

Southern Fidelity Insurance Company
P.O. Box 16029
Tallahassee, FL 32317-6029

LVH 1020218 00

CHARLES K DAMMON
124 EDEN ISLES BLVD
SLIDELL LA 70458



Visit our web site www.southernfidelityins.com
Make online payments and sign up for
eDelivery of policy documents.



IMPORTANT INFORMATION FOR EASY REFERENCE

Your best source of information regarding your policy coverage and payment obligation is your local insurance agent.

The agent responsible for servicing your policy is:
FASSBENDER INS AGENCY LLC
1402 GAUSE BLVD STE A
SLIDELL, LA 70460

985-607-0291

Please review your policy carefully.

Your policy contains certain limitations and exclusions, as well as endorsements that modify your coverage. Please review your declaration page, policy form, and all endorsements carefully to ensure that your coverage fits your individual needs. Contact your agent if you have any questions.

Billing &/or payment information is available 24 hours a day via our Automated Policy Information System.

Call 1-866-874-7342 for up-to-date information concerning your policy.
Please have your policy number available when you call.

To file a claim, contact your agent or call:

Claims Department: 1-866-722-4995

Making Payments:

Mail payments to: Southern Fidelity Insurance Company
Payment Processing Center
P.O. Box 31148
Tampa, FL 33631-3148

Please include the remittance stub from the bottom of your invoice. Do not send cash.



P.O. Box 16029
Tallahassee FL 32317-6029

HOMEOWNERS

POLICY NUMBER	POLICY PERIOD	
	From	To
LVH 1020218 00 17	05/30/2018	05/30/2019
12:01 A.M. Standard Time at the described location		

For Customer Service and Claims Call 1-866-874-7342.

INSURED'S COPY Date Issued: 05/29/2018

INSURED:	AGENT:
CHARLES K DAMMON 124 EDEN ISLES BLVD SLIDELL LA 70458 Telephone: 985-640-7891	FASSBENDER INS AGENCY LLC 1402 GAUSE BLVD STE A SLIDELL, LA 70460 Telephone: 985-607-0291

The residence premises covered by this policy is located at the above insured address unless otherwise stated below:

124 EDEN ISLES BLVD SLIDELL LA 70458

INST	DATE	TRANSACTION	AMOUNT
01	05/25/2018	New Business	1,952.00

AMOUNT DUE:		1,952.00
PAYMENT DUE	05/30/2018	
POLICY BALANCE	1,952.00	

PLEASE SEE REVERSE SIDE FOR IMPORTANT INFORMATION

P R E M I U M N O T I C E - I N S U R E D

DETACH ALONG THIS PERFORATION BELOW

RETURN THIS PORTION WITH YOUR REMITTANCE



LVH 1020218 00 00 17 7210758

LOAN NUMBER:	0000928593
AMOUNT DUE	1,952.00

CHARLES K DAMMON
124 EDEN ISLES BLVD
SLIDELL LA 70458

PLEASE REMIT PAYMENT TO:
05#30
Southern Fidelity Insurance
P.O. Box 31148
Tampa, FL33631-3148

WHEN YOU PROVIDE A CHECK AS PAYMENT, YOU AUTHORIZE US EITHER TO USE INFORMATION FROM YOUR CHECK TO MAKE A ONE-TIME ELECTRONIC FUND TRANSFER FROM YOUR ACCOUNT OR TO PROCESS THE PAYMENT AS A CHECK TRANSACTION

**PLEASE UPDATE ANY INFORMATION THAT HAS CHANGED
AND RETURN**

(Please Print)

Policy Holder(s) Name _____ **Phone Number (_____)** _____

Mailing Address _____
Street or P.O. Box City State Zip

Mortgage Company _____

Mortgage Company Address _____
Street or P.O. Box City State Zip

Loan Number _____



P.O. Box 16029
Tallahassee FL 32317-6029

HOMEOWNERS DECLARATION

POLICY NUMBER	POLICY PERIOD	
	From	To
LVH 1020218 00 17	05/30/2018	05/30/2019
	12:01 A.M. Standard Time at the described location	

For Customer Service and Claims Call 1-866-874-7342.

NEW DECLARATION	Effective: 05/30/2018	Date Issued: 05/25/2018
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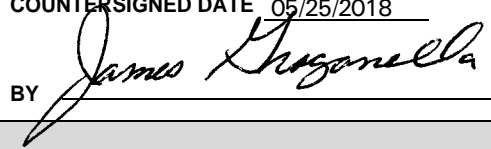
INSURED:	AGENT: 7210758
CHARLES K DAMMON 124 EDEN ISLES BLVD SLIDELL LA 70458 Telephone: 985-640-7891	FASSBENDER INS AGENCY LLC 1402 GAUSE BLVD STE A SLIDELL, LA 70460 Telephone: 985-607-0291
The residence premises covered by this policy is located at the above insured address unless otherwise stated below:	
124 EDEN ISLES BLVD	SLIDELL LA 70458

Coverage is provided where premium and limit of liability is shown.
Flood coverage is not provided by SOUTHERN FIDELITY and is not a part of this policy.

SECTION I COVERAGE	LIMIT OF LIABILITY	PREMIUMS
A. DWELLING	\$157,000.00	\$1,819.00
B. OTHER STRUCTURES	\$15,700.00	INCLUDED
C. PERSONAL PROPERTY	\$78,500.00	INCLUDED
D. LOSS OF USE	\$47,100.00	INCLUDED
SECTION II COVERAGE		
E. PERSONAL LIABILITY	\$300,000.00	\$11.00
F. MEDICAL PAYMENTS	\$5,000.00	\$10.00
OPTIONAL COVERAGES		
Replacement Cost Contents		INCLUDED
LIMITED FUNGI, ROT BACTERIA	\$10,000/\$20,000	INCLUDED

TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES: SEE REVERSE SIDE \$1,952.00

PLEASE CONTACT YOUR AGENT IF THERE ARE ANY QUESTIONS PERTAINING TO YOUR POLICY.

FORMS AND ENDORSEMENTS		COUNTERSIGNED DATE <u>05/25/2018</u> BY 
*HO-0490 (10/00) *HO-0496 (10/00) *SFHLAALE (09/12) *SFHLACYD (07/13) *SFHLADS (01/10) *SFHLAED (10/07) *SFHLAHJ (10/07) *SFHLAH3 (10/07) Continued on Forms Schedule		
ADDITIONAL INTERESTS		
MORTGAGEE 0000928593 FIRST NBC BANK ISAOA ATIMA PO BOX 61035 NEW ORLEANS LA 70161-1035		



P.O. Box 16029
Tallahassee FL 32317-6029

HOMEOWNERS DECLARATION

POLICY NUMBER	POLICY PERIOD	
	From	To
LVH 1020218 00 17	05/30/2018 12:01 A.M. Standard Time at the described location	05/30/2019

For Customer Service and Claims Call 1-866-874-7342.

NEW DECLARATION	Effective:	05/30/2018	Date Issued:	05/25/2018
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INSURED:	AGENT:	7210758
CHARLES K DAMMON 124 EDEN ISLES BLVD SLIDELL LA 70458	FASSBENDER INS AGENCY LLC 1402 GAUSE BLVD STE A SLIDELL, LA 70460	
Telephone: 985-640-7891	Telephone: 985-607-0291	

The residence premises covered by this policy is located at the above insured address unless otherwise stated below:
124 EDEN ISLES BLVD SLIDELL LA 70458

All other perils deductible: \$ 1,000.00
Named Storm Deductible: \$ 3,140.00

SECTION I, SECTION II AND OPTIONAL PREMIUMS \$ 1,840.00

APPLICATION FEE \$ 65.00
LA CITIZENS EMERGENCY ASSESSMENT \$ 47.00

TOTAL POLICY PREMIUM INCLUDING ASSESSMENTS AND ALL SURCHARGES \$ 1,952.00

FORM TYPE	HO-3	YEAR BUILT	2006	TOWN/ROW HOUSE	N
CONSTRUCT TYPE	F	CONSTRUCT SUPERIOR	N	NUMBER OF FAMILIES	1
TERRITORY	064	PROTECTION CLASS	02	PRIOR DEC S/C	N
USE CODE	P	HOME UPDATED	N	MUNICIPAL CODE	999
COUNTY CODE	052	PROT DEVICE/BURGLAR	N	PROT DEVICE/FIRE	N
PROT DEV/SPRINKLER	N	EXCLUDE CONTENTS	N	WIND/HAIL EXCLUSION	N
REPLACEMENT COST	Y	OCCUPANCY CODE	OWNER	MATURE DISCOUNT	Y
COMPANION DISC	Y				

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR NAMED STORM LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

Policy Number	Policy Period	
	From	To
LVH 1020218 00 17	05/30/2018	05/30/2019
	12:01 A.M. Standard Time at the described location	

TOTAL WIND MITIGATION CREDITS

OPEN PROTECTION NO
BUILDING CODE DISCOUNT NO
MITIGATION CREDIT NO

Renovation Updates

Fields left blank indicate no renovation information available.

ROOF -----
PLUMBING -----
ELECTRICAL -----
HEATING AND COOLING -----

FORMS SCHEDULE

(continued from page 1)

* SFHLAMC3 (10/07) * SFHLAME (10/07) * SFHLANB (10/07) * SFHLAOH (10/07) * SFHLAPN (10/07)
* SFHLASC (10/07) * SFHLASP (01/18) * SFHLAST (10/07)

YOU MAY ALSO NEED TO CONSIDER THE PURCHASE OF FLOOD INSURANCE FROM THE NATIONAL FLOOD INSURANCE PROGRAM. WITHOUT THIS COVERAGE, YOU MAY HAVE UNCOVERED LOSSES. PLEASE DISCUSS THESE COVERAGES WITH YOUR INSURANCE AGENT.

SOUTHERN

FIDELITY INSURANCE COMPANY

Dear Insured:

Welcome to Southern Fidelity Insurance Company. We are delighted to have you as our customer. Please review the following points regarding your policy:

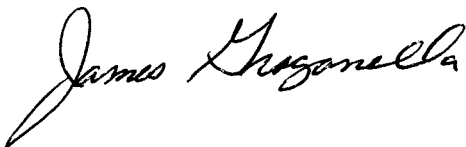
1. **This policy does not provide flood coverage.** You must purchase your flood insurance separately from this policy. It is important to make sure that your home is properly protected with flood coverage.
2. We can replace your house and belongings, but we can not replace you. Please make sure that your home is secured with deadbolt locks and smoke detectors.
3. Your Declaration Page is attached. This lists all the forms and endorsements that are a part of your policy. Copies of each forms and endorsements are included in the policy booklet. Only the forms listed on the Declaration Page are applicable to your policy.

Southern Fidelity Insurance Company offers 24-hour claim service. Our claims department will contact you within 24 hours of a reported claim, under ordinary circumstances. It is our company policy that all claims are paid promptly and fairly under the terms of the policy. Our goal is your satisfaction.

For policy information and questions, please call 1-866-874-SFIC (7342). To reach the claims department, please call 1-866-874-SFIC (7342). Please keep these numbers for future use.

Thank you for providing us the opportunity to meet your homeowner insurance needs.

Sincerely,



James Graganella
President



PRIVACY POLICY AND NOTICE OF INFORMATION PRACTICE

Southern Fidelity Insurance Company Inc. / Southern Fidelity Managing Agency Inc.

To Our Valued Customers: We understand our obligation to keep your information secure and confidential. The information we use in evaluating your application and servicing your policy comes to us primarily from you. Additionally, we may also collect information about you from third parties, including but not limited to state motor vehicle departments, consumer-reporting agencies and other persons proposed for coverage under your policy.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. In some cases this may mean information that can be disclosed to third parties without your authorization; however, we maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your nonpublic personal information. Information about you is only given to those of our employees who need it in order to provide you with products, benefits, services including, but not limited to billing, underwriting, marketing and claims processing.

Important Notice: In compliance with the requirements of the **Fair Credit Reporting Act** (Public Law 91-508), Southern Fidelity Insurance Company advises that as part of our routine procedure for reviewing applications for certain types of insurance or renewals of certain policies, we may procure a consumer report including information as to the consumer's character, general reputation, personal characteristics or mode of living. If such insurance is for an individual and is primarily for personal, family, or household purposes, such information may be obtained through personal interviews with neighbors, friends or others with whom the consumer is acquainted. Upon request to our company, we will provide in writing a complete and accurate disclosure of the nature and scope of the consumer report requested or advise that no investigation was conducted.

To help you with your overall insurance program, your agent or broker may use customer information for marketing purposes. We may also use customer information to communicate with you about products, features, and options you have expressed an interest in or that we believe may be of interest to you. To transact business on your behalf, we may find it necessary to provide customer information, without authorization but only as permitted or required by law, to persons or organizations both inside and outside of **Southern Fidelity Insurance Company**. These include, for example: our affiliated companies (**Southern Fidelity Managing Agency**), companies that perform marketing services on our behalf, or other financial institutions with which we have a joint marketing agreement for the sale of our products, and your agent or broker.

You have the right to obtain access to certain information and the right to request correction of information you feel is inaccurate. Additionally, you have the right to request that we not provide your information to organizations outside of Southern Fidelity and its affiliates. To do so, please send a written request to: Southern Fidelity Insurance Company Attn. Policyholder Information Section P.O. Box 16029, Tallahassee, Florida 32317-6029.

We value you as our customer and take your privacy very seriously. We will inform you of our privacy and information practices each year that you are a Southern Fidelity customer.

SOUTHERN

Fidelity Insurance Company, Inc.

(A Stock Insurance Company)

PO Box 16029
Tallahassee, Florida 32317-6029

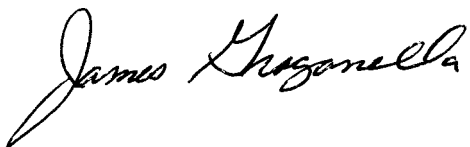
HOMEOWNERS

This Policy Jacket with the Policy Form Declarations Page and Endorsements, if any, issued to form a part thereof, completes the policy as numbered on the Declarations Page.

SFH LA HJ 10 07

POLICY PROVISION: All premiums for this insurance shall be computed in accordance with Southern Fidelity Insurance Company's rules, forms, rating plans, premiums and minimum premiums applicable to the insurance afforded herein which are in effect the inception of the insurance and, except with respect to insurance premiums guaranteed for a period no longer than one year, upon each anniversary thereof, including the date of interim changes.

IN WITNESS WHEREOF, the insurer on the reverse hereof has caused this instrument to be signed by its President.

A handwritten signature in black ink that reads "James Graganella". The signature is written in a cursive style with a large, looping initial "J".

James Graganella
President
Southern Fidelity Insurance Company, Inc.

SOUTHERN

FIDELITY INSURANCE COMPANY

IMPORTANT INFORMATION REQUIRED BY THE LOUISIANA DEPARTMENT OF INSURANCE

Homeowners Insurance Policy Coverage Disclosure Summary
This form was promulgated to LSA-R.S. 22:1332.

THIS IS ONLY A SUMMARY OF YOUR COVERAGE AND DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGES OR ANY OTHER PROVISIONS CONTAINED IN YOUR POLICY. INSURANCE IS A CONTRACT. THE LANGUAGE IN YOUR POLICY CONTROLS YOUR LEGAL RIGHTS AND OBLIGATIONS.

****READ YOUR INSURANCE POLICY FOR COMPLETE POLICY TERMS AND CONDITIONS****

COVERAGES FOR WHICH PREMIUM WAS PAID

Coverage A - Dwelling
Coverage B - Other Structures
Coverage C - Personal Property
Coverage D - Loss of Use
Coverage E - Personal Liability
Coverage F - Medical Payments

DEDUCTIBLES

This policy sets forth certain deductibles that will be applied to claims for damages. When applicable, a deductible will be subtracted from your total claim and you will be paid the balance subject to applicable coverage limits.

****You may be able to reduce your premium by increasing your deductible. Contact your producer/agent or insurer for more details.**

NOTICE: This policy does set forth a separate deductible for covered losses caused by hurricane as defined in the policy.

Separate Deductible Example - Hurricane, Wind or Named Storm Damage

If applicable, the following illustrates how a separate deductible applying to hurricane, wind or named storm damage is applied under your policy:

If the total insured value of the dwelling or Coverage A is \$200,000.00 and you have a 2% hurricane, wind or named storm deductible, then your hurricane, wind or named storm deductible would be $\$200,000.00 \times .02\% = \$4,000.00$.

SOUTHERN

FIDELITY INSURANCE COMPANY

Losses:

Coverage A - Dwelling	\$15,000.00
Coverage B - Other Structures	\$ 2,500.00
Coverage C - Personal Property	\$ 3,000.00
Coverage D - Loss of Use	\$ 2,000.00
Total amount of all losses	\$22,500.00
Less 2% hurricane, wind or named storm deductible	\$ 4,000.00
Net payment to insured	\$18,500.00

TO SEE EXACTLY HOW YOUR SEPARATE HURRICANE, WIND OR NAMED STORM DEDUCTIBLE WILL APPLY, PLEASE REFER TO YOUR POLICY.

LIMITATION OR EXCLUSIONS UNDER THIS POLICY

FLOOD - Flood damage is not covered, regardless of how caused, when flood is the peril that causes the loss. Flood water includes, but is not limited to, storm surge, waves, tidal water, overflow of a body of water, whether driven by wind or not.

Flood Insurance may be available through the National Flood Insurance Program (NFIP). NFIP flood insurance may provide coverage for damage to your dwelling and/or contents subject to the coverage limits and terms of the policy.

Excess Flood Insurance may be available under a separate policy, from this or another insurer, if the amount of the primary flood insurance is not enough to cover the value of your property.

- You may contact your producer or insurer for more information on the National Flood Insurance Program and Excess Flood Insurance.

MOLD - Damage caused solely by Mold is not covered under this policy.

FOR ALL OTHER LIMITATIONS OR EXCLUSIONS REFER TO YOUR POLICY FOR COMPLETE DETAILS ON TERMS AND PROVISIONS.*

CLAIM FILING PROCESS

There may be time limitations for filing a claim and filing of a satisfactory proof of loss. There may also be time limitations for repairing and replacing damaged property that could cause you to not recover the replacement cost for the insured loss of your property, if applicable.

PAYMENT OF CLAIMS

SOUTHERN

FIDELITY INSURANCE COMPANY

Depending on the terms of the insurance policy, some losses may be paid based on actual cash value (ACV) and others based on replacement cost (RC).

- **ACV** is the amount needed to repair or replace the damaged or destroyed property, minus the depreciation.
- **RC** - involves the initial payment of actual cash value (ACV) of a loss, and the subsequent payment of the additional amount that is actually and necessarily expended to repair or replace the damaged or destroyed property.

****Refer to your policy for the terms and conditions describing how a particular loss is to be paid.**

PAYMENT AND ADJUSTMENT OF CLAIMS

Pursuant to LSA - R.S. 22:1892 and 22:1973, except in the case of catastrophic loss, the insurer shall initiate loss adjustment of a property damage claim and / or a claim for reasonable medical expenses within fourteen (14) days after notification of loss by the claimant.

In the case of a catastrophic loss, the insurer shall initiate loss adjustment of a property damage claim within thirty (30) days after notification of loss by the claimant unless the Commissioner of Insurance promulgates a rule to extend the time period for initiating a loss adjustment for damages arising for a presidentially declared emergency or disaster or a gubernatorially declared emergency or disaster for up to an additional thirty (30) days. Thereafter, one additional extension of the period of time for initiating a loss adjustment may be allowed by the Commissioner of Insurance if approved by the Senate Committee on Insurance and the House Committee on Insurance.

All insurers shall make a written offer to settle any property damage claim, including a third-party claim, within (30) days after the receipt of satisfactory proof of loss of that claim.

Failure to make such payment within thirty (30) days after receipt of such satisfactory written proofs and demand thereof or failure to make a written offer to settle any property damage claim, including a third-party claim, within thirty (30) days after receipt of a satisfactory proof of loss of that claim may result in a late penalty against the insurer in addition to the payment of the claim.

If the insurer is found to be arbitrary, capricious or without probable cause in settling any property damage claim, the insurer must pay the insured, in addition to the amount of the loss, fifty percent (50%) damages on the amount found to be due from the insurer to the insured, or one thousand (\$1,000) dollars, whichever is greater, as well as attorney fees and costs, if applicable.

EFFECTIVE JANUARY 1, 2010

SOUTHERN

FIDELITY INSURANCE COMPANY

AN OUTLINE OF YOUR HOMEOWNERS POLICY

The following outline of coverage is for informational purposes only. This outline shall not be construed to modify any of the provisions of the legal insurance contract which is the subject of this outline. READ YOUR HOMEOWNERS INSURANCE POLICY CAREFULLY.

Policies of this category are designed to provide coverage for the following: Your home; other structures on your premises; your personal belongings; loss of use of your home; personal liability; and medical payments to others.

POLICY COVERAGES

Please refer to your policy Declarations for limits applicable to each policy coverage, the deductible which applies to property losses, and the policy premium. The following is a brief description of each of the principal coverage features.

SECTION I - Property Coverage

Coverage A - Covers your dwelling, including structures attached. Coverage A applies to real property owned by you.

Coverage B - Covers private, non-business structures at your residence, detached from the dwelling, such as a garage, fence, swimming pool or guesthouse.

Coverage C - Covers your personal property such as clothes and furniture. Certain special limits apply such as \$200 for money and \$1,000 for theft of jewelry. You should review these in Section I of your policy along with the kinds of property which are not covered, such as motorized vehicles and property of roomers or boarders.

Coverage D - Additional Living Expense provides for payments to you if you temporarily cannot continue to live in your residence because of a covered loss to your dwelling.

Perils Insured Against

Coverages A, B, and your Personal Property under Coverage C, is insured against specifically named perils such as fire, lightning, windstorm, riot, vandalism, theft, etc

PROPERTY EXCLUSIONS

The principal exclusions in your property coverage are briefly referred to here: Loss from earth movement (Other than sinkhole collapse), water damage from flood and other surface or wind driven waters, power failure, neglect, war and nuclear hazards. Your policy may also exclude (not cover) the perils of windstorm or hail if your property is located in a high windstorm hazard area.

SOUTHERN

FIDELITY INSURANCE COMPANY

SECTION II - LIABILITY COVERAGES

Section II of your policy covers you for your legal liability for bodily injury or property damage to others, arising out of your residence or the personal activities of you and your family members away from the residence. Coverage does not apply to liability resulting from your business pursuits, motor vehicles, or certain kinds of watercraft.

RENEWAL AND CANCELLATION PROVISIONS

You may cancel the policy at any time for any reason. Our rights to cancel or non-renew your policy are limited to those conditions described in your policy. If we intend to cancel or refuse renewal of your policy, we must send you a notice telling the reasons for our action and give you advance notice of the cancellation or non-renewal date.

PREMIUM CREDITS

Credits, which may apply to your policy are: Your policy Declarations page will show which of these credits, if any, apply to your policy.

Protective Device - If your home has certain fire alarms or burglar alarms, you are eligible for a premium credit;

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

Deductible Credits - Your policy provides a minimum \$500 deductible. This is the amount you pay for, in loss, before this policy pays. Deductibles greater than \$500 provide a premium credit. The higher your deductible, the more your premium credit will be.

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

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 the "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 the "insured" to any person;
 - (4)** Failure to supervise or negligent supervision of any person involving such vehicle or craft by the "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" includes trade, profession or occupation engaged in part time or full time for payment, whether or not the insured is making a profit at the time of the loss.
 - 4.** "Employee" means an employee of the "insured", or an employee leased to the "insured" by a labor leasing firm under an agreement between the "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.** Children who are under 18 years old and have divorced parents who share custody are covered only when in the care, custody or control of the "named insured".
 - c.** 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
 - d.** 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 the immediately precedes the word "insured", the words the "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.
 - c. Any premises used by you in connection with a premise described in **a.** and **b.** above;
 - d. Any part of a premises:
 - (1) Not owned by the "insured"; and
 - (2) Where the "insured" is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to the "insured";
 - f. Land owned by or rented to the "insured" on which a one, two, three or four family dwelling is being built as a residence for the "insured";
 - g. Individual or family cemetery plots or burial vaults of the "insured"; or
 - h. Any part of a premises occasionally rented to the "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 the "insured", or an employee leased to the "insured" by a labor leasing firm, under an agreement between the "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 the "insured".

A "residence employee" does not include a temporary employee who is furnished to the "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 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.

- 12. "Resident" means a person who has been staying at the insured premises for 14 or more days or more than half of the 60 days before any event which might be subject to this policy.
- 13. "Arising out of" or "arises out of" to mean that any and all claims based on the identified conduct or occurrence, no matter how a legal claim or cause of action is defined, described, presented or alleged, and no matter whom it is alleged against, is considered to be part of any exclusion, coverage or definition using those terms, regardless of whether the insured committed the act itself or is alleged to be negligent in any way.
- 14. "Criminal Act" to mean any action or instance of negligence that is deemed injurious to the public welfare or morals and is legally prohibited as a written or positive rule or collection of rules prescribed under the authority of the state or nation.
- 15. "Hidden" means something that a reasonable person would not be aware of because it is out of sight or not readily apparent.

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.
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 the "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 the "insured"; or

- b. A guest or a "residence employee", while the property is in any residence occupied by the "insured".

2. Limit For Property At Other Residences

Our limit of liability for personal property usually located at the "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. **\$1,000** 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. **\$1,000** on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. **\$1,000** on trailers or semitrailers not used with watercraft of all types.
- e. **\$1,000** for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. **\$2,000** 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. \$250** 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. \$1,000** 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.
- k. \$1,000** 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.**
- l. \$1,000** on musical equipment and related articles of equipment.
- m. \$1,000** on property not owned by the "insured" on the "residence premises" covered at the request of the "insured".
- n. \$2,500** on oriental rugs and/or tapestry.
- o. \$2,500** for fine arts, which includes but is not limited to, paintings, portraits, drawings, or calligraphy and similar articles or rarities which cannot be replaced.
- p. \$2,500** on all antiques, stamps, coins, trading cards, collectibles, memorabilia, and similar articles whose age and history contribute to their value.

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 the "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 the "insured";
- g.** Property in an apartment regularly rented or held for rental to others by the "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. We will not pay for more than twelve months after a loss.

2. Fair Rental Value

If a loss covered under Section **I** makes that part of the "residence premises" rented to others 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. We will not pay for more than twelve months after a loss.

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 Au-**

thority 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 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):

- (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 meas-

ures 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 the "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in the "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 the "insured's" name;
- (3) Loss to the "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to the "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 the "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 the "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 the "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 the "insured" or the "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 the "insured" prior to collapse or not discoverable by reasonable inspection;
 - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to the "insured" prior to collapse or not discoverable by reasonable inspection;
 - (4) Weight of contents, equipment, animals or people;
 - (5) 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 or unoccupied 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 the "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 the "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 or unoccupied for more than **60** consecutive days immediately before the loss.

(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".

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, mold, wet 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, raccoons or insects; or

- (h) Animals owned or kept by the "insured".
- (7) We do not cover any loss to any part of the building, interior or exterior, 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.
- (8) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hiding within the walls or ceilings or beneath the floors or above the ceilings of a structure. This loss must result from the accidental discharge or overflow of water or steam from within a plumbing, heating, air condition or automatic fire protective sprinkler system, or a household appliance, on the "residence premises".

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) 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 re-

lated 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 property located outside of a building or structure. 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

This peril does not include loss if the home is vacant or unoccupied for more than 60 consecutive days immediately before the loss.

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 the "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 the "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 the "insured" , except while the "insured" is temporarily living there. Property of the "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.
 - (5) If the dwelling has been vacant or unoccupied for more than 60 consecutive days after a 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, bacteria, mold spores or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
 - (5) If the dwelling has been vacant or unoccupied for 60 consecutive days before a loss.
- 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 the "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, storm surge, 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, septic, drains or drain fields 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.

d. Water damage if the dwelling has been vacant or unoccupied for more than 60 consecutive days immediately before a loss.

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 the "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 or "criminal act" the "insured" commits or conspires to commit which a reasonable person would expect would cause a loss or which the insured intends 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, raid, or seizure of property described in Coverage **A, B** or **C** by order of any governmental or public authority or member.

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 any loss to the property described in Coverage **A** and **B** caused by, one or more of the perils listed below, regardless of whether the loss occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

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 the "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. All insureds and their representatives must see that the following are done:

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, the "insureds" 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.

9. If property damage loss occurs due to a catastrophic event where a state of disaster or emergency has been officially declared, the minimum time an insured may submit a sworn proof of loss is 180 days from the date of loss. The 180-day time limit may not begin until the declaration of emergency has ended and the civil authorities are allowing you access to the property

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 in writing 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

In case we and you shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then on request of you or us such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item, and failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with us shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties 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. No action can be brought against us 24 months after a 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 the "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, the "insured" has:

- 1. Intentionally concealed or misrepresented any material fact or circumstance;
- 2. Engaged in fraudulent or criminal 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 the "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

- 1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
- 2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when 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 the "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 the "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by the "insured"; or
 - d. Is caused by an animal owned by or in the care of the "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 the "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 the "insured"; or
 - (2) Owned by the "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 the "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 the "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 the "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 the "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 the "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to the "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 the "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by the "insured" who acquired it during the policy period; or
 - (d) More than 25 horsepower if the outboard engine or motor is owned by the "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 the "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 the "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 the "insured", whether or not the "business" is owned or operated by the "insured" or employs the "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) The "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 the "insured";
 - b. Rented to the "insured"; or
 - c. Rented to others by the "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 the "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, **including but not limited to the lack or failure to supervise**, 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 the "insured".

9. Criminal Act

"Bodily injury" or "property damage" arising out of or during any criminal act or violation of any law or ordinance.

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 the "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 the "insured". This includes costs or expenses incurred by the "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 the "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 the "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 the "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 the "insured" as defined under Definitions 5.a. or b. and "bodily injury" to a "resident" as defined under Definitions 12.

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

a. To repay; or

b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to the "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 the "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 the "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 the "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 the "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 the "insured" for "bodily injury" covered under this policy. We will not pay for first aid to the "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 the "insured".

2. We will not pay for "property damage":

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

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

c. To property owned by the "insured";

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

e. Arising out of:

(1) A "business" engaged in by the "insured";

(2) Any act or omission in connection with a premises owned, rented or controlled by the "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 the "insured"; and

(c) At the time of the "occurrence", is not required by law, or regu-

lation 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". This condition does not apply if one of the insureds committed an Intentional Act.

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 the "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 the "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 the "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 the "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 The "insured"

Bankruptcy or insolvency of the "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 the "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 or nonrenew 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.
- (3) due to fraud of the insured.
- (4) if continuation of the policy endangers our solvency.
- (5) if you have filed two or more claims within a 3 year period, however claims shall not include any claim for a loss incurred or arising from an incident due directly to an Act of God.

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

By accepting a loss settlement, we reserve all rights with regard to recovery of our payment. The "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, the "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. Salvage Rights

We have the option to take all or any part of the damaged or destroyed covered property upon replacement by us or payment of the agreed or appraised value.

We will notify you of our intent to exercise this option within 30 days after we receive your signed, sworn proof of loss.

When we settle any loss caused by theft or disappearance, we have the right to obtain all or part of any property which may be recovered. An insured person must protect this right and inform us of any property recovered. We will inform you of our intent to exercise this right within 10 days of your notice of recovery to us.

H. 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. The "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. Coverage ends when the appointment or transfer of the covered property is complete.

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 set-

tled 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 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**).

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ANIMAL LIABILITY EXCLUSION

Your policy is changed to read under **COVERAGE E - PERSONAL LIABILITY** we will **NOT** cover any "bodily injury" or "property damage" caused by any animal owned or kept by an "insured", including the failure to restrain or enclose the animal, located at the "insured location". This exclusion applies whether or not the "bodily injury" or "property damage" occurs on the "insured location" or any other location. All other provisions and exclusions apply.

Under **COVERAGE F - MEDICAL PAYMENTS TO OTHERS** we will **NOT** cover "bodily injury" or medical expenses caused by any animal owned or kept by an "insured", including the failure to restrain or enclose the animal, located at the "insured location". This exclusion applies whether or not the "bodily injury" or medical expense occurs on the "insured location" or any other location. All other provisions and exclusions apply.

Under **DAMAGE TO PROPERTY OF OTHERS SECTION** we will **NOT** cover "property damage" caused by any animal owned or kept by an "insured", including the failure to restrain or enclose the animal, located at the "insured location". This exclusion applies whether or not the "property damage" occurs on the "insured location" or any other location. All other provisions and exclusions apply.

I, _____ understand and am fully aware that my policy

(Please print name)

does not cover any liability with any animal that is owned or kept by an "insured".

(Signature of Insured)

(Signature of Any Additional Insured)

(Date)

FAILURE TO SIGN AND RETURN THIS FORM TO THE COMPANY IN NO WAY PRECLUDES THIS EXCLUSION FROM YOUR POLICY.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CALENDAR YEAR NAMED STORM DEDUCTIBLE
WITH SUPPLEMENTAL RECORD KEEPING REQUIREMENT**

SCHEDULE*

Calendar Year Named Storm Deductible Amount:	\$
*Entry may be left blank if shown elsewhere in this policy for this coverage.	

A. Definitions

The following definitions are added for purposes of this endorsement only:

1. "National Weather Service" means the National Weather Service including any of its offices, centers or agencies or, if the National Weather Service ceases to exist or ceases to perform the function of issuing warnings, watches or advisories for "named storms", such other entity as may replace it.
2. "Named Storm" means a weather-related event involving wind that has been assigned a formal name by the "National Weather Service" or any other generally recognized scientific or meteorological association that provides formal names for public use and reference. A "named storm" includes hurricanes, tropical storms and tropical depressions.
3. A "Named Storm" occurrence:
 - a. Begins at the time a "named storm" watch or warning is issued for any part of Louisiana by the "National Weather Service"; and
 - b. Continues in effect for as long as the "named storm" conditions exist anywhere in the State of Louisiana; and
 - c. Ends 24 hours following the termination of the last "named storm" watch or warning issued for any part of Louisiana by the "National Weather Service".

B. "Named Storm" Deductible

The following special deductible is added to the policy:

1. With respect to the peril of Windstorm Or Hail, we will pay only that part of the total of all loss payable resulting from a "named storm", under Section I that exceeds the applicable "named storm" deductible described in Paragraph B.2. of this endorsement.

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2. The applicable "named storm" deductible is either:
 - a. The dollar amount shown in the Schedule or Declarations as the "Named Storm" Deductible; or
 - b. If a percentage is shown in the Schedule or Declarations, the dollar amount is determined by multiplying the Coverage **A** or **C** Limit Of Liability shown in the Declarations, whichever is greater, by the percentage shown as the "Named Storm" Deductible in the Schedule or Declarations.
 - c. A minimum deductible of \$500 applies.

C. Loss During A "Named Storm"

With respect to Paragraphs **C.** and **D.**, coverage for loss caused by the peril of Windstorm Or Hail during a "named storm" which occurs anywhere in the State of Louisiana, includes loss to:

1. The inside of a building; or
2. The property we cover contained in a building caused by:
 - a. Rain;
 - b. Snow;
 - c. Sleet;
 - d. Hail;
 - e. Sand; or
 - f. Dust;

If the direct force of the windstorm or hail damages the building, causing an opening through which the rain, snow, sleet, hail, sand or dust enters and causes damage.

D. Calendar Year "Named Storm" Deductible Described

A calendar year "named storm" deductible issued by:

1. Us; or
2. Another insurer in our insurer group:
 - a. Can be exhausted only once during each calendar year; and
 - b. Applies to loss to Covered Property caused by one or more "named storms" during each calendar year.

E. Application of Calendar Year "Named Storm" Deductible

1. In the event of the first windstorm and / or hail loss caused by a single "named storm" occurrence during a calendar year, we will pay:

Only that part of the total of all loss payable under Section **I** – Property Coverages that exceeds the calendar year "named storm" deductible stated in your Declarations.
2. With respect to a windstorm and / or hail loss caused by the second, and each subsequent, "named storm" occurrence during the same calendar year:

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- a. We will pay only that part of the total of all loss payable under Section I – Property Coverages that exceeds the greater of:
 - (1) The remaining dollar amount of the calendar year "named storm" deductible that is in effect at the time of the loss; or
 - (2) The deductible that applies to fire that is in effect at the time of the loss.
 - b. The remaining dollar amount of the calendar year "named storm" deductible is determined by:
 - (1) Subtracting the actual deductible(s) applied to all previous windstorm and / or hail losses caused by "named storms" during the calendar year;
 - (2) From the calendar year "named storm" deductible that is in effect at the time of the loss.
3. When:
- a. A renewal policy is issued by us or an insurer in our insurer group, or
 - b. We issued a policy that replaces one issued by:
 - (1) Us; or
 - (2) An insurer in our insurer group: and
 - c. The renewal or replacement policy takes effect on a date other than Januaryst of a calendar year, the following provisions apply:
 - (1) If the renewal or replacement policy:
 - (a) Provides a lower "named storm" deductible than the prior policy, and
 - (b) You incurred loss from a "named storm" under a prior policy in that same calendar year:

The lower "named storm" deductible will not take effect until January 1 of the following calendar year.
 - (2) If the renewal or replacement policy:
 - (a) Provides a lower "named storm" deductible than the prior policy, and
 - (b) You have not incurred a "named storm" loss in that same calendar year;

The lower "named storm" deductible will take effect on the effective date of the renewal or replacement policy.
 - (3) If the renewal or replacement policy provides a higher "named storm" deductible than the prior policy, the higher deductible:
 - (a) Will take effect on the effective date of the renewal or replacement policy; and
 - (b) Shall be used to calculate the remaining dollar amount of the "named storm" deductible.

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4. We require that you maintain receipts or other records of such "named storm" losses that are below the "named storm" deductible, and provide us with such receipts as often as we reasonably require, so that we may consider the amount of such loss when adjusting claims for subsequent "named storm" occurrences that occur during the calendar year.
 5. For the purposes of determining losses for "named storms" in the prior policy, a "named storm" deductible may alternatively be defined and shown in the prior policy as a windstorm or hail deductible, hurricane deductible, wind and hail only deductible, or a calendar year hurricane deductible.
- F. No other deductible applies to loss caused by the peril of Windstorm Or Hail and resulting from a "named storm" during the period described in Paragraph **A.3.** of this endorsement.
- G. Loss By Windstorm And / Or Hail That Is Not A "Named Storm"**
- Refer to the policy declarations for the deductible that applies to loss if the circumstances of the loss described in this endorsement do not apply.

All other provisions of this policy apply.

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EXISTING DAMAGE EXCLUSION ENDORSEMENT

It is understood and agreed that this policy is not intended to and does not provide coverage for any damages which occurred prior to policy inception.

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

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

This endorsement applies to all coverages under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
**LIMITED FUNGI, MOLD, WET OR DRY ROT, OR BACTERIA
COVERAGE**

FOR USE WITH FORM SFH LA H2 and FORM SFH LA H3

SCHEDULE*

1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria that damages your property and results from a covered peril	\$ Each Covered Loss \$ Policy Aggregate
2.	Section II – Coverage E Aggregate Sublimit Of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria that damages your property and results from a covered peril	\$
*Entries may be left blank if shown elsewhere in this policy for this coverage.		

DEFINITIONS

The following definition is added:

"Fungi"

- a. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.
- c. "Bacteria" "Bacteria" means any type, kind or form of bacterium.

SECTION I – PROPERTY COVERAGES

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 12.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.

- c. The **Each Covered Loss** amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage for all covered losses, regardless of the number of locations insured under this endorsement or number of claims-made.

The **Policy Aggregate** 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 for all covered losses, regardless of the number of locations insured under this endorsement or number of claims made.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi" wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

SECTION I – PERILS INSURED AGAINST

Paragraph 18., on Form SFH LA H2 is deleted and replaced by the following:

- 18.** Constant or repeated seepage or leakage or water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings or a structure. **This will apply to the limit of the SFH LA MC3 10 07.**

Coverage A – Dwelling and Coverage B – Other Structures, Paragraph 2.c.(8), on Form SFH LA H3 is deleted and replaced by the following:

- (8)** Constant or repeated seepage or leakage or water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings or a structure. **This will apply to the limit of the SFH LA MC3 10 07.**

SECTION I – EXCLUSIONS

Exclusion A.10. is added

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

"Fungi", wet or Dry Rot, or Bacteria meaning the presence, growth, proliferation, spread or any activity or "fungi", wet or dry rot, or bacteria.

This exclusion does not apply:

- (a)** when "fungi", wet or dry rot, or bacteria results from fire or lightning; or
- (b)** To the extent coverage is provided for in the "Fungi", Wet or Dry Rot, or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi", wet or dry rot, or bacteria is covered.

SECTION II – CONDITIONS

Condition **A. Limit Of Liability** is deleted and replaced by the following:

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 will 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.

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section **II – Coverage E Aggregate Sublimit Of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria.** That sublimit is the amount shown in the Schedule. This is the most we will pay regardless of the:

- a.** Number of locations insured under the policy to which this endorsement is attached;
- b.** Number of persons injured;

- c. Number of persons whose property is damaged;
- d. Number of "insureds"; or
- e. Number of "occurrences" or claims-made.

This sublimit is within, but does not increase, the Coverage E limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

With respect to damages arising out of "fungi", wet or dry rot, or bacteria described in A. Limit Of Liability of this endorsement, the following is added to Section II – Conditions, Condition B. **Severability Of Insurance:**

B. Severability Of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section II – Conditions 1., Limit Of Liability. This condition will not increase the limit of liability for this coverage.

SECTION I AND II – CONDITIONS

The following definition is added in FORM SFH LA H2, Condition H. **Policy Period:**

H. Policy Period

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

All other provisions of the policy apply.

The following definition is added in FORM SFH LA H3, Condition I. **Policy Period:**

I. Policy Period

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

All other provisions of the policy apply.

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MANDATORY POLICY EXCLUSIONS AND EXCEPTIONS

SATELLITE DISH EXCLUSION

This provision modifies and limits Section I Coverages as follows.

WE DO NOT COVER damage to the following property:

Your satellite dish or satellite antenna. This exclusion also applies to all related receiving equipment **including receiver mounts, transducers or other receiver parts or installation.**

NON STRUCTURAL HAIL LOSS LIMITATION

Hail often dents the exterior surface of a home or other structure without causing structural damage. Materials usually affected by this type of damage include but are not limited to: metal; fiberglass or rigid plastic porches; carports; awnings; and utility rooms. When this type of loss or damage occurs, we will pay the lowest of the following amounts:

1. The cost of repairing or replacing the damaged portion of the property; or
2. 2% of the amount of insurance provided under Section 1 Property Coverages, Coverage A - Dwelling or Coverage B - Other Structures, depending on which item was damaged.

WINDSTORM AND HAIL CERTAIN OTHER STRUCTURES EXCLUSION AND LIMITED COVERAGE CERTAIN OTHER STRUCTURES

Unless a Limit of Insurance is shown in the Declaration for the described item and the property is described by separated and specific items on the Declarations, we DO NOT cover the following property for the perils of windstorm and hail:

- a. Windmills, wind pumps or their towers, or metal smokestacks;
- b. Any structure or attachment from the covered building, where that structure's roof coverings are of screen, fabric, thatch, lattice, or slats and similar material; and/or where that structure's exterior wall coverings are of fabric, thatch, lattice, or slats and similar material, and personal property contained within or on these structures;
- c. field or pasture fences that are or have been used to confine any livestock whether or not the livestock still exists;

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- d. Greenhouses, glasshouses, hothouses, slat houses, trellises, chickees, gazebos, pergolas, cabanas and tiki huts, or similar structures and personal property contained within or on these structures;
- e. The following property when outside of the building is also **excluded**:
 - 1. Awnings;
 - 2. Canopies, when such canopy covering is of screen fabric, thatch, lattice or slats and similar material;
 - 3. Signs, radio or television antennas or aerials, satellite dish (including lead-in wiring, masts or towers and their supports), and utility poles including light fixtures; and
 - 4. Steeples.
- f. Grain, hay, straw and other crops, crop silos and/or their contents;
- g. Bridges, boardwalks, trestles, catwalks, dunewalks, ramps, roadways and similar structures, or other paved or graded surfaces, whether or not attached to the building; however, if not described as above **we cover** walks, decks and patios which are part of the covered building;
- h. Any structure, including the personal property contained within or on the structure, located in whole or in part over water.
- i. Any structure built to assist a handicap person in the entering or exiting of the main dwelling structure is an **exception** to this exclusion.

Note: The above mentioned changes in coverage do not exclude any loss due to structural damage, and will be paid as in the policy.

EXCLUDED COVERAGES: DIVING BOARDS, POOL SLIDES, TRAMPOLINES, BIKE-AND-SKATEBOARD EQUIPMENT

Your policy is changed to read under **COVERAGE E - PERSONAL LIABILITY** we will **NOT** cover any property damage or bodily injury arising out of the ownership, use, or maintenance of a diving board, pool slide or trampoline.

Additionally, we will **NOT** cover any property damage or bodily injury arising out of the ownership, use or maintenance of a structure designed for use with cycles, skateboards, scooters, skates or any other similar equipment. (For example: a ramp, bowl or half-pipe.)

All other provisions and exclusions apply.

ALL TERRAIN VEHICLE (ATV) EXCLUSION

Coverage under the policy for Both Section I Property and Section II Liability is excluded for any All Terrain Vehicle (ATV) owned, leased, rented, borrowed or used by the insured whether used on the insured premises or anywhere else.

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ATVs include vehicles with any number of wheels, capable or carrying one or more persons, that are powered by a gasoline engine, electric motor or any other power source regardless of size or horsepower.

This exclusion applies regardless of the use and includes but is not limited to recreational use, use in maintaining the premises, whether on private or public property or whether off- road or on established streets or roads.

I, _____, **understand and are fully aware of the**
(Please print name)

exclusions in this form and my possible reduction in coverage.

(Signature of Insured)

(Signature of Any Additional Insured)

(Date)

**FAILURE TO SIGN AND RETURN THIS FORM TO THE COMPANY IN NO WAY
PRECLUDES THIS EXCLUSION FROM YOUR POLICY.**

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SPECIAL COVERAGE ENDORSEMENT

In addition to the coverages listed in the main policy and in consideration of the premium charged for Personal Property Replacement Cost, the **Special Limits of Liability** in Section I of the policy are amended as follows:

1. \$250 on money, bank notes, bullion, gold other than gold ware, silver other than silverware, platinum, coins and medals.
2. \$1500 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.

5. \$1500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
6. \$2500 for loss by theft of firearms.

THIS COVERAGE DOES NOT AMEND ANY PERILS INSURED AGAINST APPLICABLE TO COVERAGE "C" (UNSCHEDULED PERSONAL PROPERTY)

THIS ENDORSEMENT MUST BE ATTACHED TO THE POLICY WHEN ENDORSEMENT HO 04 90 IS ATTACHED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – LOUISIANA

SECTION I – PROPERTY COVERAGES

C. Coverage C – Personal Property

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

4. Property Not Covered

c. “Motor vehicles”

(2) We do cover “motor vehicles” not required to be registered for use on public roads or property which are:

(a) Used to service an “insured’s” residence; or

(This is Paragraph **A.4.c.(2)(a)** in Form **H4** and **B.4.c.(2)(a)** in Form **H6**).

E. Additional Coverages

2. Reasonable Repairs is replaced by the following:

2. Reasonable Repairs

We will pay the reasonable cost incurred by you for necessary repairs made solely to protect covered property from further damage if a Peril Insured Against causes the loss. This coverage does not increase the limit of liability that applies to the property being repaired.

(This is Paragraph **C.2.** in Form **H4** and **D.2.** in Form **H6**).

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money is replaced by the following:

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.

(2) Loss arising out of “business” use or dishonesty of an “insured”.

- c. If the coverage in **a.** 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 our limit of liability for the loss has been exhausted by payment of a judgment or settlement.
 - (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.

(This is Paragraph **C.6.** in Form **H4** and **D.6.** in Form **H6**).

SECTION I – PERILS INSURED AGAINST

In Form **H3**, Paragraph **B.9.b.(5)** is replaced by the following:

B. Coverage C – Personal Property

9. Theft

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

- (5) If the dwelling has been vacant or unoccupied for more than 60 consecutive days immediately before a loss.

(This is Paragraph **9.b.(5)** in Forms **H2**, **H4**, and **H6**).

SECTION I – EXCLUSIONS

Paragraph **A.3.b.** is replaced by the following:

3. Water Damage

- b. Water or water-borne material on the “residence premises” caused by accidental discharge or overflow which occurs off the “residence premises”; or

A.8. Intentional Loss is replaced by the following:

8. Intentional Loss, meaning any loss arising out of any act committed:

- a. With respect to loss caused by fire;
 - (1) By or at the direction of the “insured”; and
 - (2) With the intent to cause a loss.
- b. With respect to loss caused by a peril other than fire and with respect to all “insureds” covered under this policy;
 - (1) By you or at your direction; and
 - (2) With the intent to cause a loss.

SECTION I – CONDITIONS

B. Duties After Loss

Paragraph **B.8.** is replaced by the following:

- 8. Send to us 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.

This proof of loss must be sent to us within:

- (1) 180 days after our request, if the loss results from a catastrophic event for which a state of disaster or emergency was declared pursuant to law by civil officials; however, this 180 day period does not commence until the state of emergency or disaster has ended and you have access to your property; or
- (2) 60 days after our request in all other cases.

C. Loss Settlement

In Forms **H2** and **H3**, Paragraph **C.2.a.(2)** is replaced by the following:

- (2) The replacement cost of that part of the building damaged with material of like kind and quality; or

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. The undisputed portion of the loss will be payable within 30 days after we receive your proof of loss.

K. Mortgage Clause

Paragraph **3.** is replaced by the following:

- 3. If this policy is cancelled by us, the mortgagee will be notified:
 - a. At least 10 days before the date cancellation takes effect if we cancel for nonpayment of premium; or
 - b. At least 30 days before the date cancellation takes effect if we cancel for any other reason.If the policy is not renewed by us, the mortgagee will be notified at least 30 days before the date nonrenewal takes effect.

(This Condition does not apply to Form **H4**).

Q. Concealment Or Fraud is replaced by the following:

Q. Concealment Or Fraud

- 1. With respect to loss caused by fire, we do not provide coverage to the “insured” who, whether before or after a loss, 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.
- 2. With respect to loss caused by a peril other than fire and with respect to all “insureds” covered under this policy, we provide no coverage for loss if, whether before or after a loss, one or more “insureds” have:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements;relating to this insurance.
- 3. However, if the conduct specified above is in relation to the procurement of the contract or occurs subsequent to the issuance of the contract, but if known to us would have caused us not to issue the policy, coverage will only be denied if the conduct was committed with the intent to deceive.

(This is Condition **P.** in Form **H4**.)

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

Paragraph 1. is replaced by the following:

1. Pay up to our limit of liability for the damages for which an “insured” is legally liable; and

SECTION II – EXCLUSIONS

A. “Motor Vehicle Liability”

Paragraph 2.b. is replaced by the following:

2. If Exclusion A.1. does not apply, there is still no coverage for “motor vehicle liability” unless the “motor vehicle” is:
 - b. Used to service an “insured’s” residence;

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

Paragraph 1. is replaced by the following:

1. Expected Or Intended Injury

With respect to loss:

- a. Caused by fire; which is expected or intended by the “insured” even if the “bodily injury” or “property damage”:
 - (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.

However, this Exclusion E.1.a. does not apply to “bodily injury” resulting from the use of reasonable force by the “insured” to protect persons or property.

- b. Caused by a peril other than fire and with respect to all “insureds” covered under this policy which is expected or intended by one or more “insureds” even if the “bodily injury” or “property damage”:
 - (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.

However, this Exclusion E.1.b. does not apply to “bodily injury” resulting from the use of reasonable force by one or more “insureds” to protect persons or property.

F. Coverage E – Personal Liability

Paragraph 6. does not apply in all Forms.

SECTION II – CONDITIONS

F. Suit Against Us does not apply.

J. Concealment Or Fraud is replaced by the following:

J. Concealment Or Fraud

1. We do not provide coverage to one or more “insureds” who, whether before or after a loss, have:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements;relating to this insurance.
2. However, if the conduct specified above is in relation to the procurement of the contract or occurs subsequent to the issuance of the contract, but if known to us would have caused us not to issue the policy, coverage will only be denied if the conduct was committed with the intent to deceive.

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraphs **2.**, **3.** and **4.** are replaced by the following:

- 2.** The following applies with respect to premium payments due on new and renewal policies, including installment payments:
 - a.** If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the policy subject to Paragraphs **b.** and **c.** below.
 - b.** We may cancel the policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you within 10 days of the date that we receive notice of the returned check or negotiable instrument.
 - c.** The cancellation notice will also advise you that the policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation notice was mailed.

- 3.** The following applies if **2.** above does not apply:

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, regardless of the period of time this policy has been in effect, 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 and any other known person shown by the policy to have an interest in any loss which may occur thereunder know at least 30 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 except as provided in Item **3.e.** below, we may cancel:

(1) If there has been a material misrepresentation of fact with the intent to deceive:

(a) In the procurement of the contract; or

(b) At any other time since the policy was issued;

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 and any other known person shown by the policy to have an interest in any loss which may occur thereunder know at least 30 days before the date cancellation takes effect.

- d.** When this policy is written for a period of:

(1) More than one year; or

(2) Three years or less;

we may cancel for any reason at anniversary by letting you and any other known person shown by the policy to have an interest in any loss which may occur thereunder know at least 30 days before the date cancellation takes effect.

- e.** When this policy has been in effect and renewed for more than three years, we may cancel for any one of the following:

(1) If you have committed fraud with the intent to deceive:

(a) In the procurement of the contract; or

(b) At any other time since the policy was issued;

- (2) If the insured risk has undergone a material change;
- (3) If you have filed two or more claims that are not the result of an incident which is:
 - (a) Due directly to forces of nature; and
 - (b) Exclusively without human intervention;
 - within three years; or
- (4) If the continuation of this policy endangers our solvency.

This can be done by letting you and any other known person shown by the policy to have an interest in any loss which may occur thereunder know at least 30 days before the date cancellation takes effect.

We will not, however, cancel this policy, regardless of the period of time this policy has been in effect, based solely upon a loss caused by an Act of God. An Act of God means an incident due directly to natural causes and exclusively without human intervention.

- 4. If this policy is cancelled, we will return any premium refund due, subject to Paragraphs **a.**, **b.** and **c.** below. The cancellation will be effective even if we have not made or offered a refund.
 - a. If you cancel this policy, we will refund the return premium, if any, within 30 days after the date cancellation takes effect. The return premium shall be computed on a pro rata basis, subject to the minimum premium requirements.

We will send the refund to you and any mortgagee that has provided us with written notice of the percentage of the premium being funded with the mortgagee's own funds. The percentage of the unearned premium attributable to the mortgagee shall be returned to the mortgagee and the percentage of the unearned premium attributable to you shall be returned to you.
 - b. If we cancel this policy, and the return premium is not refunded with the notice of cancellation, we will refund it within a reasonable time after the date cancellation takes effect. We will send the refund to you, or your agent unless c. below applies. If the premium is refunded to your agent, we will notify you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.
 - c. If we cancel based on Paragraph **2.** above, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in **2.c.** If the policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.

D. Nonrenewal is replaced by the following:

D. Nonrenewal

- 1. We may elect not to renew this policy, subject to the provisions of Paragraphs **2.** and **3.** below. We may do so by delivering to you and any other known person shown by the policy to have an interest in any loss which may occur thereunder or mailing to you at your mailing address shown in the Declarations and to any other known person shown by the policy to have an interest in any loss which may occur thereunder, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.
- 2. If this policy has been in effect and renewed with us for more than three years, we will not exercise our right of nonrenewal except:
 - a. When you have not paid the premium;
 - b. If you have committed fraud;
 - c. If the insured risk has undergone a substantial change;
 - d. If you have filed two or more claims that are not the result of an incident which is:
 - (1) Due directly to forces of nature; and
 - (2) Exclusively without human intervention;
 - within three years; or
 - e. If the continuation of this policy endangers our solvency.

3. We will not, however, exercise our right of nonrenewal, regardless of the period of time this policy has been in effect with us, based solely upon a loss caused by an Act of God. An Act of God means an incident due directly to natural causes and exclusively without human intervention.

E. Assignment is replaced by the following:

E. Assignment

Assignment of this policy or any benefit or post-loss right will not be valid unless we give our written consent.

F. Subrogation

The following Paragraph is added:

If we pay an “insured” for a loss caused by another “insured” who intentionally commits, or directs another to commit, any act that results in loss by fire, the rights of the “insured” to recover damages from the “insured” who intentionally committed, or directed another to commit, such an act are transferred to us to the extent of our payment. The “insured” may not waive such rights.

All other provisions of this policy apply.



STANDARD POLICY COVERAGE - DECLARATIONS

This policy is issued on behalf of Southern Fidelity Insurance Company and, by acceptance of this policy, you agree:

1. That the statements in the Declarations are your representations;
2. That this policy is issued in reliance upon the truth of those representations; and
3. That this policy embodies all agreements existing between you and the Southern Fidelity Insurance Company or any of our Producers relating to this policy.