Loss Assessment (This is Additional Coverage **C.7.** in Form **HO 00 04** and **D.7.** in Form **HO 00 06.**);
- b. Section II – Additional Coverage **D.** Loss Assessment; or
- c. Both Section I and Section II.

2. Additional Locations

We will pay, up to the limit of liability shown in **B.** in the Schedule, your share of covered loss assessments as described in Section I Additional Coverage **E.7.** and Section II – Additional Coverage **D.** of the policy, arising out of the premises listed above. This is the most we will pay for one or more assessments arising out of a single loss covered under:

- a. Either Section I Additional Coverage **E.7.** Loss Assessment or Section II – Additional Coverage **D.** Loss Assessment; or
- b. Both Section I and Section II.

3. Special Limit

We will not pay more than \$1,000 of your assessment per unit that results from a deductible in the policy of insurance purchased by a corporation or association of property owners.

4. Section II – Exclusion

Section II – Exclusion **F.1.a.** does not apply to this coverage.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NON-STRUCTURAL HAIL LOSS LIMITATION ENDORSEMENT
HOMEOWNERS**

For a reduction in the premium charged, your policy is changed as follows:

SECTION I – CONDITIONS

C. Loss Settlement

The following paragraph is added:

3. When damage from Hail consists of dents, scratches, or nicks on the exterior surface of the home or other structures that do not compromise the structural integrity of your home or other structures we will pay the lowest of the following amounts:
 - a. The cost of repairing or replacing the damaged portion of the property; or
 - b. 2% of the amount of insurance provided under Coverage A (Dwelling).

Explanation: (provided for clarification – not a part of your insurance contract)

Hail often causes damage to exterior surfaces that is cosmetic in nature, but does not result in structural damage or diminish the ability to use the structure for the purpose intended. Materials usually affected by this type of damage include but are not limited to aluminum siding or metal roofing materials. This endorsement limits the amount the insurance company will pay for these cosmetic losses in return for a reduction in the premium you pay for this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

Ordinance or Law Coverage Amount:

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

For an additional premium, the following is added as an Additional Coverage:

Ordinance or Law

- a. We will provide up to the amount of coverage shown above for the increased costs you incur due solely to the enforcement of an ordinance or law which requires or regulates:
 - (1) The construction, demolition, 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 modification, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the 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, modification, repair or replacement of property as stated in **a.** above.

c. The ordinance or law must have been in effect at the time the covered loss occurs.

d. 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) Any increase in costs attributable to any other factors;
- (3) 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL INJURY

DEFINITIONS

The following definitions are added:

"Personal injury" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. 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;
4. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral, written or electronic publication of material that violates a person's right of privacy.

"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.

However, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

The following is added to Coverage E – Personal Liability:

Personal Injury Coverage

If a claim is made or suit is brought against an "insured" for damages resulting from an offense, defined under "personal injury", 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 offense has been exhausted by payment of a judgment or settlement.

SECTION II – EXCLUSIONS

With respect to the coverage provided by this endorsement, **Section II – Exclusions** is deleted and replaced by the following:

This insurance does not apply to:

1. "Personal Injury":
 - a. Caused by or at the direction of an "insured" with the knowledge or reasonable expectation that the act would violate the rights of another or would inflict "personal injury" even if the resulting "personal injury":
 - (1) Is of a different kind, quality or degree than initially expected or intended; or
 - (2) Is sustained by a different person, entity, real or personal property, than initially expected or intended;
 - b. Arising out of oral, written or electronic publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;
 - c. Arising out of oral, written or electronic 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".

This exclusion 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;

h. Arising out of civic or public activities performed for pay by an "insured";

i. To you or an "insured" as defined under Definition 5.a. or b.;

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

(1) To repay; or

(2) Share damages with; or

Another person who may be obligated to pay damages because of "personal injury" to an "insured"; or

j. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

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.

k. 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; or

l. Arising out of chat rooms, bulletin boards, gripe sites, social networking sites, dating sites or any other electronic forums.

2. Any loss, cost or expense arising out of any:

a. Request, demand or order that an "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants, "fungi", wet or dry rot, or bacteria; or

b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, clean up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants, "fungi", wet or dry rot, or bacteria.

SECTION II – ADDITIONAL COVERAGES

With respect to the coverage provided by this endorsement, Paragraph **D. Loss Assessment** is deleted and replaced by the following:

D. Loss Assessment

We will pay up to \$1000 for your share of loss assessment charged against you, as an 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 "personal injury" not excluded under this endorsement.

We do not cover 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 "personal injury".

SECTION II – CONDITIONS

With respect to the coverage provided by this endorsement, Section II – Condition **I. Policy Period** does not apply and Conditions **A. Limit Of Liability**, **B. Severability Of Insurance** and **C. Duties After Occurrence** are deleted and replaced by the following:

A. Limit Of Liability

Our total liability under "Personal Injury" Coverage for all damages resulting from any one offense will not be more than the limit of liability shown in the Declarations for Coverage **E**. This limit is the same regardless of the number of "insureds", claims made or suits brought.

B. Severability Of Insurance

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

C. Duties After Offense

In the event of a covered offense, 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 "named insured";

b. Reasonably available information on the time, place and circumstances of the offense; 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 offense;

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. 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 "personal injury".

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY EXCLUSION

(ASI HO CE)

For a reduction in premium, we will not cover any loss to any personal property as described in **Coverage C – Personal Property**. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

A. Eligible Property

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
 - a. Coverage **C**; and
 - b. If covered in this policy:
 - (1) Awnings, outdoor antennas and outdoor equipment; and
 - (2) Carpeting and household appliances; whether or not attached to buildings.
2. This method of loss settlement will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy and not subject to agreed value loss settlement:
 - a. Jewelry;
 - b. Furs and garments:
 - (1) Trimmed with fur; or
 - (2) 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 pewterware, but excluding:
 - (1) Pens or pencils;
 - (2) Flasks;
 - (2) Smoking implements; or
 - (3) Jewelry; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured.

B. Ineligible Property

Property listed below is not eligible for replacement cost loss 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.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

C. Replacement Cost Loss Settlement Condition

The following loss settlement condition applies to all property described in **A.** above:

1. We will pay no more than the least of the following amounts:
 - a. Replacement cost at the time of loss without deduction for depreciation;
 - b. The full cost of repair at the time of loss;
 - c. The limit of liability that applies to Coverage **C**, if applicable;
 - d. Any applicable special limits of liability stated in this policy; or
 - e. For loss to any item described in **A.2.a. - f.** above, the limit of liability that applies to the item.
2. If the cost to repair or replace the property described in **A.** above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
3. You may make a claim for loss on an actual cash value basis and then make claim for any additional liability in accordance with this endorsement provided you notify us of your intent to do so within 180 days after the date of loss.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMISES ALARM OR FIRE PROTECTION SYSTEM

We acknowledge the installation of an alarm system and/or automatic sprinkler system approved by us on the "residence premises". You agree to maintain this system or systems, for which we have granted a credit, in working order and to let us know promptly of any change, including removal, made to the system(s).

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMISES LIABILITY

DEFINITIONS

Definition **B.6.** "Insured location" includes only the premises shown as the "residence premises" in the Declarations.

SECTION II – LIABILITY COVERAGES

Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others are restricted to apply only with respect to "bodily injury" and "property damage":

1. Arising out of the ownership, maintenance, occupancy or use of the "insured location"; and
2. Occurring on the "insured location".

SECTION II – EXCLUSIONS

Exclusion **E.2.** does not apply to the premises shown in the Schedule.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULED PERSONAL PROPERTY ENDORSEMENT

SCHEDULE

Class Of Personal Property	Amount Of Insurance	Premium
1. Jewelry , as scheduled below.	\$	\$
2. Furs and garments trimmed with fur or consisting principally of fur, as scheduled below.		
3. Cameras , projection machines, films and related articles of equipment, as listed below.		
4. Musical instruments and related articles of equipment, as listed below. You agree not to perform with these instruments for pay unless specifically provided under this policy.		
5. Silverware , silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry.		
6. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.		
7.a. Fine Arts , as scheduled below. This premium is based on your statement that the property insured is located at the following address: at at	Total Fine Arts Amount \$	
7.b. For an additional premium, Paragraph 5.b. under C. Perils Insured Against is deleted only for the articles marked with a double asterisk (**) in the schedule below.	Amount of 7.b. only \$	
8. Postage Stamps		
9. Rare and Current Coins		
Article Or Property	Description	Amount Of Insurance
<p>THE AMOUNTS SHOWN FOR EACH ITEM IN THIS SCHEDULE ARE LIMITED BY THE LOSS SETTLEMENT CONDITION IN PARAGRAPH F.2.</p> <p>Entries may be left blank if shown elsewhere in this policy for this coverage.</p>		

We cover the classes of personal property which are indicated in the Schedule by an amount of insurance.

This coverage is subject to the:

1. Definitions;
2. Section I – Conditions; and
3. Sections I and II – Conditions;

in the policy and all provisions of this endorsement.

Any deductible stated in this policy does not apply to this coverage.

A. Newly Acquired Property – Jewelry, Furs, Cameras And Musical Instruments Only

1. We cover newly acquired property of a class of property already insured. The lesser of the following limits applies:
 - a. 25% of the amount of insurance for that class of property; or
 - b. \$10,000.
2. When you acquire new property you must:
 - a. Report these objects to us within 30 days; and
 - b. Pay the additional premium from the date acquired.

B. Newly Acquired Fine Arts

When Fine Arts are scheduled, we cover objects of art acquired during the policy period for their actual cash value. However, we will pay no more than 25% of the amount of insurance for fine arts scheduled. For coverage to apply for newly acquired fine arts you must:

1. Report these objects to us within 90 days; and
2. Pay the additional premium from the date acquired.

C. Perils Insured Against

We insure against risks of direct loss to property described only if that loss is a physical loss to property; however, we do not insure loss caused by any of the following:

1. Wear and tear, gradual deterioration or inherent vice.
2. Insects or vermin.
3. 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.

4. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of Section I – Conditions.
5. If Fine Arts are covered:
 - a. Repairing, restoration or retouching process;
 - b. Breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles. We cover loss by breakage if caused by:
 - (1) Fire or lightning;
 - (2) Explosion, aircraft or collision;
 - (3) Windstorm, earthquake or flood;
 - (4) Malicious damage or theft;
 - (5) Derailment or overturn of a conveyance.

We do not insure loss, from any cause, to property on exhibition at fair grounds or premises of national or international expositions unless the premises are covered by this policy.

6. If Postage Stamps or Rare and Current Coins collections are covered:
 - a. Fading, creasing, denting, scratching, tearing or thinning;
 - b. Transfer of colors, inherent defect, dampness, extremes of temperature, or depreciation;
 - c. Being handled or worked on;
 - d. The disappearance of individual stamps, coins or other articles unless the item is:
 - (1) Described and scheduled with a specific amount of insurance; or
 - (2) Mounted in a volume and the page it is attached to is also lost; or
 - e. Shipping by mail other than registered mail.

However, we do not insure loss, from any cause, to property in the custody of transportation companies or not part of a stamp or coin collection.

D. Territorial Limits

We cover the property described worldwide. However, Fine Arts are covered only within the United States and Canada.

E. Special Provisions

1. Fine Arts: You agree that the covered property will be handled by competent packers.

2. Golfer's Equipment includes your other clothing while contained in a locker when you are playing golf. We cover golf balls for loss by fire or burglary provided there are visible marks of forcible entry into the building, room or locker.
3. Postage Stamps includes the following owned by or in the custody or control of the "insured":
 - a. Due, envelope, official, revenue, match and medicine stamps;
 - b. Covers, locals, reprints, essays, proofs and other philatelic property; or
 - c. Books, pages and mounting of items in a. and b.
4. Rare and Current Coins includes the following owned by or in custody or control of the "insured":
 - a. Medals, paper money, bank notes;
 - b. Tokens of money and other numismatic property; or
 - c. Coin albums, containers, frames, cards and display cabinets in use with such collection.

F. Conditions

1. Loss Clause

The amount of insurance under this endorsement will not be reduced except for a total loss of a scheduled article. We will refund the unearned premium applicable to such article after the loss or you may apply it to the premium due for the replacement of the scheduled article.

2. Loss Settlement

Covered property losses are settled as follows:

a. Fine Arts

- (1) We will pay, for each article designated in the Schedule, the full amount shown in the Schedule which is agreed to be the value of that article or property. At our request, you will surrender that article or property to us if not lost or stolen.
- (2) If the scheduled article or property is a pair or set, or consists of several parts when complete, we will pay the full amount shown in the Schedule for that pair, set or complete article. At our request, you will surrender that article or property to us if not lost or stolen.

- (3) In the event lost or stolen property is recovered and we have paid you the full amount shown in the Schedule for that property, you will surrender that property to us.
- (4) We will, at your request, sell back to you, at a price you and we agree upon, any class of property or scheduled article you surrendered to us to comply with the terms in (1), (2) or (3) above.

b. Postage Stamps Or Rare And Current Coin Collection

In case of loss to any scheduled item, the amount to be paid will be determined in accordance with Paragraph 2.d. **Other Property.**

When coins or stamps are covered on a blanket basis, we will pay the cash market value at time of loss but not more than \$1,000 on any unscheduled coin collection nor more than \$250 for any one stamp, coin or individual article or any one pair, strip, block, series sheet, cover, frame or card.

We will not pay a greater proportion of any loss on blanket property than the amount insured on blanket property bears to the cash market value at time of loss.

c. Jewelry

- (1) The value of the property insured is not agreed upon but will be ascertained at the time of loss or damage. We will not pay more than the least of the following amounts:
 - (a) The amount for which the article could reasonably be expected to be replaced with one substantially identical to the article lost or damaged; or
 - (b) The amount of insurance.
- (2) If the scheduled article or property is a pair or set, or consists of several parts when complete, we will:
 - (a) Pay the amount for which the pair, set or complete article could reasonably be expected to be replaced with one substantially identical to the article lost or damaged; or
 - (b) Pay the full amount shown in the schedule for that pair, set or complete article. At our request, you will surrender that article or property to us if not lost or stolen.

- (3) In the event lost or stolen property is recovered and we have paid you the full amount shown in the Schedule for that property, you will surrender that property to us.
- (4) We will, at your request, sell back to you, at a price you and we agree upon any scheduled article you surrendered to us to comply with the terms in (2) or (3) above.

d. Other Property

- (1) The value of the property insured is not agreed upon but will be ascertained at the time of loss or damage. We will not pay more than the least of the following amounts:
 - (a) The actual cash value of the property at the time of loss or damage;
 - (b) The amount for which the property could reasonably be expected to be repaired to its condition immediately prior to loss;
 - (c) The amount for which the article could reasonably be expected to be replaced with one substantially identical to the article lost or damaged; or

(d) The amount of insurance.

- (2) The actual cash value condition in Paragraph (1)(a) above does not apply if, at the time of loss, Coverage C – Personal Property covered in the policy to which this endorsement is attached is subject to replacement cost loss settlement.

3. Pair, Set Or Parts Other Than Fine Arts And Jewelry

a. Loss To A Pair Or Set

In case of a 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.

b. Parts

In case of a loss to any part of covered property, consisting of several parts when complete, we will pay for the value of the part lost or damaged.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HomeShield R Package

For an additional premium, your policy is changed as follows. All other provisions of your policy apply.

INCREASED SPECIAL LIMITS OF LIABILITY

Under **SECTION I – PROPERTY COVERAGES, COVERAGE C – PERSONAL PROPERTY, Special Limits Of Liability** the following items are replaced:

The limits are increased from \$1,000 to \$2,000 for the following:

- 2.b. Watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- 2.c. Trailers or semitrailers not used with watercraft of all types.

The limits are increased from \$1,500 to \$5,000 for the following:

- 3.a. Bicycles and related equipment.

The limits are increased from \$2,500 to \$3,500 for the following:

- 4.a. Loss by theft of firearms and related equipment.
- 4.b. 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.
- 4.c. Property use primarily for “business” purposes that is located on the “residence premises” at the time of loss.
- 4.e. Electronic equipment, including but not limited to:
 - (1) Televisions, audio, video and other electronic media playing and/or recording devices.
 - (2) Audio and video media storage devices such as dvds, records, cds, and tapes.
 - (3) Cameras, projectors and related equipment.
 - (4) Gaming systems including their games and accessories

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HOME COMPUTER COVERAGE

We cover your home computer as described below:

Covered Property Under This Coverage

Your home computer is defined to include the electronic data processing system designed for use in the home, including peripheral hardware and connecting cables, plug in cartridges and expansion hardware, commercially purchased software, blank tapes, blank disks, disc drives, printers and modems.

Your home computer does not include data or home developed software, any television set used as a computer monitor, and telephone equipment used to connect the computer to a network through telephone lines.

Perils Insured Against Under This Coverage

We cover your home computer against all risks of direct physical loss or damage from any external cause except:

- a. Loss or damage caused by or resulting from wear and tear, an original defect in the property covered, gradual deterioration, insects, vermin, inherent vice, dampness, dryness, cold or heat.
- b. Dishonest acts by any insured or anyone entrusted with the property, except a carrier for hire.
- c. Errors or omissions in processing or machine programming error or instructions to the machine.
- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except by a confirmed direct lightning strike to the dwelling in which the home computer is located.
- e. Mechanical breakdown, faulty construction, error or omission in design. A direct loss caused by resulting fire or explosion is covered.
- f. Delay, loss of market, loss of income or interruption of business.
- g. War, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these.
- h. Nuclear hazard

Business Use Permissible Deductible For This Coverage

Business use of your computer is permissible under this coverage.

A deductible amount of \$500 applies to this coverage; however, if the same "occurrence" results in losses to other property insured by this policy to which a deductible applies, unreimbursed losses will be applied to the deductible under this coverage.

Limit of Liability

For SECTION I – PROPERTY COVERAGES, COVERAGE C – PERSONAL PROPERTY, Special Limits Of Liability, item 4.d.:

Personal computers, including but not limited to tablet, laptop and desktop computers, accessories, and related peripherals such as disk drives, printers, and commercial software. We will not pay for other software or lost data.

the \$2,500 limit of liability is increased to \$5,000. If an amount is shown on the Declarations page for Home Computer Coverage, the \$5,000 limit of liability for this coverage is in addition to the amount shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL INJURY

DEFINITIONS

The following definition is added:

"**Personal injury**" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. 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;
4. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral, written or electronic publication of material that violates a person's right of privacy.

**SECTION II –
LIABILITY
COVERAGES**

Coverage E – Personal Liability

The following is added to Coverage E – Personal Liability:

Personal Injury Coverage

If a claim is made or suit is brought against an "insured" for damages resulting from an offense, defined under "personal injury", 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 offense has been exhausted by payment of a judgment or settlement.

**SECTION II –
EXCLUSIONS**

With respect to the coverage provided by this endorsement, the **Section II - Exclusions** is deleted and replaced by the following:

This insurance does not apply to:

1. "Personal Injury":
 - a. Caused by or at the direction of an "insured" with the knowledge or reasonable expectation that the act would violate the rights of another or would inflict "personal injury" even if the resulting "personal injury":
 - (1) Is of a different kind, quality or degree than initially expected or intended; or
 - (2) Is sustained by a different person, entity, real or personal property, than initially expected or intended;

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- b. Arising out of oral, written or electronic publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;
- c. Arising out of oral, written or electronic 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".

This exclusion 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;
 - h. Arising out of civic or public activities performed for pay by an "insured";
 - i. To you or an "insured" as defined under a. and b. of the definition for "insured".

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

 - (1) To repay; or
 - (2) Share damages with; or

Another person who may be obligated to pay damages because of "personal injury" to an "insured"; or
 - j. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

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.
 - k. 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; or
 - l. Arising out of broadcasting, communicating, posting, publishing, searching, accessing or telecasting through the internet or intranet including but not limited to all electronic communications sent via computer, mobile device, telephone, satellite or any other electronic device.
2. Any loss, cost or expense arising out of any:
- a. Request, demand or order that an "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants, "fungi", wet or dry rot, or bacteria; or

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SECTION II –
CONDITIONS**

- b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, clean up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants, "fungi", wet or dry rot, or bacteria.

With respect to the coverage provided by this endorsement, the Section II – Conditions for **Limit Of Liability, Severability Of Insurance, What Must Be Done After A Loss, and Policy Period** are deleted and replaced by the following:

Limit Of Liability

Our total liability under "Personal Injury" Coverage for all damages resulting from any one offense 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 suits brought.

Severability Of Insurance

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

Duties After Offense

In the case of a covered offense, 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 "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the offense; 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 offense;
 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. 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 "personal injury".

Policy Period

This policy applies only to "personal injury" which occurs during the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACKUP AND SUMP PUMP DISCHARGE OR OVERFLOW

We cover damage resulting from water backup or sump pump overflow as described below:

Water Backup and Sump Pump Discharge or Overflow Coverage

We insure, up to \$5,000, for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or water-borne material, which:

- a. Backs up through sewers or drains; or
- b. Overflows or is discharged from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure;

even if such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This coverage does not increase the limits of liability for Coverages C or D stated in the Declarations.

Water Damage Exclusion

The **Water Damage Exclusion** is replaced by the following:

Water Damage means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water or any other substance which backs up through sewers or drains as a direct or indirect result of flood;
- c. Overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure as a direct or indirect result of flood;
- d. Water or any other substance on or below the surface of the ground, regardless of its source. This includes but is not limited to water or any other substance which exerts pressure on or flows, seeps or leaks through any part of the "residence premises."

This Exclusion applies regardless of whether any of the above, in a. through d., is caused by an act of nature or is otherwise caused.

This Exclusion applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

However, direct loss by fire, explosion or theft resulting from any of the above, in a. through d., is covered.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Scheduled Jewelry Endorsement

SCHEDULE

Class Of Personal Property	Amount Of Insurance	Premium
Jewelry	\$	\$
Entries may be left blank if shown elsewhere in this policy.		

SCHEDULED JEWELRY COVERAGE

We cover jewelry indicated in the Schedule by an amount of insurance.

This coverage is subject to the:

1. Section I – Conditions;
2. Sections I and II – Conditions; and
3. Definitions.

in the policy and all provisions of this endorsement.

Deductible For This Coverage

Any deductible stated in this policy does not apply to this coverage.

Newly Acquired Property

We cover newly acquired property which is reported to us within 30 days of your acquisition and is of a class of property already insured. The lesser of the following limits applies:

1. 25% of the amount of insurance for that class of property; or
2. \$10,000.

When you acquire new property you must pay the additional premium from the date acquired.

Perils Insured Against Under This Coverage

We insure against risks of direct loss to property described only if that loss is a physical loss to property; however, we do not insure loss caused by any of the following:

1. Wear and tear, gradual deterioration or an original defect in the property covered.
2. Insects or vermin.
3. War, including the following and any consequence of any of the following:
 - a. Declared war, undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, discharge of a nuclear weapon even if accidental; or
 - b. Destruction, seizure or use for a military purpose.
4. Nuclear Hazard

SCHEDULED JEWELRY CONDITIONS

Loss Clause

The amount of insurance under this endorsement will not be reduced except for a total loss of a scheduled article. We will refund the unearned premium applicable to such article after the loss or you may apply it to the premium due for the replacement of the scheduled article.

Loss Settlement

Covered property losses are settled as follows:

1. The value of the property insured is not agreed upon but will be ascertained at the time of loss or damage. We will not pay more than the least of the following amounts:
 - a. The amount for which the article could reasonably be expected to be replaced with one substantially identical to the article lost or damaged; or
 - b. The amount of insurance.
2. If the scheduled article or property is a pair or set, or consists of several parts when complete, we will:
 - a. Pay the amount for which the pair, set or complete article could reasonably be expected to be replaced with one substantially identical to the article lost or damaged; or
 - b. Pay the full amount shown in the schedule for that pair, set or complete article. At our request, you will surrender that article or property to us if not lost or stolen.
3. In the event lost or stolen property is recovered and we have paid you the full amount shown in the Schedule for that property, you will surrender that property to us.
4. We will, at your request, sell back to you, at a price you and we agree upon any scheduled article you surrendered to us to comply with the terms in 2. or 3. above.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS COVERAGE A SPECIAL COVERAGE

FORM HO 00 06 ONLY

SECTION I – PERILS INSURED AGAINST

For Coverage **A**, the Perils Insured Against are deleted and replaced by the following:

PERILS INSURED AGAINST

1. We insure against risk of sudden and accidental direct physical loss to property described in Coverage **A**.
 2. We do not insure, however, for loss:
 - a. Excluded under Section **I** – Exclusions;
 - b. Involving collapse, except as provided in **D.8**. Collapse under Section **I** – Property Coverages.
 - 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 unit under construction, or of materials and supplies for use in the construction until the unit 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 building containing the "residence premises" has been "vacant" or "unoccupied" for more than 30 consecutive days immediately before the loss. A building being constructed is not considered vacant;
- (5) Constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

However, we do insure for loss that is completely hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

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 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;

- (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 resulting from an accidental discharge or overflow of water or steam from within a:

- (i) 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 owned solely by you, at the location of 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 owned solely by you at the location of the "residence premises".

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

For the 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 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 Coverage A not precluded by any other provision in this policy is covered.

SECTION I – EXCLUSIONS

The following exclusions are added:

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 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 Section I – Exclusions, other than Exclusions 2. and 3. below, to produce the loss;
2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body; or
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".

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PERSONAL PROPERTY COVERAGE

AGREEMENT

We agree to provide the special personal property coverage in this endorsement with the understanding that:

1. You occupy the "residence premises" which contains the covered property; and
2. Such residence is not rented or sublet to another.

SECTION I – PROPERTY COVERAGES

Additional Coverages

With respect to Coverage C – Personal Property, Paragraph 8. Collapse is deleted.

SECTION I – PERILS INSURED AGAINST

With respect to Coverage C – Personal Property, this section is replaced by the following:

We insure against risk of sudden and accidental direct physical loss to property described in Coverage C.

We do not insure, however, for loss:

1. Excluded under Section I – Exclusions;
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 provision does not apply 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.

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;
- 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) Footing, foundation, bulkhead, wall or any other structure or device that supports all or part of a building or other structure; or
- (3) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
- (4) 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. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days 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;
- e. Breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles other than jewelry, watches, bronzes, cameras and photographic lenses.

There is coverage for breakage of the property by or resulting from:

 - (1) Fire, lightning, windstorm, hail;
 - (2) Smoke, other than smoke from agricultural smudging or industrial operations;
 - (3) Explosion, riot, civil commotion;
 - (4) Aircraft, vehicles, vandalism and malicious mischief;
 - (5) Collapse of a building or any part of a building;
 - (6) Water not otherwise excluded;
 - (7) Theft or attempted theft; or
 - (8) Sudden and accidental tearing apart, cracking, burning or bulging of:
 - (a) A steam or hot water heating system;
 - (b) An air conditioning or automatic fire protective sprinkler system; or
 - (c) An appliance for heating water;
- f. Dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail;

- g.** Refinishing, renovating or repairing property other than watches, jewelry and furs;
- h.** Collision, other than collision with a land vehicle, sinking, swamping or stranding of watercraft, including their trailers, furnishings, equipment and outboard engines or motors;
- i.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body; or
- j.** Any of the following:
 - (1)** Wear and tear, marring, deterioration;
 - (2)** Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
 - (3)** Smog, rust or other corrosion, 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 one or more of the Perils Insured Against that would apply under Coverage **C** of the policy form if this endorsement were not attached to the policy form.

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 bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (7)** Birds, vermin, rodents or insects; or
 - (8)** Animals owned or kept by an "insured".

Exception To 2.j.

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage **C** resulting from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises".

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

For the 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.

- k.** Mysterious disappearance, losing or misplacement.

Section **I** – Exclusion **3**. Water Damage (Exclusion **A.3.** in Forms **HO 00 03** and **HO 00 05**), Paragraphs **a.** and **d.** that apply to surface water and water below the surface of the ground, do not apply to loss by water covered under Paragraphs **2.d.** and **j.** above.

Under Paragraphs **2.a.** through **d.**, **i.** and **j.** above, any ensuing loss to property described in Coverage **C** not precluded by any other provision in this policy is covered.

SECTION I – EXCLUSIONS

3. Water Damage

The following paragraphs are added:

This exclusion does not apply to property described in Coverage **C** that is away from a premises or location owned, rented, occupied or controlled by an "insured".

This exclusion applies to property described in Coverage **C** that is on a premises or location owned, rented, occupied or controlled by an "insured" even if weather conditions contribute in any way to produce the loss.

(This is added to Paragraph **A.3.** in Forms **HO 00 03** and **HO 00 05.**)

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**UNIT-OWNERS MODIFIED OTHER INSURANCE AND
SERVICE AGREEMENT CONDITION**

FORM HO 00 06 ONLY

SECTION I – CONDITIONS

F. Other Insurance And Service Agreement

Paragraph 2. is deleted and replaced by the following:

2. If, at the time of loss, there is other insurance or a service agreement, in the name of a corporation or association of property owners covering the same property covered by this policy, we will pay only for the amount of the loss in excess of the amount due from that other insurance or service agreement, whether they can collect on it or not.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS RENTAL TO OTHERS

FORM HO 00 06 ONLY

Coverage provided by this policy is extended to apply while the "residence premises" is regularly rented or held for rental to others.

SECTION I – PROPERTY COVERAGES

B. Coverage C – Personal Property

4. Property Not Covered

Paragraph **g.** is replaced by the following:

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

C. Coverage D – Loss of Use

The following item is added:

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 80% 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.

SECTION I – PERILS INSURED AGAINST

Under Peril **9.** Theft, Paragraph **b.(3)** is deleted.

SECTION I – EXCLUSIONS

The following Exclusion is added:

Theft, from the "residence premises" of:

- a.** Money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, platinumware, platinum-plated ware, coins, medals, scrip, stored value cards and smart cards;
- 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 semiprecious stones.

SECTION II – EXCLUSIONS

Exclusion **E.2.** "Business" is replaced by the following:

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".

- b.** 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".

This Exclusion **E.2.** 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.

WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW

A. Coverage

We insure, up to the limit of liability shown on the declarations for this coverage, for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or water-borne material, which:

1. Backs up through sewers or drains; or
2. Overflows or is discharged from a:
 - a. Sump, sump pump; or
 - b. Related equipment;

even if such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This coverage does not increase the limits of liability for Coverages **A**, **B**, **C** or **D** stated in the Declarations.

B. Section I – Perils Insured Against

With respect to the coverage described in **A**. above, Paragraph:

A.2.c.(6)(b) in Form **HO 00 03**;

A.2.e.(2) in Form **HO 00 05**;

2.j.(2) in Endorsement **ASI HO SPC**; and

2.c.(6)(b) in Endorsement **ASI HO UOA**;

is deleted and replaced by the following:

Latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

C. Special Deductible

The following replaces any other deductible provision in this policy with respect to loss covered under this endorsement.

We will pay only that part of the total of all loss payable under Section I that exceeds your deductible shown on the declarations page or \$1,000, whichever is greater. No other deductible applies to this coverage. This deductible does not apply with respect to Coverage **D** – Loss of Use.

D. Exclusion

The **Water Damage** Exclusion is deleted and replaced by the following:

Water

This means:

1. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
2. Water which:
 - a. Backs up through sewers or drains; or
 - b. Overflows or is otherwise discharged from a sump, sump pump or related equipment; as a direct or indirect result of flood;
3. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
4. Waterborne material carried or otherwise moved by any of the water referred to in **D.1.** through **D.3.** of this Exclusion.

This Exclusion applies regardless of whether any of the above, in **D.1.** through **D.4.**, is caused by an act of nature or is otherwise caused.

This Exclusion applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

However, direct loss by fire, explosion or theft resulting from any of the above, in **D.1.** through **D.4.**, is covered.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

ALL FORMS EXCEPT HO 00 04 AND HO 00 06

SCHEDULE*

Windstorm Or Hail Deductible Percentage Amount:

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

DEDUCTIBLE

The following special deductible is added to the policy:

With respect to the peril of Windstorm Or Hail, we will pay only that part of the total of all loss payable under Section I that exceeds the windstorm or hail percentage deductible.

The dollar amount of the windstorm or hail deductible is determined by multiplying the Coverage A limit of liability shown in the Declarations by the deductible percentage amount shown in the Schedule above.

No other deductible in the policy applies to loss caused by windstorm or hail.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL STRUCTURE BUYBACK

For an additional premium and up to the limit of liability stated on the Declarations Page for this coverage, we insure for direct physical damage caused by Windstorm or Hail to the following structures located on the "residence premises":

- a.** Aluminum framed screened enclosures;
- b.** Aluminum framed carports;
- c.** Fences; and
- d.** Structures defined as part of Coverage B – Other Structures that are not constructed of the same or superior construction materials and methods as that of the dwelling and/or are not attached to a permanent concrete foundation.

This endorsement does not provide coverage for screen material or costs associated with removing or replacing screens.

This coverage is additional insurance.

CONDITIONS

Loss Settlement. Losses are settled at Actual Cash Value. We will pay no more than the least of the following amounts:

- cost to repair damage to covered property
- actual cash value at the time of loss
- the limit of liability shown on your declarations page for this coverage

Ordinance or Law Coverage does not apply to coverage provided by this endorsement. Actual cash value loss settlement provided by this endorsement may result in you incurring significant out-of-pocket expense to replace your damaged property.

The deductible for this coverage will be the same as the applicable deductible on the policy.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROGRESSIVE HOME ADVANTAGE BENEFITS PACKAGE

The following provision applies to Progressive Home Advantage (PHA) Policies underwritten by ASI:

SINGLE DEDUCTIBLE ADVANTAGE

If a single event causes a loss for which coverage applies under both your Progressive Auto Policy and your ASI PHA Homeowners Policy, your ASI PHA Homeowners Policy deductible will be reduced by the amount of your Progressive Auto Policy deductible applied to the loss. The amount of this reduction shall not exceed the ASI PHA Homeowners Policy deductible. For the Single Deductible Advantage provision to apply, a claim must be reported under both policies.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE

FOR USE WITH FORM HO 00 03 AND HO 00 05

Earthquake Deductible Percentage Amount:
*Entries may be left blank if shown elsewhere in this policy for this coverage.

Coverage

1. We insure for direct physical loss to property covered under Section I caused by earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

One or more earthquake shocks that occur within a seventy-two hour period constitute a single earthquake.

2. This coverage does not increase the limits of liability stated in this policy.
3. This coverage does not apply to water, lawns, trees, shrubs, or plants; or to land or the value of land, including land on which the dwelling is located, or the cost to restore, replace, repair, or rebuild land. If a covered occurrence caused damage to the dwelling and to the land on the residence premises we do not cover any increased cost to repair or rebuild the dwelling because of damage to the land.

4. **\$3,000** for retaining walls that are not part of the dwelling or other structural foundation;
5. **\$3,000** for those portions of walks, driveways, patios, stairs, porches and other paved surfaces that are outside the foundation walls of the insured dwelling.

B. Coverage B - Other Structures

The following provisions are added to **Item 2**:

- e. Bulkheads, wharves, piers, bridges, docks, or other open structures located on or partially over water, or property thereon; or,
- f. Underground structures or equipment outside the foundation walls of the insured dwelling.

E. Coverage E. – Additional Coverages

The following coverages are added:

13. Engineering and Demolition Costs

We will pay the structural engineering costs, except as provided by public entities, that you reasonably incur to determine the habitability of the dwelling on the residence premises or the actual costs of demolition you incur due to structural condemnation as a result of a covered occurrence that causes damage to covered property

We will pay up to 5% of the liability limit as shown in the declarations. This special limit is included in and does not increase the limit of liability shown in the declarations.

14. Reconstruction and Local Building Code Standards

We will pay the reconstruction costs you incur to bring the dwelling on the residence premises up to local residential building code standards as required by your local government as part of the reconstruction permit process after an earthquake.

We will pay up to \$10,000 for this coverage. This limit is included in and does not increase the limit of liability shown in the declarations.

SECTION I – PROPERTY COVERAGES

Under **COVERAGE A – Dwelling and COVERAGE B – Other Structures**

The following is added:

Special Limits of Liability for A. COVERAGE A – Dwelling and B. COVERAGE B –Other Structures

All property identified below that is damaged from a covered occurrence is subject to the special limit of liability. The special limit of liability for each below is the maximum amount allowable for loss from each occurrence for all property in that section. These special limits are included in and do not increase the single limit of liability shown in the declarations.

1. **\$5,000** for chimneys, fireplaces, or masonry veneers. (For purposes of this limitation, stucco is not considered masonry veneer)
2. **\$3,000** for swimming pools, spas, whirlpool baths and hot tubs, including all concrete or tile decking and all related equipment;
3. **\$3,000** for fences of all kinds and types of construction;

CONDITIONS

A. Special Deductible

The following replaces any other deductible provision in this policy with respect to loss covered under this endorsement:

We will pay only that part of the total of all loss payable under Section I, except:

1. Coverage D; and
 2. The Additional Coverages;
- that exceeds the earthquake deductible.

The dollar amount of the earthquake deductible is determined by multiplying either the:

Coverage A; or
Coverage C;

limit of liability shown in the Declarations, whichever is greater, by the deductible percentage amount shown in the Schedule above.

The total deductible amount will not be less than \$250.

B. Special Exclusions

1. Flood

We do not cover loss resulting directly or indirectly from flood of any nature or tidal wave, whether:

- a. Caused by;
 - b. Resulting from;
 - c. Contributed to by; or
 - d. Aggravated by;
- earthquake.

2. Filling Land

This coverage does not include the cost of filling land.

C. Exception To The Earth Movement Exclusion

The Section I – Earth Movement Exclusion does not apply to loss caused by earthquake, including land shock waves or tremors before, during or after a volcanic eruption.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNCTIONAL REPLACEMENT COST LOSS SETTLEMENT

FORM HO 00 03 ONLY

DEFINITIONS

The following definition is added when this endorsement is attached to the policy:

"Functional replacement cost" means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.

SECTION I – CONDITIONS

C. Loss Settlement

Paragraph 2. is deleted and replaced by the following:

2. Buildings covered under Coverage A or B:

- a.** If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the "functional replacement cost" of the building immediately before the loss and you contract for repair or replacement of the damaged building for the same use, within 180 days of the damage unless we and you otherwise agree, we will pay, after application of any deductible, the lesser of the following amounts:
 - (1)** The limit of liability under this policy that applies to the building; or
 - (2)** The necessary amount actually spent to repair or replace the damaged building on a "functional replacement cost" basis.
- b.** If you do not make claim under 2.a. above, we will pay, after application of any deductible, the least of the following amounts:
 - (1)** The limit of liability under this policy that applies to the building;

- (2)** The actual cash value of the damaged part of the building; or
 - (3)** The amount which it would cost to repair or replace the damaged building on a "functional replacement cost" basis.
- c.** If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the "functional replacement cost" of the building immediately before the loss, we will pay that proportion of the cost to repair or replace that part of the building damaged:
- (1)** After application of any deductible; and
 - (2)** Without deduction for depreciation;
- which the total amount of insurance in this policy on the damaged building bears to 80% of the "functional replacement cost" of the building, but not more than the limit of liability under this policy that applies to the building.
- d.** To determine the amount of insurance required to equal 80% of the "functional 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 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.

e. If the actual cash value of the damage is less than the "functional replacement cost" then:

(1) We will pay no more than the actual cash value of the damage until replacement is complete. Once replacement is complete, we will settle the loss according to the provisions of **2.a.** and **c.** above.

However, if the cost to functionally repair the damage is both:

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

(b) Less than \$2,500;

we will settle the loss according to the provisions of **2.a.** and **c.** above whether or not replacement is complete.

(2) You may disregard the "functional 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 of the date of loss.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SINKHOLE LOSS COVERAGE – TENNESSEE

DEFINITIONS

For the purposes of this endorsement, the following definitions are added:

“ANSI” means the American National Standards Institute;

“Building stabilization or foundation repairs” means techniques performed at, to, or attached to the existing foundation of a building with the intention to repair, re-level, or stabilize the building or foundation of a covered building;

“Covered building” means a residential building, including its foundation, floor slab, and footings supporting the building;

If Form **ASI HO UOA** is a part of this policy, this coverage is limited to the alterations, appliances, fixtures and improvements which are part of the “covered building” and which are your insurance responsibility under a corporation or association of property owners agreement.

“Engineer” means a person meeting the qualifications under title 62, chapter 2, part 4 who has at least a bachelor's degree in engineering, and relevant experience and expertise in the identification of sinkhole activity, as well as other potential subterranean causes of structural damage;

“Homeowner property insurance” means property insurance covering a residential dwelling;

“Land stabilization” means any repair technique intended to replace, rebuild, stabilize, or restore the land including any repair technique designed to compensate for or prevent land instability;

“Primary structural member” means a structural element designed to support and stabilize the vertical or lateral loads of the overall structure;

“Primary structural system” means an assemblage of primary structural members;

“Professional geologist” means a person meeting the qualifications of title 62, chapter 36, part 1, who has at least a bachelor's degree in geology or a related earth science with expertise in the geology of

this state, as well as having relevant geological experience and expertise identifying “sinkhole” activity, as well as other potential geologic causes of structural damage;

“Sinkhole” means a subterranean void created by the dissolution of limestone or dolostone strata resulting from groundwater erosion causing a surface subsidence of soil, sediment, or rock;

“Sinkhole activity” means settlement or systematic weakening of the earth supporting a covered building, only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of groundwater erosion on a limestone or similar rock formation;

“Sinkhole loss”:

1. Means structural damage to a covered building caused by the sudden collapse of the earth supporting the covered building as a result of “sinkhole activity”
2. Does not include;
 - a. Land stabilization or costs associated with land stabilization; or
 - b. In the absence of structural damages to the covered building, cracking, shrinking, expansion, deterioration, or similar damages; and

“Structural damage” means foundation displacement or deflection caused by a “sinkhole” after completion of initial construction of the covered building, resulting in:

1. Interior floor displacement or deflection:
 - a. In excess of variances acceptable under building standards for residential construction approved by ANSI; and
 - b. To the extent that the interior building structure or members are unfit for service or represent a safety hazard;
2. Damage to primary structural members or primary structural systems that:
 - a. Results in such members or systems failing to meet the strength and performance requirements set forth in

building standards for residential construction approved by ANSI; and

- b. Renders such structural members or structural systems unfit for service or a safety hazard; or
3. Occupancy of the “covered building” has been prohibited by a governmental agency because of unsafe conditions.

The reference in this subdivision to building standards approved by ANSI shall not require the original construction of a “covered building” to be in compliance with such standards, but is solely for the purpose of defining the extent of damage required in order to be considered “structural damage”.

OTHER COVERAGES

The following Coverage is added:

“Sinkhole Loss” Coverage

1. We insure for “sinkhole loss” to the “covered building”, including any covered contents of personal property contained therein, if investigation proves that “structural damage” has occurred to the “covered building” as a result of “sinkhole activity”. “Sinkhole loss” coverage does not apply to Coverage B – Other Structures.

Coverage is subject to the Loss Settlement section of this endorsement.

2. This coverage does not increase the limit of liability that applies to the damaged covered property. We will not pay more than one (1) policy limit for one (1) policy loss due to a covered sinkhole loss.

The Earth Movement and Settlement exclusion does not apply to this coverage.

SECTION I – EXCLUSIONS

The following is added to **11. Existing Damage**:

- c. Any damage caused by “sinkhole activity” occurring prior to the inception of this policy.

SECTION I – CONDITIONS

Under **B. Duties After Loss**:

The following item is added:

Without our prior written consent, you may not accept anything of value from any person proposing to perform the repairs specified in this section as an inducement to contract with such person for the repairs.

With respect to “sinkhole loss” as provided in this endorsement, **C. Loss Settlement** is deleted and

replaced by the following:

C. Loss Settlement

In the event of a covered “sinkhole loss” payable under this endorsement, covered property losses are settled as follows. No other Loss Settlement provision of this policy applies to a covered “sinkhole loss.”

1. We may limit our total claims payment for damages to the “covered building” to the actual cash value of the “sinkhole loss” to the “covered building”, excluding costs associated with building stabilization or foundation repair, until you enter into a contract for the performance of building stabilization or foundation repairs in accordance with the recommendations of the “engineer” retained or approved by us.
2. To be eligible to receive payment for building stabilization or foundation repairs, or any other loss to the “covered building” in excess of the actual cash value of the “sinkhole loss” to the “covered building”, you must repair such damage or loss in accordance with a plan of repair approved by us.
3. In order to prevent additional damage to the building or structure, you must enter into a contract for the performance of building stabilization and foundation repairs within ninety (90) days after we confirm coverage for the “sinkhole loss” and notify you of such confirmation.
4. After you enter into the contract for the performance of building stabilization and foundation repairs as set forth in this subsection and subject to the terms and conditions of the policy, we shall pay the amounts necessary to begin and perform such repairs as the work is performed and expenses are incurred. We may not require you to advance payment for covered repairs.
5. The stabilization and all other repairs to the structure and contents must be completed within twelve (12) months after entering into the contract for repairs described in **2.** above unless:
 - a. There is a mutual agreement between us and you;
 - b. The claim is in litigation;
 - c. The claim is under appraisal or mediation; or
 - d. Repairs are undertaken but cannot be completed within twelve (12) months because of reasons beyond your control.

6. If the “covered building” cannot be repaired or if the cost of repair exceeds policy limits, the terms and conditions of the policy or endorsement relative to losses in excess of policy limits shall apply.
7. The All Other Perils Deductible applies to all “sinkhole losses”; is shown on the Declarations Page; and applies separately to each covered “sinkhole loss.”

With respect to “sinkhole loss” as provided in this endorsement, **E. Appraisal** is deleted and replaced by the following:

E. Appraisal.

If you or we fail to agree on the amount of covered loss under this endorsement, either party may demand an appraisal of:

1. The amount of covered loss to personal property;
2. The amount of covered loss to the “covered building,” which does not include underpinning or grouting or any other repair technique performed below the existing foundation of the building; or
3. Both.

However, the amount of underpinning or grouting or any other repair technique performed below the existing foundation of the building is not eligible for appraisal because it is not payable until the work is performed in accordance with the “engineer’s” recommendations approved by us, and the expenses are incurred by you.

In the event that you or we demand appraisal for a qualifying type of loss, 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.

With respect to “sinkhole loss” as provided in this endorsement, Condition **G. Suit Against Us** is replaced by the following:

G. Suit Against Us

No action can be brought against us; unless:

- a. There has been full compliance with all of the terms of this policy; and
- b. The action is started within 3 years after the date of the loss;

With respect to “sinkhole loss” as provided in this endorsement, Condition **I. Loss Payment** is replaced by the following:

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 pursuant to the Loss Settlement provisions of this endorsement.

The following Condition is added:

No Liability for Work Performed

We have no liability based on any representation or certification by the professional engineer related to the stabilization or foundation repairs for the verified “sinkhole loss”. Our decision to make payment for land and building stabilization and foundation repairs does not hold us liable for the work performed.

SECTIONS I AND II – CONDITIONS

The following is added to **C. Cancellation**:

On the basis of filing of claims for “sinkhole loss”. However, we may elect to cancel insurance on a structure that has been the subject of a sinkhole loss claim if the structure:

1. Has not been repaired in accordance with the plan of repair approved by the insurer and within the time constraints set forth in subdivision Loss Settlement (5); or
2. Is subject to the risk of future sinkhole damage because of unstable land.

The following is added to **D. Nonrenewal**:

On the basis of filing of claims for “sinkhole loss”. However, we may decline to renew insurance on a structure that has been the subject of a sinkhole loss claim if the structure:

1. Has not been repaired in accordance with the plan of repair approved by the insurer and within the time constraints set forth in subdivision Loss Settlement (5); or
2. Is subject to the risk of future sinkhole damage because of unstable land.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING

<u>ROOF SURFACE DEPRECIATION SCHEDULE</u>	
TYPE OF ROOF SURFACE MATERIAL	DEPRECIATION
All Composition Shingle	3.33% per year
Slate	1.33% per year
Tile	2% per year
Wood	2% per year
Metal	1.33% per year
All Other Roof Material	3.33% per year
Depreciation of all roof surface materials is capped at and will not exceed 70%	

SECTION I – CONDITIONS

This endorsement modifies the **Section I – Loss Settlement** Condition in the policy form with respect to a covered loss for roof surfacing caused by the peril of windstorm or hail. Such loss will be subject to actual cash value loss settlement per the Roof Surface Depreciation Schedule above.

The loss settlement conditions that pertain to "repair or replacement cost without deduction for depreciation" are changed as noted below:

C. Loss Settlement

Paragraph 1.c. is deleted and replaced by the following:

c. Structures that are not buildings, including their roof surfacing;

The following is added to Paragraph 1.:

e. Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of windstorm or hail.

In Paragraph 2., the introductory statement "Buildings covered under Coverage A or B at replacement cost without deduction for depreciation, subject to the following": is deleted and replaced by the following:

2. Buildings covered under Coverage A or B, except for their roof surfacing if the loss to the roof surfacing is caused by the peril of windstorm or hail, at replacement cost without deduction for depreciation, subject to the following:

The provisions of this endorsement do not apply to structures insured under either the Coverage B – Other Structures Away From The Residence Premises Endorsement or the Specific Structures Away From The Residence Premises Endorsement, if made a part of the policy.

All other provisions of this policy apply.

Insurance Application

AMERICAN STRATEGIC INSURANCE CORP
PO BOX 33018
ST. PETERSBURG, FL 33733



Agent:

Agent Code:
For Policy Service, Call:

Total Policy Premium:
Policy Number:
Plan Type:

Applicant:

Application Date:

Policy Period:

Phone Number:

Applicant Information

Applicant Name:
Date of Birth:
SSN:
Occupation:
of Years Employed:
Marital Status:

Co-Applicant Name:

Insured Location:

Prior Address:

Is this a new home purchase?

Prior Insurance Carrier:

Date of Purchase:

Prior Policy Number:

Underwriting Information

Type of Residence:
Construction Type:
Number of Stories:
Year Built:
Total Living Square Feet:
of Household Residents:
of Children in Household:
Fire Protection Level:
Burglary Protection Level:
Any resident employees?
Purchase Price:

Floors Above Unit:
Occupancy:
Central Heat:
Flood Zone:
Flood Policy Number:
Year Roof Installed:
Home under construction?
If yes, Contractor's License #:
Residents Smoke?
County:

Is there any business activity at this location?

Is the property located on 5 or more acres?

Is there a swimming pool on premises?

If yes, Is it surrounded by a screened enclosure or 4' locking fence?
Is there a diving board or slide?

Is there a trampoline on premises owned by applicant(s) or any other person?

Will a trampoline ever be installed?

Number of animals on premises?

Any saddle, hooped, exotic or ineligible breed of dog or mix thereof?

Do you, or any insured, own or keep on premises an all-terrain vehicle (ATV) or snowmobile?

Is the risk currently, or was it purchased as a short sale or foreclosure?

Applicant:

Policy ID:

Underwriting Information Cont'd

Any unrepaired damage to the insured location?

Have you ever been Canceled, Non-renewed or Declined for insurance coverage?

Number of paid or unpaid property claims you have filed in the past 3 years:

Have you ever filed a liability claim?

Describe claims and amount paid out:

Coverages, Surcharges and Discounts

Limit

Premium

TOTAL POLICY PREMIUM:

Deductibles

All Other Perils Deductible:	\$
Wind & Hail Deductible:	\$
Earthquake: <small>(if not purchased, do not print line item)</small>	\$

Payment Information

Insurance is paid by:
 Number of Payments:

Mortgagee Information

1st Mortgagee:

2nd Mortgagee:

Loan #

Loan #

Applicant:

Policy ID:

Special Acknowledgments

Limited Liability for Recreational Vehicles (print ALWAYS)

I understand that the insurance policy for which I am applying excludes Liability and Medical Payments to Others coverage for losses resulting from recreational vehicles I own. This means that the company will not pay for any amounts I may become liable for resulting from recreational vehicles I own.

Applicant's Initials _____

Animal Liability Excluded (print when ASI HO AL does not exist)

I understand that the insurance policy for which I am applying excludes Liability and Medical Payments to Others coverage for losses resulting from animals I own or keep. This means that the company will not pay for any amounts I may become liable for resulting from alleged injury or damage caused by animals I own or keep.

Applicant's Initials _____

Limited Water Damage Coverage (print when ASI HO LWD exists)

I understand that the insurance policy for which I am applying for has a \$10,000 limit of liability for losses caused by water damage. I understand that this \$10,000 limit applies to all damage or expenses I incur under Coverage A (Dwelling), Coverage B (Other Structures) and Coverage C (Personal Property) combined.

Applicant's Initials _____

Flood Coverage Excluded (print ALWAYS)

Losses resulting from flooding are not covered by this policy. (print ALWAYS)

(print when Flood Zone does not equal A or V) 25% of all flood claims occur in preferred risk flood zones. Although you may not be required to purchase this valuable coverage, the National Flood Insurance Program offers a Preferred Risk Policy at reduced rates. *

Print if HO3, HO5, HO6

<u>Building/Contents</u>	<u>Premium</u>
\$20,000 / \$8,000	\$129
\$30,000 / \$12,000	\$160
\$50,000 / \$20,000	\$211
\$75,000 / \$30,000	\$247
\$100,000 / \$40,000	\$274
\$125,000 / \$50,000	\$294
\$150,000 / \$60,000	\$313
\$200,000 / \$80,000	\$343
\$250,000 / \$100,000	\$365

*Rates slightly higher for homes with basements.

_____ I reject this valuable coverage

_____ Quote provided

Lead Liability Excluded (print when HO 00 06 and ASI HO LD exist)

I understand that the insurance policy for which I am applying excludes Liability and Medical Payments to Others coverage for losses resulting from lead. This means that the company will not pay for any amounts I may become liable for resulting from alleged injury, damage, costs or expenses caused by lead.

Applicant's Initials _____

Applicant:

Policy ID:

Functional Replacement Cost Loss Settlement *(print when HO 05 30 exists)*

I understand that for the premium charged, any claim for property covered under Coverage A or Coverage B will be settled on a Functional Replacement Cost basis. This means, we will pay the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.

Applicant's Initials X

Sinkhole Acknowledgement *(print ALWAYS)*

Applicant has never reported any potential sinkhole, settlement or cracking damage or loss to this property or has any knowledge that any sinkhole, settlement or cracking exists or that any prior owner of the property reported any such damage.

Applicant's Initials _____

Sinkhole Coverage *(print ALWAYS - prefill selection from system)*

Your policy contains coverage for a catastrophic ground cover collapse that results in the property being condemned and uninhabitable. Otherwise, your policy **does not provide coverage for sinkhole losses**. Although sinkhole coverage is not included as part of your policy, you may purchase coverage for sinkhole losses for an additional premium. **We encourage you to discuss purchasing sinkhole coverage with your agent and your mortgagee. In many areas of Tennessee, this optional coverage is available for a minimal premium charge.** You may find that it is in your financial interest to add sinkhole coverage to your policy. If you elect to purchase sinkhole coverage, it will be noted in the *Coverages and Endorsements* section on this Application and your Declaration Page. Your initials below and signature on this application create a presumptive conclusion that you made an informed election or rejection to purchase sinkhole coverage.

- I choose to reject Sinkhole Loss Coverage**
- I choose to purchase Sinkhole Loss Coverage**

Applicant's Initials _____

Applicant's Acknowledgement

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

By signature on this document, I apply to the company for a policy of insurance on the basis of the statements and information presented on this application. I agree that such policy may be null and void if such information is false or misleading in any way that would affect the premium charged or eligibility of the risk based on company underwriting guidelines.

I understand the company routinely requests consumer reports on applicants. I understand the consumer reports will be used as an underwriting tool in order to establish my eligibility for insurance coverage.

I understand that the company will inspect the insured location. If a discrepancy is found during the inspection from information provided in this application, I give the company the authority to adjust the policy. Further, I understand that this may cause a change in premium.

I understand this application is not a binder for insurance unless indicated as such on this form by the brokering agent.

APPLICANT SIGNATURE: _____ Date: _____

CO-APPLICANT SIGNATURE: _____ Date: _____

- BOUND EFFECTIVE (Date) _____ AT (Time) _____
- "NOT BOUND"

BROKERING AGENT'S REGISTER NUMBER: _____ Binder Log Number: _____

AGENT'S SIGNATURE: _____ (Rates are subject to underwriter review)

Agent's License # or SSN: _____

Applicant:

Policy ID:

Comments:

Insurance Application

AMERICAN STRATEGIC INSURANCE CORP
PO BOX 33018
ST. PETERSBURG, FL 33733



Agent: Agent Code: For Policy Service, Call:

Total Policy Premium: Policy Number: Plan Type: Policy Inception: Policy Expiration:

Applicant:

Application Date:

Phone Number:

Applicant Information

Applicant

Name:

Date of Birth:

Marital Status:

Co-Applicant

Name:

Insured Location:

Prior Address:

Prior Insurance Carrier:

Prior Policy Number:

Prior Liability Limit:

Underwriting Information

Number of paid or unpaid property claims, excluding Wind, Hail or Lightning, you have filed in the past 3 years:

Do any household members own or keep a prohibited breed of dog or a dog with previous bite history? Prohibited breeds include Pit Bulls, Bull Mastiffs, Belgian Malinois, German Shepherds, Rhodesian Ridgebacks, Akitas, Doberman Pinschers, Chows, Rottweilers, Great Danes, Caucasian Mountain Dogs, Staffordshire Terriers, American Bulldogs, Beaucerons, Wolf Hybrids or any mix thereof?

<i>Coverages, Surcharges and Discounts</i>		<u>Limit</u>	<u>Premium</u>
TOTAL POLICY PREMIUM:			
<i>Deductible</i>	\$	<i>Payment Information</i>	
		Insurance is paid by:	
		Number of Payments:	

Applicant:

Policy ID:

Animal Liability Excluded (print Always)

I understand that the insurance policy for which I am applying excludes Liability and Medical Payments to Others coverage for losses resulting from exotic, farm or saddle animals and prohibited breeds of dogs I own or keep. This means that the company will not pay for any amounts I may become liable for resulting from alleged injury or damage caused by exotic, farm or saddle animals and prohibited breeds of dogs I own or keep.

Applicant's Initials X

Flood Coverage Excluded (print ALWAYS)

Losses resulting from flooding are not covered by this policy. (print ALWAYS)
(print when Flood Zone does not equal A or V) 25% of all flood claims occur in preferred risk flood zones. Although you may not be required to purchase this valuable coverage, the National Flood Insurance Program offers a Preferred Risk Policy at reduced rates.

X I reject this valuable coverage

X Quote provided

Applicant's Acknowledgement

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

By signature on this document, I apply to the company for a policy of insurance on the basis of the statements and information presented on this application. I agree that such policy may be null and void if such information is false or misleading in any way that would affect the premium charged or eligibility of the risk based on company underwriting guidelines.

I understand the company routinely requests consumer reports on applicants. I understand the consumer reports will be used as an underwriting tool in order to establish my eligibility for insurance coverage.

I understand this application is not a binder for insurance unless indicated as such on this form by the brokering agent.

APPLICANT SIGNATURE: X Date: _____

CO-APPLICANT SIGNATURE: X Date: _____

() BOUND EFFECTIVE (Date) _____ AT (Time) _____

() "NOT BOUND"

BROKERING AGENT'S REGISTER NUMBER: Binder Log Number:

AGENT'S SIGNATURE: X (Rates are subject to underwriter review)

Agent's License # or SSN: _____

Comments:



American Strategic Insurance Corp
 1 ASI Way
 St. Petersburg, FL 33702
 Phone: (727) 374-2502



Homeowners Declaration Page

Total Policy Premium:
Policy Number:

Named Insured:

Agent:

Agent Code:
For Policy Service, Call:

Effective Date of This Transaction:

Policy Period: From: To:
 (At 12:01 AM Standard Time at the residence premises)

Activity of This Transaction:

Residence Premises:

Plan Type:

Coverage at the residence premises is provided only where a limit of liability is shown or a premium is stated.		
Coverages and Limits of Liability		
		<u>Limit</u>
		<u>Premium</u>
SECTION I:	A. Dwelling	
	B. Other Structures (N/A on HO6)	
	C. Personal Property	
	D. Loss of Use	
SECTION II:	E. Personal Liability - Each Occurrence	
	F. Medical Payments to Others - Each Person	
OTHER COVERAGES AND ENDORSEMENTS: (Printed on the following page)		
DEDUCTIBLE:	All Other Perils:	\$
	Wind & Hail	\$
	Earthquake	\$
		(if not purchased, do not print line item)

Special Messages: OTHER COVERAGES, LIMITS AND EXCLUSIONS APPLY - REFER TO YOUR POLICY FOR DETAILS

THIS POLICY DOES NOT INCLUDE COVERAGE FOR FLOOD LOSSES.

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR WIND/HAIL LOSSES WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU. (Print if HO 03 12 exists)

Mortgagee:

1st Mortgagee

2nd Mortgagee

Loan #

Loan #

Named Insured(s):

Policy Number:

Other Coverages and Endorsements:		<u>Limit</u>	<u>Premium</u>

Scheduled Items:			
<u>Category</u>	<u>Description</u>	<u>Value</u>	<u>Premium</u>

Additional Insured:

Additional Interest:

Interest:

Interest:

Rating Information:

Construction Type:
 Type of Residence:
 Year Built:
 Total Square Feet:
 ASI Territory:
 County:

Number of Floors Above Unit: (HO6 only)

Special Conditions:

PLEASE READ YOUR POLICY DOCUMENTS CAREFULLY AS SPECIAL CONDITIONS AND EXCLUSIONS APPL THESE INCLUDE, AMONG OTHERS:

1. LIMITED LIABILITY FOR WATERCRAFT AND RECREATIONAL VEHICLES
2. NO LIABILITY COVERAGE FOR LEAD (Print if ASI HO LD exists)
3. NO LIABILITY COVERAGE FOR ANIMALS.

Notes:



AMERICAN STRATEGIC INSURANCE CORP.
 1 ASI WAY
 ST. PETERSBURG, FL 33702
 Phone: (727) 374-2502



Homeowners Declaration Page

Agent:

Agent Code:
For Policy Service, Call:

Total Policy Premium: \$
Policy Number:
Plan Type:
Policy Inception:
Policy Expiration:

Named Insured:

Effective Date of This Transaction:

Activity of This Transaction:

Residence Premises:

Coverage at the residence premises is provided only where a limit of liability is shown or a premium is stated.		
Coverages and Limits of Liability		
	<u>Limit</u>	<u>Premium</u>
SECTION I: C. Personal Property		
D. Loss of Use		
SECTION II: E. Personal Liability - Each Occurrence		
F. Medical Payments to Others - Each Person		
OTHER COVERAGES AND ENDORSEMENTS: (Printed on the following page)		
DEDUCTIBLE: \$		

**Special Messages: OTHER COVERAGES, LIMITS AND EXCLUSIONS APPLY -
 REFER TO YOUR POLICY FOR DETAILS
 THIS POLICY DOES NOT INCLUDE COVERAGE FOR FLOOD LOSSES.**

Named Insured(s): Countersigned by Authorized Representative St. Petersburg, FL

Date
Policy Number:

Other Coverages and Endorsements:

Limit

Premium

Scheduled Items:

Description

Value

Premium

Additional Interest:

Interest:

Special Conditions:

PLEASE READ YOUR POLICY DOCUMENTS CAREFULLY AS SPECIAL CONDITIONS AND EXCLUSIONS APPLY.
THESE INCLUDE, AMONG OTHERS:

1. LIMITED LIABILITY FOR WATERCRAFT AND RECREATIONAL VEHICLES
2. NO LIABILITY COVERAGE FOR PROHIBITED ANIMALS

Notes:

ASI UNDERWRITERS
P.O. Box 33018
St. Petersburg, FL 33733-8018



Cancellation Notice
Non-payment of Premium

<Insured Name>
<Insured Mailing Address>
<Insured City, St Zip>

Agent ID:
<Agency Name>
<Agency Mailing Address>
<Agency City, St Zip>
<Agency Phone>

Policy Type:
Policy Period:
Policy Number:
Property Address:

Notice Date:
Cancellation Date:

Dear Policyholder,

We previously notified you of a past due payment on the above policy. We did not receive the minimum payment required to continue your coverage; therefore, your policy canceled as of the Cancellation Date shown below.

Your agent can assist you with securing replacement coverage. If you have any questions regarding this notice, please contact your agent.

CANCELLATION DATE: **Effective at 12:01 a.m.**

Mortgagee(s):

ASI UNDERWRITERS
P.O. Box 33018
St. Petersburg, FL 33733-8018



Notice of Intent to Cancel

Final Notice of Premium Due

<Insured Name>
<Insured Mailing Address>
<Insured City, St Zip>

Agent ID:
<Agency Name>
<Agency Mailing Address>
<Agency City, St Zip>
<Agency Phone>

Policy Type:
Policy Period:
Policy Number:
Property Address:

Notice Date:
Cancellation Date:
Premium Due Date:

Dear Policyholder,

As of this notice date, we have not received payment for your policy. Your payment must be received by <Premium Due Date> in order to avoid cancellation. If we do not receive a payment for at least the minimum amount due shown below by 12:01 a.m. on the "Premium Due Date", your policy will be canceled as of that date and time. If you have already sent us payment for this policy, please disregard this notice as the documents may have crossed in the mail. If your insurance premiums are paid through an escrow account with your mortgagee, please contact them and inquire about the payment status.

If we receive your payment before the "Premium Due Date", your policy will not be canceled. Your agent is able to take payments for you. For your convenience, their phone number is listed above. You may also view your policy and make payments online at www.americanstrategic.com

If you have any questions, please contact your agent. We appreciate your business and do not want to lose you as our valued customer!

Mortgagee(s):

----- Please detach and return the notice below with your payment in the envelope provided. -----

NOTICE OF INTENT TO CANCEL
Final Notice of Premium Due

Premium Due Date:

Policy Number:
Insured:
Minimum Amount Due:
Total Amount Due:

ASI UNDERWRITERS
P.O. Box 33018
St. Petersburg, FL 33733-8018



Notice of Cancellation
Underwriting Reasons

<Insured Name>
<Insured Mailing Address>
<Insured City, St Zip>

Agent ID:
<Agency Name>
<Agency Mailing Address>
<Agency City, St Zip>
<Agency Phone>

Policy Type:
Policy Period:
Policy Number:
Property Address:

Notice Date:
Cancellation Date:

Dear Policyholder,

Upon review of your policy, we regret to inform you that we are unable to continue this insurance policy. Your coverage will end at 12:01 a.m. on the Cancellation Date listed above. The reason(s) for this cancellation is(are):

<Insert Cancellation Reason(s)>

If you have any questions or wish to dispute this cancellation, please contact your agent. For your convenience, your agent's contact information is listed above. In addition, it is important for you to find replacement coverage. Your agent can assist you with securing a new policy.

Mortgagee(s):

ASI UNDERWRITERS
P.O. Box 33018
St. Petersburg, FL 33733-8018



Notice of Non-renewal

<Insured Name>
<Insured Mailing Address>
<Insured City, St Zip>

Agent ID:
<Agency Name>
<Agency Mailing Address>
<Agency City, St Zip>
<Agency Phone>

Policy Type:
Policy Period:
Policy Number:
Property Address:

Notice Date:
Coverage Ends: 12:01 A.M.

Dear Policyholder,

Upon review of your policy, we regret to inform you that we are unable to renew this insurance policy. Your coverage will end at 12:01 a.m. on the date listed above.
The reason(s) for this non-renewal is(are):

<Insert Non-renewal Reason(s)>

If you have any questions or wish to dispute this non-renewal, please contact your agent. For your convenience, your agent's contact information is listed above. In addition, it is important for you to find replacement coverage. Your agent can assist you with securing a new policy.

Mortgagee(s):

SERFF Tracking #:

AMSI-129408484

State Tracking #:

141355

Company Tracking #:

INITIAL HO

State:

Tennessee

Filing Company:

American Strategic Insurance Corp

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

TN Initial HO

Project Name/Number:

/

Supporting Document Schedules

Satisfied - Item:	Detailed Filing Overview
Comments:	Please see the attached explanatory memorandum.
Attachment(s):	TN HO Explanatory Memorandum.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Authorization
Bypass Reason:	Not Applicable to this filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Fees For Property and Casualty
Comments:	Our State of Domicile, Florida, does not have a filing fee.
Attachment(s):	Retaliatory Fee Doc.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Applications that become part of the policy
Bypass Reason:	Not Applicable to this filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Side-by-Side Comparison - Form and/or Rule
Bypass Reason:	Not Applicable, as this is our first form filing in Tennessee.
Attachment(s):	
Item Status:	
Status Date:	

Explanatory Memorandum
 Tennessee Homeowners Filing
 SERFF Tracking No: AMSI-129408484

Reference Filings – Insurance Services Office (ISO)

ASI adopts the following form filings under Insurance Services Office: Filing Designation Number H-2000-O00FR.

Specifically, we are adopting the following forms:

Form Name	Form Number
Homeowners 3 – Special Form	HO 00 03 10 00
Homeowners 5 – Special Form	HO 00 05 10 00
Homeowners 6 – Special Form	HO 00 06 10 00
Additional Insured	HO 04 41 10 00
Additional Interests	HO 04 10 10 00
Coverage C Increased Special Limits of Liability	HO 04 65 10 00
No Section II – Liability Coverages, Limited Section I - Property Coverages for Home Day Care Business	HO 04 96 10 00
Loss Assessment Coverage	HO 04 35 10 00
Personal Property Replacement Cost Loss Settlement	HO 04 90 10 00
Premises Alarm	HO 04 16 10 00
Unit-Owners Modified Other Insurance and Service Agreement Condition	HO 17 34 10 00
Windstorm or Hail Percentage Deductible	HO 03 12 10 00
Functional Replacement Cost Loss Settlement	HO 05 30 10 00

Approval Requested – New Form Filings

Special Provisions – Tennessee (ASI HO TN SP 12 12)

This form is for use with our HO3, HO5 and HO6 Programs. This form is based on the approved ISO Special Provisions (HO 01 14 12 01, Approved ISO Filing ID: HO-2010-OFR10). ASI made the following additions to the ISO form:

AGREEMENT

We revised the base policy’s “Agreement” to clarify the following:

- This policy was issued based upon the information the insured provided to us;
- The premium must be paid when due;
- The insured must comply with the policy terms and conditions; and
- We must be immediately informed of and change in title, use or occupancy.

DEFINITIONS

- **11: *Limits the residence premises to a one or two family dwelling***
 - ASI requests that a home with more than 2 family units (ie, a tri-plex or quad-plex) be written on a Dwelling Form due to occupancy and overall exposure concerns. The rental exposure increases greatly on a tri-plex or quad-plex versus that of a duplex.
- **12-13: *Definitions are added for vacant and unoccupied***
 - Since the policy references the terms vacant (and we add unoccupied later) and in order to properly utilize the exclusion, definitions clearly state the instances

that ASI will consider a home vacant or unoccupied. We believe this increases the readability of the policy and clarifies the intent.

- **14: Definition added for Fuel System**
 - This definition is added as fuel system is addressed later in the policy. See below.
- **15: Definition added for Catastrophic Ground Cover Collapse**
 - This definition is added as catastrophic ground cover collapse is addressed later in the policy. See below.

SECTION I – PROPERTY COVERAGES

- **Coverage A – Dwelling: ASI includes in-ground swimming pools as part of Coverage A as well as wall-to-wall carpeting.**
 - ASI believes including all in-ground pools as Coverage A removes the ambiguity of determining whether or not the in-ground pool is an attached or detached structure.
- **Coverage B – Other Structures: ASI defines fences as Coverage B. In addition, we will allow consumers to choose the percentage of Other Structures coverage they wish to carry (from 2% to 20% of Coverage A).**
 - Determining whether fences are attached or detached from a dwelling can be ambiguous. For this reason, ASI categorizes all fences as Coverage B.
 - Since ASI includes in-ground swimming pools as part of Coverage A, unless there is another detached structure most policyholders will not need a large amount of Coverage B. In contrast, some homeowners may have a detached garage with a garage apartment. Those policyholders may need more than the standard 10% of Coverage B. In order to accommodate both types of properties, ASI allows policyholders to choose the limit of liability for Coverage B with appropriate premiums based on the percentage of coverage.
- **Coverage A – Dwelling and Coverage B – Other Structures: Cosmetic and Aesthetic Damage to Floors Sublimit of Liability (\$10,000).**
 - This limit applies when the damage to flooring is strictly cosmetic or aesthetic and does impede its typical use. In the event the flooring is dysfunctional and damaged by a Named Peril, this limit will not apply. The purpose of this limitation is to avoid the inflation of claims. We have had extensive experience in claims for a small chip due to a dropped object (typically an easy repair job) turning into a 5-digit+ complete floor replacement claim.
- **Coverage C – Personal Property: On the HO5 program, we remove mysterious disappearance, losing or misplacing as a covered peril under Coverage C so the Special Limits of Liability are amended to reflect theft losses only. Further, and on all programs, ASI limits coverage for any loss to personal computers to \$2500; 5% of the total Coverage C amount for any one item (we encourage insureds to schedule or declare items of high value); \$500 for collections; \$1,000 for art glass and breakables; \$1,000 for bicycles; \$2,000/10% of Coverage C for each item or set of electronic equipment; \$5,000 for tools.**
 - We remove the Coverage C perils for mysterious disappearance losing and misplacing as a way to keep losses low. Keeping losses low allows us to charge a lower rate.
 - Personal computers are limited to \$2500 to reduce the inflation of losses as computer equipment can become quite expensive. Further, we offer a buyback option for computers through ASI HO HC 06 08.
 - We add the limitation on Homeowners policies for 5% of Coverage C for any one unscheduled item to regulate the inflation of claims. If a typical home is insured for \$300,000, the basic personal property limit will be \$150,000. This limitation requires disclosure/scheduling of items that are over \$7,500, for example.

- The limitations on collectibles, art glass and breakables and bicycles are intended to encourage policyholders to schedule these items or to insure them on a specialty insurance policy.
- The limitations on electronic equipment and tools are used to prevent the inflation of claims for these types of items. The limitations are reasonable for the average consumer's belongings.
- **Coverage D – Loss of Use: Deletion of Fair Rental Value coverage.**
 - We do not allow rental exposure on our Homeowners Programs. Any property with rental exposure must be written on our Dwelling Fire Program. However, condos for rent may be written on an HO6 policy with the ASI HO URO endorsement described below. Fair Rental Value coverage is added back through that endorsement.

SECTION I – PERILS INSURED AGAINST

- **To clarify the intention of a property insurance contract, ASI revises the introductory paragraphs on all forms to clearly state “sudden and accidental” loss to property is covered.**
 - This language is somewhat standard in the industry. It is intended to avoid situations where constant or repeated or maintenance issues are being submitted for coverage under the policy.
- **Catastrophic Ground Cover Collapse**
 - ASI is including this coverage for our HO3, HO5 and HO6 products.
- **Unoccupied residences are added to the exclusionary language regarding vandalism and malicious mischief. In addition, ASI allows 30 days of vacancy/unoccupancy before this coverage is removed.**
 - The foreclosure crisis has caused many homeowners to abandon their homes. Our intention is to overcome situations in which a homeowner may leave a mattress or a table and chairs in the home but has no intention of occupying the property. The “unoccupied” definition states that this condition exists if the home is not being inhabited as a residence. For example, the exclusions for vandalism and malicious mischief remove coverage if the home has been “vacant” for more than 60 days immediately before the loss. In the situation described above, the existence of only a mattress encourages insureds and attorneys to fight the exclusion as there is a piece of furniture in the home and therefore, technically, it is not vacant. The addition of “unoccupied” to this exclusion supports the intent of the policy that it is unreasonable to consider one piece of furniture an “occupied” home. We understand that concerns arise when a policyholder may take an extended vacation – a three month trip, for example. ASI has no intention of considering that property “unoccupied”. We know that our policyholder has every intention of returning to the home. All of their possessions remain in the home, the power sources remain intact, and all furniture required to actually inhabit the home still exists.
- **ASI replaces the mold exclusion with a “constant or repeated seepage or leakage of water or steam...over a period of 14 or more days”.**
 - We feel this language is less ambiguous and provides a clear definition of the intention of the exclusion.
- **Item 2. Exception to c.6.(i) / Item 2. Exception to 2.e.(i) are deleted.**
 - ASI does not rate to cover water or sewer back up in the basic form. ASI offers an endorsement for this off-premise coverage, ASI HO WBU.
- **Under the HO5, ASI excludes coverage for mysterious disappearance, losing or misplacement of personal property.**
 - ASI offers a Scheduled Personal Property endorsement where this coverage may be purchased for specific items.

SECTION I – EXCLUSIONS

- **Water Damage.**
 - Due to ambiguity concerns, ASI clarified the exclusion to include all causes of flooding, regardless of cause. The language proposed clearly states that any cause of loss for any type of ground flooding is excluded. Portions of this language were developed after the lawsuits in Mississippi after Katrina. The language proposed herein was supported by the courts through other carriers.
- **Criminal or Illegal Activity.**
 - ASI excludes coverage for damage resulting from criminal or illegal activity performed by any insured. Our Homeowners policy is not intended to cover these types of acts which may be considered “intentional”.
- **Existing Damage.**
 - ASI excludes coverage for damages which occurred prior to the inception date of the policy. Coverage should be sought under the prior policy. We intend to provide coverage for losses that occur during our policy period.
- **Windstorm or Hail Loss.**
 - Based again on ASI’s extensive experience in windstorm prone areas, certain structures have been found to be virtually “uninsurable” with respect to wind or hail perils. This exclusion is a cornerstone of ASI’s ability to place an appropriate rate on each property. In addition, this exclusion allows ASI to enjoy lower expected losses resulting from windstorms or hail storms and thus, lowers our costs. This lower cost translates into lower premiums for our policyholders.
- **Diminished Value.**
 - This exclusion has been added in response to a recent court judgment in Georgia: Royal Capital Development, LLC v. Maryland Cas Co., 291 Ga. 262 (2012). This exclusion reiterates that Diminished Value is not covered.

SECTION I – CONDITIONS

- **Duties After Loss.**
 - A requirement to file a police report is added. The intention here is to prevent the inflation of theft claims.
 - ASI requires persons who represent our insured in a claim to also be subject to an examination under oath. The intention is to ensure legitimate claim submissions.
- **Mortgage Clause.**
 - In addition to the three Conditions which mortgage companies must already abide by, we added that they must follow the Duties After Loss Conditions for submitting a police report and submitting to an examination under oath. We feel it is important that the mortgagee be required to validate the claim that they are submitting to us.
 - Concealment or Fraud conditions were added to the mortgage clause. Just as an insured does not receive coverage for concealment or fraud, a mortgagee should not receive coverage if they conceal facts or commit fraud.
- **Venue.**
 - This condition is added to ensure claims or suits are settled under Ohio State Law, since this is the location of the residence premises.
- **Assignment of Claim Benefits.**
 - The assignment condition has been added to ensure that the rights of all insureds are protected.

SECTION II – EXCLUSIONS

- **Trampolines.**
 - ASI excludes coverage for bodily injury or property damage arising out of the ownership or use of a trampoline. While we consider risks with trampolines ineligible, this exclusion is intended to protect us from coverage in the event a trampoline actually does exist on premises.
- **Animals.**
 - ASI excludes coverage for bodily injury or property damage caused by animals owned or kept by any insured. Consumers may purchase and endorsement providing limited animal liability coverage, ASI HO AL. Since many people do not own pets, we have found this buyback to be a good option to keep costs low for those policyholders who do not own animals.
- **Fungi**
 - Liability coverage is excluded for losses arising out of exposure to fungi, mold, bacteria, etc.
- **Diving Boards or Slides.**
 - ASI excludes coverage for bodily injury or property damage arising out of the ownership or use of a diving board or slide. Similar to trampolines, we consider homes with diving boards or slides ineligible. However in the event one of these items is not disclosed on the application, this exclusion prevents coverage in the event of a liability loss.
- **Fuel Systems.**
 - We exclude liability coverage arising out of fuel systems.

SECTION I AND II – CONDITIONS

- **Our Right to Recompute Premium.**
 - If a premium bearing factor is omitted from the application for insurance, we reserve the right to recompute the premium based on the discovery of such item.

Animal Liability Endorsement (ASI HO AL 09 10)

ASI excludes Liability and Medical Payments to Others coverages in our Special Provisions for losses arising from animals. This endorsement provides a buy-back of limited Liability and Medical Payments to Other coverages for animals owned or kept by an insured subject to certain excluded breeds of dogs or animals listed in this form.

Home Computer Coverage (ASI HO HC 06 08)

This is an optional endorsement that provides “all peril” coverage for computers. Certain exclusions apply including mechanical breakdown and errors and omissions. Coverage may be purchased in \$1,000 increments up to \$20,000.

HomeShield Package (ASI HO HS 09 11) *For use with form HO3 only.*

This form provides a bundle of coverages that cannot be duplicated or altered. Coverages offered with this package are outlined below:

- Personal Property Replacement Cost (HO 04 90)
- 25% of Coverage A for Increased Replacement Cost (ASI HO IRC)
- \$5,000 Limit on Water Backup/Sump Pump Overflow (ASI HO WBU)
- Personal Injury Coverage (ASI HO PNJ)
- 50% Coverage C limit (ASI HO HS)
- \$2,500 Loss Assessment Coverage (ASI HO HS)
- \$1,000 Limit for Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money (ASI HO HS)
- \$250 for Lock Replacement Coverage (ASI HO HS)

- \$750 limit for Fire Department Service Charge (ASI HO HS)
- \$3,000 (\$1,000 limit per item) for loss by theft of Jewelry, Watches, Furs, Precious and Semiprecious stones (ASI HO HS)

HomeShield Plus Package (ASI HO HS+ 09 11) *For use with form HO3 only.*

This form provides a bundle of coverages that cannot be duplicated or altered. Coverages offered with this package are outlined below:

- Personal Property Replacement Cost (HO 04 90)
- 50% of Coverage A for Increased Replacement Cost (ASI HO IRC2)
- \$10,000 limit on Water Backup/Sump Pump Overflow (ASI HO WBU)
- 25% of Coverage A for Ordinance or Law Coverage (ASI HO OL)
- Special Personal Property Replacement Cost (ASI HO SPC)
- Personal Injury Coverage (ASI HO PNJ)
- 70% Coverage C Limit (ASI HO HS+)
- \$5,000 for Loss Assessment (ASI HO HS+)
- \$2,000 limit for Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money (ASI HO HS+)
- \$500 for Lock Replacement Coverage (ASI HO HS+)
- \$1,000 limit for Fire Department Service Charge (ASI HO HS+)
- Increased Special Limits (ASI HO HS+):
 - \$5,000 (2,500 per item limit) on Jewelry, Watches, Furs, Precious and Semiprecious stones
 - \$300 on money, bank notes, gold, etc.
 - \$2,500 on Securities, deeds, letters of credit, etc.
 - \$3,500 on Firearms
 - \$4,000 on Silverware, pewterware, tea sets, etc.
 - \$3,000 on Business property on the residence premises
 - \$750 on Business property away from the residence premises

Increased Replacement Cost Coverage (ASI HO IRC 01 14)

This is an optional endorsement providing up to 25% of Coverage A in the event of a total loss. The additional coverage is intended to protect the insured against unforeseen increases in the costs of labor and supplies during catastrophic events.

Increased Replacement Cost Coverage (ASI HO IRC2 01 14)

This is an optional endorsement providing up to 50% of Coverage A in the event of a total loss. The additional coverage is intended to protect the insured against unforeseen increases in the costs of labor and supplies during catastrophic events.

Lead Liability Exclusion (ASI HO LD 09 10)

This form will be attached to condos built prior to 1978 written on the HO6 program with rental exposure. It will remove liability coverage arising out of exposure to lead. This exclusion may be removed with a certified lead-free certificate.

Limited Fungi, Wet or Dry Rot, or Bacteria Coverage (ASI HO LF 11

09) *For use with Forms HO3 and HO5*

This form will provide a base limit of coverage of \$5,000 Section I coverage. Section II coverage is excluded in our Special Provisions. This form is based on the Approved ISO version (HO 04 27 04 02, Approved ISO Filing Designation Number: H-2001-O01FR).

ASI made the following change to the ISO form:

- Under Section I – Perils Insured Against, for references to all forms, we replaced “over a period of weeks, months or years” with “over a period of 14 or more days”. Stating a limit of 14 or more days reduces ambiguity.

Limited Fungi, Wet or Dry Rot, or Bacteria Coverage (ASI HO LF2 05)

11) *For use with Form HO6 with Special Coverage*

This form will provide a base limit of coverage of \$5,000 Section I coverage. Section II coverage is excluded in our Special Provisions. This form is based on the Approved ISO version (HO 04 28 04 02, Approved ISO Filing Designation Number: H-2001-O01FR).

ASI made the following change to the ISO form:

- Under Section I – Perils Insured Against, for references to all forms, we replaced “over a period of weeks, months or years” with “over a period of 14 or more days”. Stating a limit of 14 or more days reduces ambiguity.
- Under Section I – Perils Insured Against, we removed the reference to the HO6 form with endorsement HO 17 31 as we will not offer that endorsement.

Limited Fungi, Wet or Dry Rot, or Bacteria Coverage (ASI HO LF3 11)

09) *For use with Form HO6 without Special Coverage*

This form will provide a base limit of coverage of \$5,000 Section I coverage. Section II coverage is excluded in our Special Provisions. This form is based on the Approved ISO version (HO 04 26 04 02, Approved ISO Filing Designation Number: H-2001-O01FR).

ASI made the following change to the ISO form:

- Under Section I – Perils Insured Against, for references to all forms, we replaced “over a period of weeks, months or years” with “over a period of 14 or more days”. Stating a limit of 14 or more days reduces ambiguity.

Limited Water Damage Coverage (ASI HO LWD 11 09)

Optional limit for a reduced premium, ASI will restrict the limit of liability for losses caused by water damage to \$10,000. This limitation may be used by underwriting to write an older home that is not substantially updated.

Non-Structural Hail Loss Limitation Endorsement (ASI HO HL 05 07)

This form limits the amount of coverage when a hail loss causes cosmetic damage to homes. This endorsement would not apply to a hail loss causing structural damage to the home or a hail loss that penetrates the roof or siding surface, impeding its intended use. The endorsement would be mandatory for any home with a metal roof or aluminum siding as these homes would be prone to cosmetic damages from hail. This endorsement is optional for all other homes. This is accompanied by a premium credit.

Ordinance or Law Coverage (ASI HO OL 11 09)

This is an optional coverage. It increases the limit of liability from 10% (included in the base policy) to 25% of Coverage A.

Personal Injury (ASI HO PNJ 03 11)

This is an optional coverage. It is based on the Approved ISO version (HO 24 82 04 02, Approved ISO Filing Designation Number: H-2001-O01FR). ASI made the following changes to the ISO form:

- Under Section II – Exclusions 1. a., we added “or reasonable expectation” and “even if the resulting ‘personal injury’.” In addition, we added items (1) and (2). This is similar language to that in our HO policy form regarding Expected or Intended Injury.

- Under Section II – Exclusions, added item 1.

These revisions are intended to protect the company against increased exposure as a result of the boom of the internet, blog sites, gripe sites, social media, dating sites, etc. Due to the uncontrollable nature of the internet and its vast expanse, we eliminate this exposure in order to offer lower rates for Personal Injury coverage.

Personal Property Exclusion (ASI HO CE 02 08)

ASI allows consumers to exclude personal property coverage for a premium reduction. If coverage is excluded, this form will be attached to the policy.

Premises Liability (ASI HO PL 02 09) *For use with the HO6 Program*

This will be a mandatory form for rented or seasonal condominiums. Since these are not primary residences, the owners should rely on their primary homeowners insurance for world-wide coverage.

Scheduled Personal Property Endorsement (ASI HO SPP 05 07)

This is an optional endorsement. ASI adjusted the approved ISO version (HO 04 61 10 00, ISO Filing Designation Number: H-2000-O00FR) under “D. Territorial Limits” to restrict Fine Arts coverage to United States and Canada only.

Unit-Owners Coverage A – Special Coverage (ASI HO UOA 11 09) *For use the the HO6 Program*

Mandatory Endorsement. This will be included with all HO6 policies to provide all-peril coverage on property described in Coverage A. ASI amended the approved ISO version (HO 17 32 10 00, ISO Filing Designation Number: H -2000-O00FR) in the following ways:

- Added “sudden and accidental” under the introductory paragraph;
- Added “unoccupied” to the exclusionary language for vandalism and malicious mischief as we have found unoccupied homes offer similar risk to vacant homes;
- Replaced item 2.c.5. with “constant or repeated seepage or leakage of water or steam”; and
- Removed the coverage under “Exception to c.(6) which allowed coverage for losses originating off the residence premises.

Special Personal Property Coverage (ASI HO SPC 05 12)

Provides all-peril coverage on personal property. This form is based on the Approved ISO version (HO 05 24 10 00, ISO Filing Designation Number: H -2000-O00FR). However, ASI made the following changes under Perils Insured Against:

- Added “sudden and accidental” under the introductory paragraph;
- Replaced item 2.d. with “constant or repeated seepage or leakage of water or steam”; and
- Added an exclusion for mysterious disappearance, losing or misplacing.
- The ISO Version was for use with HO4 only. Added referencing for use with forms HO3 and HO6.

Unit Owners Rental to Others (ASI HO URO 12 08) *For use with Form HO6*

Mandatory Endorsement for condominiums with rental exposure. This endorsement adds back Fair Rental Value Coverage. Coverage will be provided at 80% of incurred losses. This limitation of coverage is applied in order to keep rates low as well as encourage the homeowner to make prompt repairs to the property in an effort to make the unit available for rental as soon as possible.

Water Back Up and Sump Discharge or Overflow (ASI HO WBU 09 13)

This is an optional endorsement. ASI adjusted the approved ISO version (HO 04 95 01 09, Approved ISO Filing ID: HO-2008-OFRWE) under “Deductible” to increase the applicable deductible to \$1,000 as well as correcting the referencing of forms and endorsements to match those used by ASI. Finally, the water damage exclusion is updated to match the language for this exclusion in our Special Provisions.

Special Structure Buyback (ASI HO SSB 04 13)

This is an optional endorsement.

The introduction of this endorsement will allow those homeowners with a structure excluded under our Windstorm or Hail exclusion in our Special Provisions, to purchase specific Windstorm or Hail coverage for that structure. We will settle losses at actual cash value, similar to the base policy regarding structures that are not buildings.

Progressive Home Advantage, Benefits Package (ASI HO BP 05 11)

For use with all of our HO products: HO3, HO5, HO6 and our Renters Protection Policy.

This endorsement will be automatically attached to all ASI Progressive Home Advantage (PHA) Homeowners policies. There is no rate associated with this endorsement.

ASI PHA Homeowners policies may be packaged with Progressive Auto policies. If our mutual insured suffers a loss that affects both the Progressive Auto and the ASI PHA Homeowners policies, we will credit the deductible assessed under the Auto policy against our Homeowners policy deductible.

For example, the Progressive Auto policy carries a \$500 Comprehensive deductible and the ASI policy carries a \$1000 All Other Perils deductible. A fire loss damages the home and auto. The ASI PHA Homeowners policy deductible would be credited by the \$500 already assessed under the Progressive Auto policy.

Earthquake (ASI HO EQ 01 11)

This is an optional endorsement which gives coverage for Earthquake as described in the form.

Sinkhole Loss Coverage - Tennessee (ASI HO TN SH 03 14)

This is an optional endorsement which gives Sinkhole coverage as required by Senate Bill SB880.

Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing (ASI HO ACVR 03 14)

This is an optional endorsement which provides ACV Roof Loss Settlement for Wind/Hail Losses. This is accompanied by a premium credit.

The following policy and endorsements are for use with our proprietary HO4 product only:

Renters Protection Policy (ASI HO 00 04 10 13)

This is ASI's new proprietary tenant-homeowners base policy form.

HomeShield R Package (ASI HO4 HSR 10 13)

This is an optional endorsement and provides a bundle of coverages. Coverages offered with this package are outlined below:

- o **Increased Special Limits of Liability**

- 1) The limits are increased from \$1,000 to \$2,000 for the following:

- Watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- Trailers or semitrailers not used with watercraft of all types.
- 2) The limits are increased from \$1,500 to \$5,000 for the following:
 - Bicycles and related equipment.
- 3) The limits are increased from \$2,500 to \$3,500 for the following:
 - Loss by theft of firearms and related equipment.
 - 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.
 - Property use primarily for “business” purposes that is located on the “residence premises” at the time of loss.
 - Electronic equipment, including but not limited to:
 - Televisions, audio, video and other electronic media playing and/or recording devices. Audio and video media storage devices such as dvds, records, cds, and tapes.
 - Cameras, projectors and related equipment.
 - Gaming systems including their games and accessories
- **Home Computer Coverage**
This provides “all peril” coverage for computers. Certain exclusions apply including mechanical breakdown and errors and omissions. The Special Limit for personal computers and peripherals is increased from \$2,500 to \$5,000.
- **Personal Injury**
This provides coverage for liability for “Personal Injury” for offenses such as false arrest, slander, and privacy violations.
- **Water Back Up and Sump Pump Discharge or Overflow**
This provides \$5,000 of water backup and sump pump discharge or overflow coverage.

Additional Interest (ASI HO AS 10 13)

This allows for an insured to name another individual or entity to receive policy notifications.

Scheduled Jewelry Endorsement (ASI HO4 SPP 10 13)

This is an optional endorsement allowing for specific jewelry items to be insured with “all peril” coverage and no deductible.

Notices for all policies:

ASI UCXL 12 08	Notice of Cancellation - Underwriting Reasons	Prints with Underwriting Cancellations
ASI NPCXL 12 08	Notice of Intent to Cancel - Final Notice of Premium Due	Prints when Nonpay issued 15 days prior to scheduled cancellation date
ASI CXL 12 08	Cancellation Notice - Non-payment of Premium	Prints after ASI NPCXL 12 08 issued and policy enters "Canceled" status. 15-days after scheduled cancellation date (payment not received)
ASI NRW 12 08	Notice of Non-renewal	Prints with Nonrenewals

Additional Forms Attached for Review:

The following are used with our HO3, HO5 and HO6 products:

Homeowners Application (ASI HO APP 03 14)

Homeowners Declarations Page (ASI HO DEC 02 14)

The following are used with our Renters Protection Policy:

Insurance Application (ASI HO4 APP 10 13)

Homeowners Declarations Page (ASI HO4 DEC 10 13)

**PROPERTY AND CASUALTY
FILING FEE FORM FOR TENNESSEE**

_____ Domiciliary state does not have a filing fee.

_____ Domiciliary state has a filing fee for filings of this type.
Please submit a copy of a completed filing fee form
and your check to the following address:

**Cashier's Office
Department of Commerce & Insurance
500 James Robertson Parkway
Nashville, TN 37243**

Please list each company below in which the filing is to be made,
and the corresponding required filing fee for the domiciliary state, if
any.

Company	Filing Fee
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Check # _____ Total Amount \$ _____

S.E.R.F.F. Tracking Number _____

RATING	ALLOTMENT CODE	COST CENTER
23	335.02	1000