

SURPLUS LINES STATEMENT

Policy Number	Insured Name
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Surplus Lines Agent: Melissa Hallmark CRC Insurance Services, LLC One Metroplex Drive, Suite 400 Birmingham, AL 35209 License #: W959152 DO NOT SEND PAYMENTS TO THIS ADDRESS	Premium: \$XX Policy Fee: \$XX Florida Tax: \$XX FLSO Fee: \$XX
Total Premium: \$XX	

Producing Agent:	Retail agent name and address
	Lic# XXX

SURPLUS LINES POLICYHOLDER NOTICE

This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.

SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.

Date: XX/XX/XX	 _____ Surplus Lines Agent
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Lloyd's Certificate

This Insurance is effected with certain Underwriters at Lloyd's, London.

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of the said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, their Executors and Administrators.

The Assured is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

All inquiries regarding this Certificate should be addressed to the following Correspondent:

CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
3. **Cancellation.** If this Certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the firm or person named in item 6 of the attached Declaration Page, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.
 The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.
 Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.
5. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
6. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.
7. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short Rate Cancellation Table For Term of One Year.

Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium
1	5%	66 - 69	29%	154 - 156	53%	256 - 260	77%
2	6	70 - 73	30	157 - 160	54	261 - 264	78
3 - 4	7	74 - 76	31	161 - 164	55	265 - 269	79
5 - 6	8	77 - 80	32	165 - 167	56	270 - 273 (9 mos)	80
7 - 8	9	81 - 83	33	168 - 171	57	274 - 278	81
9 - 10	10	84 - 87	34	172 - 175	58	279 - 282	82
11 - 12	11	88 - 91 (3 mos)	35	176 - 178	59	283 - 287	83
13 - 14	12	92 - 94	36	179 - 182 (6 mos)	60	288 - 291	84
15 - 16	13	95 - 98	37	183 - 187	61	292 - 296	85
17 - 18	14	99 - 102	38	188 - 191	62	297 - 301	86
19 - 20	15	103 - 105	39	192 - 196	63	302 - 305 (10 mos)	87
21 - 22	16	106 - 109	40	197 - 200	64	306 - 310	88
23 - 25	17	110 - 113	41	201 - 205	65	311 - 314	89
26 - 29	18	114 - 116	42	206 - 209	66	315 - 319	90
30 - 32 (1 mos)	19	117 - 120	43	210 - 214 (7 mos)	67	320 - 323	91
33 - 36	20	121 - 124 (4 mos)	44	215 - 218	68	324 - 328	92
37 - 40	21	125 - 127	45	219 - 223	69	329 - 332	93
41 - 43	22	128 - 131	46	224 - 228	70	333 - 337 (11 mos)	94
44 - 47	23	132 - 135	47	229 - 232	71	338 - 342	95
48 - 51	24	136 - 138	48	233 - 237	72	343 - 346	96
52 - 54	25	139 - 142	49	238 - 241	73	347 - 351	97
55 - 58	26	143 - 146	50	242 - 246 (8 mos)	74	352 - 355	98
59 - 62 (2 mos)	27	147 - 149	51	247 - 250	75	356 - 360	99
63 - 65	28	150 - 153 (5 mos)	52	251 - 255	76	361 - 365 (12 mos)	100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
 - 1. Determine full annual premium as for insurance written for a term of one year.
 - 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
 - 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

Figure: 28 TAC §1.601(a)(2)(B)

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

Certain Underwriters at Lloyd's led by Beazley Syndicates 2623 / 623

To get information or file a complaint with your insurance company or HMO:

Call: Coastal Insurance Underwriters at (904)285-7683

Email: plinfo@starwindins.com

Mail: 20 Wesmark Court, Sumter, SC 29150

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

Certain Underwriters at Lloyd's led by Beazley Syndicates 2623 / 623

Para obtener información o para presentar una queja ante su compañía de seguros o HMO:

Llame a: Coastal Insurance Underwriter al (904)285-7683

Correo electrónico: plinfo@starwindins.com

Dirección postal: 20 Wesmark Court, Sumter, SC 29150

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

UNDERWRITERS AT LLOYD'S, LONDON
 Unique Market Reference Number: B0572YF24CU04

CONDOMINIUM UNIT OWNERS (HO-6) DECLARATIONS PAGE

Policy Number:	Inception Date:	00/00/0000	Expiration Date:	00/00/0000
	12:01 AM Standard Time at the address of the insured as stated herein.			

Named Insured and Mailing Address	Location of Covered Address	Producing Agency Name and Address

This policy consists of the following coverage parts for which a premium and limit of liability is indicated.

Coverages	Limit of Liability	Deductible	Premium
Section I- Property Coverages			
Coverage A – Dwelling	\$0	\$0	\$0.00
Coverage B – Other Structures	\$0		
Coverage C – Personal Property	\$0		
Coverage D – Loss of Use	\$0		
Section II- Liability Coverages			
E- Personal Liability	\$300,000		
F- Medical Payments	\$5,000		
Mortgagee: Loss Payee: Additional Insured:			
RATING INFORMATION			
Occupancy/Use: Year of Construction: Construction: Unit is on floor number: Replacement cost for both Coverage A and Coverage C			

Policy Premium:	\$XXX.XX
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Tax/Fee Description	Amount	Subtotal
Policy Fee:		
Surplus Lines Tax:		
FLSO Service Fee:		
EMPA Fee:		
CPIC Emergency Assessment Fee:		
FHCF Fee:		
Total Fees:		

Total Policy Premium, Including Taxes & Fees:	\$0.00
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In Return For The Payment Of The Premium, And Subject To All The Terms Of This Policy, We Agree With You To Provide The Insurance As Stated In This Policy. This Policy Supercedes Any Previous Policy Bearing The Same Number And Policy Period. The premium may be subject to audit by the company.

“SURPLUS LINES INSURERS’ POLICY RATES AND FORMS ARE NOT APPROVED BY ANY STATE REGULATORY AGENCY.”

Payment Method: This is a direct bill policy.
 Premium payable at inception:

Authorized Representative:
 Countersigned:

This coverage form ONLY applies to PART I - HOMEOWNERSWRAPSM, PART II – PERSONAL ARTICLES, PART – III OTHER PERSONAL LIABILITY COVERAGES, PART IV – OTHER COMMERCIAL LIABILITY COVERAGES, AND PART VI – LIMITED DOCK OWNERS LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:

**PART I - HOMEOWNERSWRAPSM
PART II – PERSONAL ARTICLES
PART III - OTHER PERSONAL LIABILITY COVERAGES
PART IV – OTHER COMMERCIAL LIABILITY COVERAGES**

The minimum earned premium for this policy will be \$ _____, unless we cancel the policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

HOMEOWNERS 6 – UNIT-OWNERS FORM

AGREEMENT

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

DEFINITIONS

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

c. Under Section II:

- (1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person described in **5.a.** or **b.** "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 described in **5.a.** or **b.**; or
 - (b) Other persons using the vehicle on an "insured location" with your consent.

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

6. "Insured location" means:

- a. The "residence premises";
- b. The part of other premises, other structures and grounds used by you as a residence; and
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the policy period for your use as a residence;
- c. Any premises used by you in connection with a premises described in **a.** and **b.** above;
- d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";
- f. Land owned by or rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or
- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

7. "Motor vehicle" means:

- a. A self-propelled land or amphibious vehicle; or
 - b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.
- 8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:**
- a. "Bodily injury"; or
 - b. "Property damage".
- 9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.**
- 10. "Residence employee" means:**
- a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured".
- A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.
- 11. "Residence premises" means the unit where you reside shown as the "residence premises" in the Declarations.**

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:

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

2. We do not cover:
- a. Land, including land on which the "residence premises", real property or structures are located;
 - b. Structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Structures from which any "business" is conducted; or
 - d. Structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

B. Coverage C – Personal Property

1. Covered Property

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

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

2. Limit For Property At Other Locations

a. Other Residences

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

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

b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility 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:

- (1) Moved from the "residence premises" because it is:
 - (a) Being repaired, renovated or rebuilt; and
 - (b) Not fit to live in or store property in; or
- (2) Usually located in an "insured's" residence, other than the "residence premises".

3. Special Limits Of Liability

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

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

This limit includes the cost to research, replace or restore the information from the lost or damaged material.
- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- j. \$1,500 on portable electronic equipment that:
 - (1) Reproduces, receives or transmits audio, visual or data signals;
 - (2) Is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and
 - (3) Is in or upon a "motor vehicle".
- k. \$250 on antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".

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".

This includes a "motor vehicle's" equipment and parts.

However, this Paragraph 4.c. does not apply to:

- (1) Portable electronic equipment that:
 - (a) Reproduces, receives or transmits audio, visual or data signals; and
 - (b) Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.

- (2) "Motor vehicles" not required to be registered for use on public roads or property which are:
 - (a) Used solely to service a residence; or
 - (b) Designed to assist the handicapped;
- d. Aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured";
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

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

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

C. Coverage D – Loss Of Use

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

1. Additional Living Expense

If a loss by a Peril Insured Against under this policy to covered property or the building containing the property makes the "residence premises" not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

2. Fair Rental Value

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

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

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

D. Additional Coverages

1. Debris Removal

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

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

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

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

- (1) Trees you solely own felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's trees felled by a Peril Insured Against under Coverage C;
provided the trees damage a covered structure.

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

This coverage is additional insurance.

2. Reasonable Repairs

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

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

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

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, you solely own at the location of the "residence premises", for loss caused by the following Perils Insured Against:

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

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

This coverage is additional insurance.

4. Fire Department Service Charge

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

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

5. Property Removed

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

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

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

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

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

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

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

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
 - (a) By a resident of your household;

- (b) By a person who has been entrusted with either type of card or access device; or

- (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or

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

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

- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.

- (2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.

- (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.

7. Loss Assessment

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

- (1) Earthquake; or

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

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

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

- c. Paragraph **Q**. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- c. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by one or more of the following:
 - (1) The Perils Insured Against named under Coverage **C**;
 - (2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
 - (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- e. 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 **d.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

9. Glass Or Safety Glazing Material

- a. We cover:
 - (1) The breakage of glass or safety glazing material which is part of a building, storm door or storm window and covered under Coverage **A**;
 - (2) The breakage of glass or safety glazing material which is part of a building, storm door or storm window and covered under Coverage **A** when caused directly by earth movement; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:
 - (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
 - (2) To the "residence premises" if the building containing the "residence premises" has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A building being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

10. Ordinance Or Law

- a. You may use up to 10% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
- (1) The construction, demolition, remodeling, renovation or repair of that part of property covered under Coverage **A** damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of property covered under Coverage **A**, when that property must be totally demolished because of damage by a Peril Insured Against to another part of that property covered under Coverage **A**; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of property covered under Coverage **A** necessary to complete the remodeling, repair or replacement of that part of the property covered under Coverage **A** damaged by a Peril Insured Against.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
- c. We do not cover:
- (1) The loss in value to any property covered under Coverage **A** due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any property covered under Coverage **A**.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

11. Grave Markers

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

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

SECTION I – PERILS INSURED AGAINST

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

1. Fire Or Lightning

2. Windstorm Or Hail

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

This peril does not include loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

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

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

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

9. Theft

- a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.
- b. This peril does not include loss caused by theft:
 - (1) Committed by an "insured";
 - (2) In or to a "residence premises" under construction, or of materials and supplies for use in the construction until the "residence premises" is finished and occupied;
 - (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or
 - (4) That occurs away from the "residence premises" or the location of the "residence premises" of:
 - (a) Trailers, semitrailers and campers;
 - (b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or
 - (c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 90 days immediately before the loss.

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

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

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance. We also pay to tear out and replace any part of a building or other structure owned solely by you which is covered under Coverage **A** and at the location of the "residence premises", but only when necessary to repair the system or appliance from which the water or steam escaped. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building owned solely by you at the location of the "residence premises".
- b. This peril does not include loss:
 - (1) To or within the "residence premises", if the building containing the "residence premises" has been vacant for more than 60 consecutive days immediately before the loss. A building being constructed is not considered vacant;
 - (2) To the system or appliance from which the water or steam escaped;
 - (3) Caused by or resulting from freezing except as provided in Peril Insured Against **14**. Freezing;
 - (4) To or within the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located; or
 - (5) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section **I** – Exclusion **3**. Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

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

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

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

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, but only if you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain all systems and appliances of water.

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

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

16. Volcanic Eruption

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

SECTION I – EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion 1.a. does not apply to the amount of coverage that may be provided for in D.10. Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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

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

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting.

This Exclusion 2. applies regardless of whether any of the above, in 2.a. through 2.d., is caused by an act of nature or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above, in 2.a. through 2.d., is covered.

3. Water

This means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;

- c. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in 3.a. through 3.c. of this exclusion.

This Exclusion 3. applies regardless of whether any of the above, in 3.a. through 3.d., is caused by an act of nature or is otherwise caused.

This Exclusion 3. applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

However, direct loss by fire, explosion or theft resulting from any of the above, in 3.a. through 3.d., is covered.

4. Power Failure

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

5. Neglect

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

6. War

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

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

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

7. Nuclear Hazard

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

8. Intentional Loss

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

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

9. Governmental Action

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

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

SECTION I – CONDITIONS

A. Insurable Interest And Limit Of Liability

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

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

B. Deductible

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

With respect to any one loss:

- 1. Subject to the applicable limit of liability, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.
- 2. If two or more deductibles under this policy apply to the loss, the highest deductible amount will apply.

C. Duties After Loss

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

- 1. Give prompt notice to us or our agent;
- 2. Notify the police in case of loss by theft;
- 3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in D.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages;
- 4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;

5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the policy;
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The inventory of damaged personal property described in 6. above;
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - h. Evidence or affidavit that supports a claim under D.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages, stating the amount and cause of loss.

D. Loss Settlement

Covered property losses are settled as follows:

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

In this provision, the terms "repaired" or "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in D.10. Ordinance Or Law under Section I – Property Coverages.

E. 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.

F. Appraisal

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

Each party will:

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

G. Other Insurance And Service Agreement

1. If a loss covered by this policy is also covered by:
 - a. Other insurance, except insurance in the name of a corporation or association of property owners, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
 - b. A service agreement, except a service agreement in the name of a corporation or association of property owners, this insurance is excess over any amounts payable under any such agreement.

2. Subject to Paragraph **G.1.**, if, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance is:
 - a. Excess over the amount due under such other insurance or service agreement, whether the corporation or association of property owners has collected that amount or not; and
 - b. Primary with respect to any amount of the loss covered by this policy and not due under such other insurance or service agreement because of the application of a deductible.
3. As used in this Paragraph **G.**, a service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

H. Suit Against Us

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

I. 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.

J. 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.

K. Abandonment Of Property

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

L. Mortgage Clause

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

2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs **F.** Appraisal, **H.** Suit Against Us and **J.** 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.

M. 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.

N. 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.

O. 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.

P. Volcanic Eruption Period

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

Q. Policy Period

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

R. Concealment Or Fraud

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

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

relating to this insurance.

S. Loss Payable Clause

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

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

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

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

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

B. Coverage F – Medical Payments To Others

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

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";
 - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
 - d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability", unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";

- b. Used solely to service a residence;
- c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
- d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place:
 - (a) On an "insured location" as defined in Definition **B.6.a., b., d., e. or h.**; or
 - (b) Off an "insured location" and the "motor vehicle" is:
 - (i) Designed as a toy vehicle for use by children under seven years of age;
 - (ii) Powered by one or more batteries; and
 - (iii) Not built or modified after manufacture to exceed a speed of five miles per hour on level ground;
- e. A motorized golf cart that is owned by an "insured", designed to carry up to four persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (c) Cross public roads at designated points to access other parts of the golfing facility; or
 - (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

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

- (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

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

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

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

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

Coverages E and F do not apply to the following:

1. Expected Or Intended Injury

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

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

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

2. "Business"

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

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

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

(1) The rental or holding for rental of an "insured location";

- (a) On an occasional basis if used only as a residence;
- (b) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

- (c) In part, as an office, school, studio or private garage; and

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

3. Professional Services

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

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

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

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

5. War

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

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

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

6. Communicable Disease

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

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

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

8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage E – Personal Liability

Coverage **E** does not apply to:

1. Liability:
 - a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section **II** – Additional Coverages;
 - b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence";
unless excluded in **a.** above or elsewhere in this policy;
2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";
3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
5. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada;or any of their successors; or
 - b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or
6. "Bodily injury" to you or an "insured" as defined under Definition **5.a.** or **b.**
This exclusion also applies to any claim made or suit brought against you or an "insured" to:
 - a. Repay; or
 - b. Share damages with;
another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

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

1. To a "residence employee" if the "bodily injury":
 - a. Occurs off the "insured location"; and
 - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
3. From any:
 - a. Nuclear reaction;
 - b. Nuclear radiation; or

c. Radioactive contamination;
all whether controlled or uncontrolled or
however caused; or

d. Any consequence of any of these; or

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

SECTION II – ADDITIONAL COVERAGES

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

A. Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;
3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
2. We will not pay for "property damage":
 - a. To the extent of any amount recoverable under Section I;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;
 - c. To property owned by an "insured";
 - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - e. Arising out of:
 - (1) A "business" engaged in by an "insured";

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

(3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

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

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

D. Loss Assessment

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

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

SECTION II – CONDITIONS

A. Limit Of Liability

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

Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** Limit Of Liability shown in the Declarations.

B. Severability Of Insurance

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

C. Duties After "Occurrence"

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

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

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

5. With respect to **C. Damage To Property Of Others** under Section **II – Additional Coverages**, submit to us within 60 days after the loss a sworn statement of loss and show the damaged property, if in an "insured's" control;

6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

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

1. The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

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

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

F. Suit Against Us

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

G. Bankruptcy Of An "Insured"

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

H. Other Insurance

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

I. Policy Period

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

J. Concealment Or Fraud

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

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

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

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

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

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

B. Waiver Or Change Of Policy Provisions

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

C. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

- c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

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

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

- d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. Nonrenewal

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

E. Assignment

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

F. Subrogation

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

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

Subrogation does not apply to Coverage F or Paragraph C. Damage To Property Of Others under Section II – Additional Coverages.

G. Death

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

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
2. "Insured" includes:
 - a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
 - b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT – CALIFORNIA

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;
 - (3) Smoking implements; or
 - (4) Jewelry; and
 - f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

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

B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity, which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles, whose age or history contributes 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.** through **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. We must be notified within:
 - a. 36 months after our payment for actual cash value if the loss or damage relates to a state of emergency under California Law; or
 - b. 12 months after our payment for actual cash value in all other cases;that you intend to repair or replace the damaged property

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT – FLORIDA

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;
 - (3) Smoking implements; or
 - (4) Jewelry; and
 - f. Golfer's equipment, meaning golf clubs, golf clothing and golf equipment.

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

B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity, which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles, whose age or history contributes 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. We will settle the loss as follows:
 - a. If the Mobilehome Endorsement is not made a part of this policy, we will settle the loss as noted in Paragraph **C.1.** above whether or not actual repair or replacement is complete.

b. If the Mobilehome Endorsement is made a part of this policy:

(1) 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 of the loss until the actual repair or replacement is complete.

(2) 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, within 180 days after the date of loss, of your intent to repair or replace the damaged property.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT

A. Eligible Property

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

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

B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

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

C. Replacement Cost Loss Settlement Condition

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

1. We will pay no more than the least of the following amounts:
 - a. Replacement cost at the time of loss without deduction for depreciation;
 - b. The full cost of repair at the time of loss;
 - c. The limit of liability that applies to Coverage **C**, if applicable;
 - d. Any applicable special limits of liability stated in this Policy; or

- e. For loss to any item described in **A.2.a.** through **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 \$1,000, 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, within 180 days after the date of the loss, of your intent to repair or replace the damaged property.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PERSONAL PROPERTY COVERAGE

AGREEMENT

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

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

SECTION I – PROPERTY COVERAGES

A. Coverage C – Personal Property

3. Special Limits Of Liability

Categories **e.**, **f.** and **g.** are replaced by the following:

- e.** \$1,500 for loss by theft, misplacing or losing of jewelry, watches, furs, precious and semiprecious stones.
- f.** \$2,500 for loss by theft, misplacing or losing of firearms and related equipment.
- g.** \$2,500 for loss by theft, misplacing or losing of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

C. Additional Coverages

With respect to Coverage **C**, Paragraph **8. Collapse** is deleted.

SECTION I – PERILS INSURED AGAINST

This section is replaced by the following:

We insure against direct physical loss to property described in Coverage **C**.

We do not insure, however, for loss:

1. Excluded under Section **I** – Exclusions;

2. Caused by:

- a.** Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain all systems and appliances of water.

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

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

- b.** Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (1) Fence, pavement, patio or swimming pool;
 - (2) Footing, foundation, bulkhead, wall or any other structure or device that supports all or part of a building or other structure; or
 - (3) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (4) Pier, wharf or dock;
- c.** Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

d. Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:

- (1) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or
- (2) A storm drain, or water, steam or sewer pipes, off the "residence premises".

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

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

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

- (1) Fire, lightning, windstorm, hail;
- (2) Smoke, other than smoke from:
 - (a) Agricultural smudging; or
 - (b) Industrial operations;
- (3) Explosion, riot, civil commotion;
- (4) Aircraft, vehicles, vandalism and malicious mischief;
- (5) Collapse of a building or any part of a building;
- (6) Water not otherwise excluded;
- (7) Theft or attempted theft; or
- (8) Sudden and accidental tearing apart, cracking, burning or bulging of:
 - (a) A steam or hot water heating system;
 - (b) An air conditioning or automatic fire protective sprinkler system; or
 - (c) An appliance for heating water;

f. Dampness of atmosphere or extremes of temperature unless the direct cause of loss is:

- (1) Rain or snow; or
- (2) Sleet or hail;

g. Refinishing, renovating or repairing property other than:

- (1) Watches or jewelry; or
- (2) Furs;

h. Collision, other than collision with a land vehicle, sinking, swamping or stranding of watercraft, including their:

- (1) Trailers;
- (2) Furnishings;
- (3) Equipment; and
- (4) Outboard engines or motors;

i. Acts or decisions, including the failure to act or decide, of any:

- (1) Person or group; or
- (2) Organization or governmental body; or

j. Any of the following:

- (1) Wear and tear, marring, deterioration;
- (2) Mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;
- (3) Smog, rust or other corrosion, or dry rot;
- (4) Smoke, from:
 - (a) Agricultural smudging; or
 - (b) Industrial operations;
- (5) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by one or more of the Perils Insured Against that would apply under Coverage **C** of the policy form if this endorsement were not attached to the policy form.

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

- (6) Settling, shrinking, bulging or expansion, including resultant cracking, of:
 - (a) Pavements or patios;
 - (b) Footings or foundations;
 - (c) Walls or floors;
 - (d) Roofs or ceilings; or
 - (e) Bulkheads;
- (7) Birds, rodents or insects;
- (8) Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or
- (9) Animals owned or kept by an "insured".

Exception To 2.j.

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

- (a) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or
- (b) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises".

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

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

Section I – Exclusion 3. Water, 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 Paragraphs 2.d. and 2.j. above.

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

SECTION I – EXCLUSIONS

3. Water

The following paragraphs are added:

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

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

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS COVERAGE A SPECIAL COVERAGE

SECTION I – PERILS INSURED AGAINST

If the Broadened Home-sharing Host Activities Coverage endorsement is not made a part of this Policy, for Coverage A, **Section I – Perils Insured Against** is replaced by the following:

Section I – Perils Insured Against

1. We insure against direct physical loss to property described in Coverage A.
2. We do not insure, however, for loss:
 - a. Excluded under Section I – Exclusions;
 - b. Involving collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;except as provided in D.7. Collapse under Section I – Property Coverages.
 - c. Caused by:
 - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or
 - (b) Shut off the water supply and drain all systems and appliances of water.However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.
For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;
 - (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
 - (3) Theft:
 - (a) If such loss arises out of or results from "home-sharing host activities"; or
 - (b) In or to a unit under construction, or of materials and supplies for use in the construction until the unit is finished and occupied;
 - (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if:
 - (a) The loss arises out of or results from "home-sharing host activities"; or

- (b) The building containing the "residence premises" has been vacant for more than 60 consecutive days immediately before the loss. A building being constructed, remodeled, renovated or repaired is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
 - (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or
 - (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

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

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

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
 - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of:
 - (i) Pavements or patios;
 - (ii) Footings or foundations;
 - (iii) Walls or floors;
 - (iv) Roofs or ceilings; or
 - (v) Bulkheads;
 - (g) Birds, rodents or insects;
 - (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or
 - (i) Animals owned or kept by an "insured".

Exception To c.(6)

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

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

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

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

Section I – Exclusion 3. Water, 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 c.(6) above.

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

If the Broadened Home-sharing Host Activities Coverage endorsement is made a part of this Policy, for Coverage A, Section I – Perils Insured Against is replaced by the following:

Section I – Perils Insured Against

1. We insure against direct physical loss to property described in Coverage A.
2. We do not insure, however, for loss:
 - a. Excluded under Section I – Exclusions;
 - b. Involving collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;except as provided in D.7. Collapse under Section I – Property Coverages.
 - c. Caused by:
 - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or
 - (b) Shut off the water supply and drain all systems and appliances of water.However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.
For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;
 - (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
 - (3) Theft in or to a unit under construction, or of materials and supplies for use in the construction until the unit is finished and occupied;
 - (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the building containing the "residence premises" has been vacant for more than 60 consecutive days immediately before the loss. A building being constructed, remodeled, renovated or repaired is not considered vacant;
 - (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
 - (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or
 - (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

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

(6) Any of the following:

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

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (f)** Settling, shrinking, bulging or expansion, including resultant cracking, of:
 - (i)** Pavements or patios;
 - (ii)** Footings or foundations;
 - (iii)** Walls or floors;
 - (iv)** Roofs or ceilings; or
 - (v)** Bulkheads;
- (g)** Birds, rodents or insects;
- (h)** Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or
- (i)** Animals owned or kept by an "insured".

Exception To c.(6)

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

- (i)** Storm drain, or water, steam or sewer pipe, off the "residence premises"; or
- (ii)** Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure owned solely by you, at the location of the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building owned solely by you at the location of the "residence premises".

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

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

Section **I** – Exclusion **3**. Water, 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 **c.(6)** above.

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

SECTION I – EXCLUSIONS

The following exclusions are added:

We do not insure for loss to property described in Coverage **A** caused by any of the following. However, any ensuing loss to property described in Coverage **A** not precluded by any other provision in this Policy is covered.

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

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS RENTAL TO OTHERS

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

SECTION I – PROPERTY COVERAGES

B. Coverage C – Personal Property

4. Property Not Covered

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

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

SECTION I – PERILS INSURED AGAINST

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

SECTION I – EXCLUSIONS

The following exclusion is added:

Theft

Theft, from the "residence premises" of:

- a.** Money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, platinumware, platinum-plated ware, coins, medals, scrip, stored value cards and smart cards;
- b.** Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps regardless of the medium (such as paper or computer software) on which the material exists; or
- c.** Jewelry, watches, furs, precious and semiprecious stones.

SECTION II – EXCLUSIONS

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

2. Business

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

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 the rental or holding for rental of the "residence premises".

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESIDENCE PREMISES DEFINITION ENDORSEMENT – UNIT-OWNERS

DEFINITIONS

Definition **B.11.** is replaced by the following:

- 11.** "Residence premises" means the unit where you reside on the inception date of the policy period shown in the Declarations and which is shown as the "residence premises" in the Declarations.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – RESIDENCE PREMISES

Name and Address of Person or Organization*

Interest*

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

SECTION I

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

SECTION II

Coverage E – Personal Liability and Coverage F – Medical Payments to Others but only with respect to occurrences and accidents that take place at the “residence premises”.

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

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

All other terms, conditions, and exclusions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - HABITABILITY

This endorsement modifies insurance provided under the following:

**PERSONAL LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

The following is added to:

- Paragraph E – Coverage L – Personal Liability And Coverage M – Medical Payments to others of the ECLUSIONS section of the PERSONAL LIABILITY COVERAGE FORM, and
- SECTION 1-COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, subsection 2. Exclusions; and COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, subsection 2. Exclusions of the COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This insurance does not apply to damages or expenses due to “bodily injury”, “property damage”, or “personal and advertising injury” arising out of or resulting from any and all allegations related in any way to “habitability”, including but not limited to, claims arising out of alleged or actual breach of the following:

- (a) Civil Codes;
- (b) Health and Safety Codes;
- (c) Any Housing and Urban Development laws, ordinances or statutes;
- (d) Rent stabilization laws and ordinances;
- (e) Federal, State or local section 8 (government subsidized) or programs;
- (f) Any administrative rules or regulations pertaining to any of the foregoing, including but not limited to those promulgated by local municipalities;
- (g) Any type of common law;
- (h) Any type of statutory law; or
- (i) Actual or constructive wrongful entry or eviction arising from (a) through (h) above.

We shall not have any duty to defend any claim, proceeding or “suit” in any way based on, attributed to, arising out of, resulting from or any manner related to that which is described above, including but limited to, the diminished value of property or mental, physical or emotional injuries alleged.

For purposes of this endorsement, the following definition is applicable:

“Habitability” means safe living environment and/or fit for occupancy by human beings in a sanitary, healthy, habitable and tenantable condition.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER:

WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW

This endorsement modifies insurance provided under the following:

HOMEOWNERSWRAP

A. Coverage

We insure, up to \$10,000, for direct physical loss, not caused by the negligence of an "insured", to property covered under Section I caused by water, or waterborne material, which:

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

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

This coverage increases the limits of liability for Coverages **B** and **C** stated in the Declarations.

For the purposes of this coverage only, **Coverage B – Other Structures** is extended to include the dwelling on the "residence premises" shown in the declarations, including structures attaching to the dwelling

However, we do not cover land, including land on which the dwelling is located

This coverage ONLY applies if coverage limits and premium shown for Water Back-Up and Sump Discharge Or Overflow are shown in the Declarations.

B. Section I – Perils Insured Against

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

A.2.c.(6)(b)

is deleted and replaced by the following:

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

C. Special Deductible

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

We will pay only that part of the total of all loss payable under Section I that exceeds \$1000. No other deductible applies to this coverage.

D. Exclusion

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

Water

This means:

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

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

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

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

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ROOF, ROOF COVERING OR ROOFING SYSTEM – 15 YEARS OF AGE OR OLDER LIMITATION

It is hereby understood and agreed that with respect to a claim for a roof, roof covering or roofing system that is 15 years of age or older, our limit of liability and payment for covered losses to the roof, roof covering or roof system will not exceed the smallest of the following:

1. the actual cash value at the time of loss determined with proper deduction for depreciation;
2. the cost to repair or replace the damaged property with material of like kind and quality, with proper deduction for depreciation; or
3. the specified limit of liability in the Policy for Buildings.

You must bear the burden of proving the age of the roof to us.

For the purpose of this endorsement, roof covering refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

All other terms and conditions remain unaltered

EXCLUSION OF COSMETIC DAMAGE TO ROOF COVERINGS BY HAIL

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SECTION I – Property Not Covered

We do not cover cosmetic loss or damage to roof coverings caused by the peril of Hail.

Cosmetic loss or damage means only that damage that alters the physical appearance of the roof covering but does not result in damage that allows the penetration of water through the roof covering or does not result in the failure of the roof covering to perform its intended function, to keep out the elements over an extended period of time.

We do cover hail damage to roof coverings that results in damage that will allow the penetration of water through the roof covering or that results in the failure of the roof covering to perform its intended function to keep out the elements over an extended period of time.

Roof covering means the roofing material exposed to the weather, the underlayments applied for moisture protection and all flashing required in the replacement of a roof covering.

All other provisions of this policy apply.

PRIOR LOSS CLAUSE

Notwithstanding any provision to the contrary applicable to this Contract of Insurance, this Contract of Insurance does not insure against the following:

1. any loss, damage or expense that existed prior to the inception of this Contract, with respect to insured property which has been damaged and has not since been fully repaired;
2. any loss, damage or expense that may occur due to any repairs or work that takes place on the insured property to rectify any loss or damage that existed prior to the inception of this Contract;
3. any loss, damage or expense that would not have occurred if repairs to damaged property that were outstanding at the inception of this Contract had been fully completed.

If the Insured:

1. declares to the Underwriters, in writing, that all repairs of or to pre-existing loss or damage are completed, in compliance with all applicable laws, regulations, rules and codes and
2. provides the Underwriters with copies of all required governmental approvals of or related to such repairs, including, but not limited to, any occupancy or re-occupancy permits,

then this exclusion shall not apply to such property with effect from the date of the Insured's written declaration.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BEAZLEY AMENDATORY ENDORSEMENT

WIND DRIVEN RAIN EXCLUSION

We will not pay for loss or damage caused directly or indirectly by or resulting from wind driven rain or hail. Such loss or damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASSIGNMENT OF BENEFITS FULLY PROHIBITED

The following provisions modify the policy and the applicable Special Provisions endorsement.

Section I – Property Coverages

D. Additional Coverages

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

2. Reasonable Repairs

- a.** We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- b.** If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this Policy and the damage is caused by a Peril Insured Against. This coverage does not:
 - (1)** Increase the limit of liability that applies to the covered property; or
 - (2)** Relieve you of your duties, in case of a loss to covered property, described in Section I – Conditions, **C.4. Duties After Loss.**

Section I – Conditions

C. Duties After Loss

Paragraph **4.** is replaced by the following:

- 4.** Protect the property from further damage. If repairs to the property are required, you must:
 - a.** Make reasonable and necessary repairs to protect the property; and
 - b.** Keep an accurate record of repair expenses.

The **Assignment** Condition is replaced by the following:

Assignment

Assignment of this Policy will not be valid unless we give our written consent. Under this Policy, post-loss insurance benefits may not be assigned to a third party under any "assignment agreement".

All other terms, conditions, and exclusions remain unchanged.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

SCHEDULE

Windstorm Or Hail Deductible Percentage Amount:
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Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
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SECTION I – CONDITIONS

B. Deductible

The following special deductible is added to the Policy:

With respect to the peril of Windstorm or Hail, for any one loss, we will pay only that part of the total of all loss payable that exceeds the windstorm or hail percentage deductible.

The dollar amount of the windstorm or hail deductible is determined by multiplying the sum of Coverage **A** & Coverage **C** Limit Of Liabilities shown in the Declarations by the deductible percentage amount shown in the Schedule above.

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

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIM REPORTING LIMITATION

The following provisions modify the policy and the applicable Special Provisions endorsement.

Section I – Conditions

C. Duties After Loss

Paragraph 1.a. is added.

- a. All claims must be reported to the carrier within 1 year of the date of loss.

All other terms, conditions, and exclusions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED WATER DAMAGE COVERAGE

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

E. SPECIAL LIMITS OF LIABILITY

1. WATER DAMAGE COVERAGE

- a.** The total limit of liability for water damage to covered property is 5% of Coverage A, B and C combined or \$10,000, whichever is greater, per policy term. This limit applies to all damaged covered property under Coverage A, B and C combined.
- b.** This limit applies to direct physical damage caused by sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- c.** This limit includes the cost of tearing out and replacing any part of the building necessary to repair the system from which the discharge occurred.
- d.** We do not cover loss to the system from which the water escaped.
- e.** This coverage does not increase the limit of liability that applies to the damaged covered property.

(This is added as **D.1.** in Form **HO 00 04** and **E.1.** in Form **HO 00 06.**)

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

All other terms, conditions, and exclusions remain unchanged.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE D MONTHLY LIMITATION

SECTION I – PROPERTY COVERAGES

C. Coverage D – Loss of Use

The following limitation is added to the Policy:

The most we will pay for Loss of Use in each period of 30 consecutive days after the loss is 1/6 of the Coverage D Limit of Insurance shown on the declarations page.

Example:

The limit of insurance for Coverage D on the declarations page is \$18,000. When Coverage D applies, the most we will pay for loss in each period of 30 consecutive dates is \$3,000. Any loss over \$3,000 for that time period is not covered.

(This is added under section B in Form HO 00 04 and C in Form HO 00 06.)

All other provisions of this Policy apply.

In the event you wish to make a claim under this policy, please first contact your licensed agent for guidance and assistance in reporting the loss directly to Coastal Insurance Underwriters via email to plclaims@starwindins.com. Losses may also be reported directly to the carrier:

Vanguard Claims Administration, Inc.
108 Euclid Street
Woodbury, NJ 08096
Telephone: (856)853-8200
Email: claims@vanguardclaims.com

In the event you wish to make a complaint, please contact:

Phone: (904)285-7683
Email: plinfo@starwindins.com
Mail: 20 Wesmark Court, Sumter, SC 29150

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL EXCLUSION – TEXAS

SCHEDULE*

Date: _____ Signature of Insured: _____
Note: This endorsement may be attached only to policies covering property located in the Catastrophe Area designated by the Texas Department of Insurance.

SECTION I – PERILS INSURED AGAINST

In all forms, coverage for the peril of windstorm or hail is deleted. However, we do cover for loss of use under Coverage **D**.

SECTION I – EXCLUSIONS

The following exclusion is added. In Forms **HO 00 03** and **HO 00 05**, it is added to Paragraph **A**:

Windstorm Or Hail

However, this exclusion does not apply to direct loss by fire or explosion resulting from windstorm or hail.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL EXCLUSION – FLORIDA

SECTION I – PERILS INSURED AGAINST

In all forms, coverage for the peril of windstorm or hail, including windstorm during a hurricane, is deleted.

All other provisions of this policy apply.

SECTION I – EXCLUSIONS

The following exclusion is added. In Forms **HO 00 03** and **HO 00 05**, it is added to Paragraph **A.**:

Windstorm Or Hail Or Windstorm During A Hurricane

However, this exclusion does not apply to direct loss by fire or explosion resulting from windstorm or hail, including windstorm during a hurricane.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL EXCLUSION

SECTION I – PERILS INSURED AGAINST

In all forms, coverage for the peril of Windstorm or Hail is deleted. However, we do cover for loss of use under Coverage D.

SECTION I – EXCLUSIONS

The following exclusion is added. In Forms **HO 00 03** and **HO 00 05**, it is added to Paragraph **A**:

Windstorm Or Hail

However, this exclusion does not apply to direct loss by fire or explosion resulting from windstorm or hail.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANINE LIABILITY EXCLUSION ENDORSEMENT

SCHEDULE

Name And Description Of Canine(s):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

SECTION II – EXCLUSIONS

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

The following exclusion is added:

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

Canines

"Bodily injury" or "property damage" arising out of direct physical contact with a canine described in the Schedule that is owned by or in the care, custody or control of an "insured".

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – CALIFORNIA

NOTICES

Throughout this Policy, the term spouse includes an individual registered under California Law as a domestic partner with the "named insured" shown in the Declarations.

The following is added to any provision which uses the term actual cash value:

Actual cash value for a partial loss to a building or structure covered under Coverage **A** or **B**, or a total or partial loss to contents covered under Coverage **C**, is calculated as the lesser of the policy limit or the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for depreciation.

In the event of a total loss to a building or structure covered under Coverage **A** or **B**, actual cash value is calculated as the lesser of the following:

1. The policy limit applicable to that building or structure; or
2. The fair market value of the building or structure.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

In Forms **HO 00 02**, **HO 00 03**, **HO 00 05** and **HO 00 08**, the following is added:

If a state of emergency under California Law is declared, you may combine the policy limits for Coverage **A** and Coverage **B**, for any of the covered expenses reasonably necessary to rebuild or replace the damaged or destroyed dwelling, if the Coverage **A** policy limits to rebuild or replace the dwelling are insufficient. This provision does not increase the limit of liability that applies to Coverage **B**. Claims payments for other structures in excess of the amount applied towards the necessary cost to rebuild or replace the damaged or destroyed dwelling shall be paid according to the terms of the Policy.

C. Coverage C – Personal Property

In Forms **HO 00 02**, **HO 00 03**, **HO 00 05** and **HO 00 08**, the following is added:

If:

1. There is a total loss to the primary dwelling related to a state of emergency declared under California Law; and

2. The primary dwelling is furnished at the time of loss;

we will pay no less than 30% of the Coverage **A** limit, up to a maximum of two hundred fifty thousand dollars (\$250,000) without requiring you to file an itemized claim.

D. Coverage D – Loss Of Use

1. Additional Living Expense

The following paragraph is added:

However, if a state of emergency under California Law is declared, payment will be for a period no less than:

- a. The time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere; or
 - b. 24 months from the date of loss;
- whichever is shorter.

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the home or residence that are beyond your control, we shall provide an additional extension of 12 months. Circumstances beyond your control include, but are not limited to:

- a. Unavoidable construction permit delays;
- b. The lack of necessary construction materials; or
- c. The unavailability of contractors to perform the necessary work.

We shall provide one or more additional extensions of six months for good cause.

If there is a total loss to the "residence premises" related to a state of emergency declared under California Law, we shall, upon your request, render an advance payment of no less than four months of living expenses. Additional payment for living expenses shall be paid according to the terms of the Policy.

(This is Paragraph **B.1.** in Form **HO 00 04** and Paragraph **C.1.** in Form **HO 00 06.**)

3. Civil Authority Prohibits Use

The following paragraph is added:

If a state of emergency under California Law is declared and is accompanied by an order from a civil authority that prohibits you from use of the "residence premises" related to a Peril Insured Against, we cover the loss as provided in **1. Additional Living Expense** above for a period of two weeks. We shall provide one or more additional extensions of two weeks for good cause.

(This is Paragraph **B.3.** in Form **HO 00 04** and Paragraph **C.3.** in Form **HO 00 06.**)

E. Additional Coverages

11. Ordinance Or Law

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, the following is added to Paragraph **a.**:

If a total loss has occurred and:

- (1) The dwelling or other structure is rebuilt at a new premises; or
- (2) You purchase an existing dwelling or other structure at a new premises;

we will pay the increased costs, subject to the limit in **a.** above, you would have incurred due to the enforcement of any ordinance or law had you repaired, rebuilt or replaced the dwelling or other structure at the original premises.

SECTION I – EXCLUSIONS

8. Intentional Loss

The following paragraph is added:

This exclusion does not apply, with respect to loss to covered property caused by fire, to an "insured" who does not commit or conspire to commit any act that results in loss by fire. We cover such "insured" only to the extent of that "insured's" legal interest, but not exceeding the applicable limit of liability.

We may apply reasonable standards of proof to claims for such loss.

(This is Exclusion **A.8.** in Forms **HO 00 03** and **HO 00 05.**)

SECTION I – CONDITIONS

D. Loss Settlement

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

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, Paragraph **2.a.** is replaced by the following:

- a. If, at the time of loss, the amount of insurance in this Policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, 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, including any increased costs you would have incurred due to the enforcement of any ordinance or law, if the building had been built at the original premises.

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

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, Paragraph **2.e.** is replaced by the following:

- e. We must be notified that you intend to repair or replace the damaged property within:
 - (1) 36 months after our payment for actual cash value if the loss or damage relates to a state of emergency under California Law; or
 - (2) 12 months after our payment for actual cash value in all other cases.

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the home or residence that are beyond your control, we shall provide one or more additional extensions of six months for good cause. Circumstances beyond your control include, but are not limited to:

- (1) Unavoidable construction permit delays;
- (2) The lack of necessary construction materials; or
- (3) The unavailability of contractors to perform the necessary work.

In Form **HO 00 08**, Paragraph **2.a.** is replaced by the following:

- a. If you repair or replace the loss to restore the building structure for the same occupancy and use at the same site within:

- (1) 36 months of the date of the loss if the loss or damage relates to a state of emergency under California Law; or
- (2) 12 months of the date of the loss in all other cases;

we will pay the lesser of the following amounts:

- (3) The limit of liability that applies to the damaged or destroyed building structure; or
- (4) The necessary amount actually spent to repair or replace the loss to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the home or residence that are beyond your control, we shall provide one or more additional extensions of six months for good cause. Circumstances beyond your control include, but are not limited to:

- (1) Unavoidable construction permit delays;
- (2) The lack of necessary construction materials; or
- (3) The unavailability of contractors to perform the necessary work.

Paragraph **F. Appraisal** is replaced by the following:

F. Appraisal

If you and we fail to agree on the actual cash value or the amount of loss, then either party may make a written request for an appraisal. However, in the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled. In this event, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. Where the request is accepted, the two appraisers will select a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will appraise the loss, stating separately the actual cash value and loss to each item. If they fail to agree, they will submit their differences to the umpire. An award in writing, agreed to by any two, will set the amount of actual cash value and loss.

Each party will:

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

Paragraph **J. Loss Payment** is replaced by the following:

J. 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 30 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.

Paragraph **R. Concealment Or Fraud** is replaced by the following:

R. Concealment Or Fraud

1. With respect to loss caused by fire, we do not provide coverage to the "insured" who 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, we provide coverage to no "insureds" under this Policy, if, whether before or after a loss, an "insured" has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements; relating to this insurance.

(This is Condition Q. in Form HO 00 04.)

SECTIONS I AND II – CONDITIONS

Paragraph C. Cancellation is replaced by the following:

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. If a state of emergency under California Law is declared and the dwelling or other structure is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not cancel this Policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may cancel:

- a. When you have not paid the premium, at any time by letting you know at least 10 days before the date cancellation takes effect;
- b. If willful or grossly negligent acts or omissions by the named insured, or his or her representatives, are discovered that materially increase any of the risks insured against.
 - (1) When this Policy has been in effect for less than 60 days and is not a renewal with us, we will notify you at least 20 days before the date cancellation takes effect.
 - (2) When this Policy has been in effect for more than 60 days, we will notify you at least 30 days before the date cancellation takes effect; or
- c. If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

- (1) When this Policy has been in effect for less than 60 days and is not a renewal with us, we will notify you at least 20 days before the date cancellation takes effect.
- (2) When this Policy has been in effect for more than 60 days, we will notify you at least 30 days before the date cancellation takes effect.
- 3. In all other cases, we may cancel 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, except as provided below, by letting you know at least 20 days before the date cancellation takes effect.

We may not cancel this Policy solely because:

- (1) You accepted an offer of earthquake coverage;
- (2) Corrosive soil conditions exist on the "residence premises". This Provision (2) applies only if this Policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:
 - (a) Homeowners 3 – Special Form;
 - (b) Homeowners 5 – Comprehensive Form;
 - (c) Special Personal Property Coverage Endorsement;
 - (d) Unit-owners Coverage Endorsement; or **A**
 - (e) Unit-owners Coverage Endorsement; or **C**
- (3) You cancelled or did not renew an earthquake policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we may cancel this Policy if you have accepted a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

However, in the event of a total loss to the "residence premises", we will not cancel while any structure at that location is being rebuilt except for the reasons stated in Paragraphs **2.a.** and **2.c.** of this Condition **C.** Cancellation.

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 only cancel if there has been:

- (1)** Conviction of a crime having as one of its necessary elements an act increasing the hazard insured against; or
- (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any "insured" or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this Policy; or
- (3)** Discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
- (4)** Physical changes in the property insured against which result in the property becoming uninsurable.

However, we may not cancel this Policy solely because:

- (a)** Physical changes occur due to a total loss; or
- (b)** Corrosive soil conditions exist on the "residence premises" if this Policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:
 - (i)** Homeowners 3 – Special Form;
 - (ii)** Homeowners 5 – Comprehensive Form;
 - (iii)** Special Personal Property Coverage Endorsement;

- (iv)** Unit-owners Coverage Endorsement; or
- (v)** Unit-owners Coverage Endorsement; or

(5) Acceptance of a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

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

d. When this Policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 45 days before the date cancellation takes effect.

4. When this Policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata. However, the return premium may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this Policy.

5. If, when we cancel this Policy, the return premium is not refunded with the notice of cancellation, we will refund it within 25 business days after we send the cancellation notice to you. If, when you cancel this Policy, the return premium is not refunded when this Policy is returned to us, we will refund it within 25 business days of the date when we receive your notice of cancellation.

Paragraph **D. Nonrenewal** is replaced by the following:

D. Nonrenewal

1. We may elect not to renew this Policy, subject to the provisions of **2.** below. We may do so by delivering to you, at your mailing address shown in the Declarations, written notice at least 75 days before the expiration date of this Policy. Proof of mailing will be sufficient proof of notice.

If we fail to give you notice of nonrenewal at least 75 days prior to the policy expiration, as required in the paragraph above, this Policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to you. A notice to this effect shall be provided by us to you with the notice of nonrenewal.

2. We will not refuse to renew this Policy:

a. Solely because you accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew this Policy after you have accepted an offer of earthquake coverage if one or more of the following reasons apply:

(1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this Policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

(2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

(a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

(b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position;

b. Solely because you cancelled or did not renew an earthquake policy, issued by the CEA, that included an earthquake policy premium surcharge;

c. Solely because corrosive soil conditions exist on the "residence premises". This Provision c. applies only if this Policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:

(1) Homeowners 3 – Special Form;

(2) Homeowners 5 – Comprehensive Form;

(3) Special Personal Property Coverage Endorsement;

(4) Unit-owners Coverage **A** Endorsement; or

(5) Unit-owners Coverage **C** Endorsement; or

d. Solely on the grounds that a claim is pending under the Policy unless such claim is made under coverage for loss caused by an earthquake.

3. If this Policy is written for a period of less than one year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.

4. If a state of emergency under California Law is declared and the dwelling or other structure is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this Policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may nonrenew:

a. If willful or grossly negligent acts or omissions by the named insured, or his or her representatives, are discovered that materially increase any of the risks insured against;

b. If losses unrelated to the post-disaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or

c. If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

All other provisions of this Policy apply.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WILDFIRE PERCENTAGE DEDUCTIBLE

SCHEDULE

Wildfire Deductible Percentage Amount:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
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1. SECTION I – CONDITIONS

B. Deductible

The following special deductible is added to the Policy:

With respect to the peril of Wildfire, for any one loss, we will pay only that part of the total of all loss payable that exceeds the wildfire percentage deductible.

The dollar amount of the wildfire deductible is determined by multiplying the sum of Coverage **A** & Coverage **C** Limit Of Liability shown in the Declarations by the deductible percentage amount shown in the Schedule above.

No other deductible in the Policy applies to loss caused by wildfire.

2. The following is added under SECTION B - DEFINITIONS:

“Wildfire” means a spread of fire, whether controlled or uncontrolled, in any area of combustible vegetation such as, but not limited to, trees, grass, brush, bush, leaves, shrubbery, plant/leaf litter or any other vegetative matter. The term Wildfire also includes, but is not limited to, wildland fire, forest fire, brush fire, vegetation fire, grass fire, peat fire, bushfire, hill fire or desert fire, which causes damage to property, wherever located and any type and kind, regardless of the original source of ignition of the fire.”

As regards Wildfire, Occurrence shall be limited to all individual losses sustained by the Insured arising out of and directly occasioned by Wildfire which occur during any period of 240 consecutive hours within a 150 mile radius of any one fixed point selected by the Company, such fixed point must be the location of an individual Wildfire loss covered hereunder.

The Insured may choose the date and time when any such period of consecutive hours commences and if any event is of greater duration than the above period, the Insured may divide that event into two or more Occurrences provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the Insured in that event during the Period of Insurance.

All other provisions of this Policy apply.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

WILDFIRE EXCLUSION

This Insurance does not cover loss, damage, cost or expense directly or indirectly caused by or resulting from a wildfire. For the purposes of this endorsement wildfire means a spread of fire, whether controlled or uncontrolled, in an area of combustible vegetation (such as trees, grass, brush, or bush) causing damage to property, wherever located and of any type and kind, regardless of the original source of ignition of the fire.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WILDFIRE DEFINITION

“A spread of fire, whether controlled or uncontrolled, in any area of combustible vegetation such as, but not limited to, trees, grass, brush, bush, leaves, shrubbery, plant/leaf litter or any other vegetative matter. The term Wildfire also includes, but is not limited to, wildland fire, forest fire, brush fire, vegetation fire, grass fire, peat fire, bushfire, hill fire or desert fire, which causes damage to property, wherever located and any type and kind, regardless of the original source of ignition of the fire”

As regards Wildfire, Occurrence shall be limited to all individual losses sustained by the Insured arising out of and directly occasioned by Wildfire which occur during any period of 240 consecutive hours within a 150 mile radius of any one fixed point selected by the Company, such fixed point must be the location of an individual Wildfire loss covered hereunder.

The Insured may choose the date and time when any such period of consecutive hours commences and if any event is of greater duration than the above period, the Insured may divide that event into two or more Occurrences provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the Insured in that event during the Period of Insurance.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WORKERS COMPENSATION RESIDENCE EMPLOYEES – CALIFORNIA

A. Agreement

We agree, with respect to "residence employees":

UNDER COVERAGE I

To pay when due all benefits required of an "insured" by the California Workers' Compensation Law; and

UNDER COVERAGE II

To pay on behalf of an "insured" all damages for which the "insured" is legally liable because of "bodily injury" sustained by a "residence employee". The "bodily injury" must be caused by accident or disease and arise out of and in the course of employment by the "insured" while:

1. In the United States of America, its territories or possessions, or Canada, or
2. Temporarily elsewhere if the "residence employee" is a citizen or resident of the United States or Canada.

Coverage II does not apply to any suit brought in or judgment rendered by any court outside the United States of America, its territories and possessions, or Canada, or to any action on such judgment.

B. Who Is Covered

A "residence employee" is covered if during the 90 calendar days immediately before the date of injury the employee has:

- a. Actually been engaged in such employment by the "insured" for no less than 52 hours, and
- b. Earned no less than one hundred dollars (\$100) in wages.

C. Application Of Coverage

This insurance applies only to "bodily injury" which occurs during the policy period. If the "bodily injury" is a disease, it must be caused or aggravated by the conditions of the "residence employee's" employment by the "insured".

D. Policy Provisions

This insurance is subject to all the provisions of this endorsement and the following provisions of this policy:

1. Under Sections I and II – Conditions:

- B. Waiver Or Change Of Policy Provisions
- C. Cancellation
- E. Assignment
- F. Subrogation

2. Under Section II – Conditions:

- C. Duties After "Occurrence"
- F. Suit Against Us

3. Under Section II – Liability Coverages, our agreement to defend an "insured" as provided under A. Coverage E – Personal Liability.

4. Under Section II – Additional Coverages:

- A. Claim Expenses.
- B. First Aid Expenses.

5. The definitions of "bodily injury", "business", "insured" and "residence employee".

E. Additional Provisions Applicable To Coverage I

The following provisions are applicable to Coverage I:

1. We shall be directly and primarily liable to any "residence employee" of an "insured" entitled to the benefits of the California Workers' Compensation Law.
2. As between the "residence employee" and us, notice to or knowledge of the "occurrence" of the injury on the part of an "insured" will be deemed notice or knowledge on our part.
3. The jurisdiction of an "insured" will, for the purpose of the law imposing liability for compensation, be our jurisdiction.

4. We will be subject to the orders, findings, decisions or awards rendered against an "insured", under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of this policy. This policy shall govern as between an "insured" and us as to payments by either in discharge or an "insured's" liability for compensation.
5. The "residence employee" has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the "residence employee", we will pay it directly to the "residence employee". Your obligation to the "residence employee" will be discharged to the extent of such payment.

F. Limits Of Liability Coverage II

Our total limit of liability will not exceed \$100,000 for all damages because of "bodily injury":

1. Sustained by one or more "residence employees" in any one accident; or
2. Caused by disease and sustained by a "residence employee".

Our total limit of liability will not exceed \$500,000 for all damages arising out of "bodily injury" by disease regardless of the number of "residence employees" who sustain "bodily injury" by disease.

G. Other Insurance

This insurance does not apply to any loss to which other valid and collectible Workers' Compensation or Employers' Liability Insurance applies.

H. Conformity To Statute

Terms of this insurance which are in conflict with the California Workers' Compensation Law are amended to conform to that law.

I. Exclusions

This policy does not apply:

1. To liability for additional compensation imposed on an "insured" under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of the serious and willful misconduct of an "insured", or because of "bodily injury" to an employee under 16 years of age and illegally employed at the time of injury;
2. To liability for "bodily injury" arising out of "business" pursuits of an "insured".
3. Under Coverage II:
 - a. To liability assumed by the "insured" under any contract or agreement.
 - b. To "bodily injury" by disease unless a written claim is made or suit brought against the "insured" within 36 months after the end of the policy period.
 - c. To any obligation under a workers' compensation, unemployment or disability benefits law or any similar law.

SPECIAL NOTICE – FLORIDA

The following notice is added:

LAW AND ORDINANCE: LAW AND ORDINANCE COVERAGE IS AN IMPORTANT COVERAGE THAT YOU MAY WISH TO PURCHASE. PLEASE DISCUSS WITH YOUR INSURANCE AGENT.

FLOOD INSURANCE: YOU SHOULD CONSIDER THE PURCHASE OF FLOOD INSURANCE. YOUR HOMEOWNER'S INSURANCE POLICY DOES NOT INCLUDE COVERAGE FOR DAMAGE RESULTING FROM FLOOD EVEN IF HURRICANE WINDS AND RAIN CAUSED THE FLOOD TO OCCUR. WITHOUT SEPARATE FLOOD INSURANCE COVERAGE, YOUR UNCOVERED LOSSES CAUSED BY FLOOD ARE NOT COVERED. PLEASE DISCUSS THE NEED TO PURCHASE SEPARATE FLOOD INSURANCE COVERAGE WITH YOUR INSURANCE AGENT.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – FLORIDA

DEFINITIONS

The following definitions are added:

"Catastrophic Ground Cover Collapse"

"Catastrophic ground cover collapse" means geological activity that results in all of the following:

- a. The abrupt collapse of the ground cover;
- b. A depression in the ground cover clearly visible to the naked eye;
- c. "Structural damage" of the "principal building" insured under this Policy, including the foundation; and
- d. The "principal building" being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that "principal building".

"Catastrophic ground cover collapse" coverage does not apply to Coverage **B** structures.

"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 in, are on, or are contained in a good or product intended for consumption.

"Hurricane Occurrence"

A "hurricane occurrence" means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service, with a duration that:

- a. Begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the National Hurricane Center of the National Weather Service;
- b. Continues for the time period during which the hurricane conditions exist anywhere in Florida; and
- c. Ends 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

"Primary Structural Member"

"Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

"Primary Structural System"

"Primary structural system" means an assemblage of "primary structural members".

"Principal Building"

In Forms **HO 00 02**, **HO 00 03**, **HO 00 04** and **HO 00 05**:

"Principal building" means the dwelling where you reside on the "residence premises" shown in the Declarations, including structures attached to the dwelling. "Principal building" does not include any other buildings or structures at that location.

In Form **HO 00 06**:

"Principal building" means the unit where you reside shown as the "residence premises" in the Declarations. "Principal building" does not include any other buildings or structures at that location.

"Structural Damage"

"Structural damage" means a "principal building", regardless of the date of its construction, has experienced the following:

- a. Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement-related damage to the interior such that the interior building structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
- b. Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement-related damage to the "primary structural members" or "primary structural systems" that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose or location;

- c. Damage that results in listing, leaning or buckling of the exterior load-bearing walls or other vertical "primary structural members" to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
- d. Damage that results in the building, or any portion of the building containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined within the Florida Building Code; or
- e. Damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

Paragraph **E.10.k.(2)(d)** is deleted in Form **HO 00 05** and Endorsement **HO 06 65**.

The following Additional Coverage is added:

"Fungi", Wet Or Dry Rot, Or Bacteria

- a. We will pay up to \$10,000 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 **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. \$10,000 is the most we will pay for the total of all loss or costs payable under this Additional Coverage regardless of the:
 - (1) Number of locations insured; or
 - (2) Number of claims made.
- d. If there is covered loss or damage to covered property not caused, in whole or in part, by "fungi", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi", wet or dry rot, or bacteria cause 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.

(Additional Coverages is Paragraph **C.** in Form **HO 00 04** and Paragraph **D.** in Form **HO 00 06.**)

In Form **HO 00 06**:

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

D. Additional Coverages

7. Loss Assessment

- a. We will pay up to \$2,000 per occurrence 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.

However, the maximum amount of loss assessment coverage for any one property loss, regardless of the number of assessments, shall be an amount equal to your unit-owner's loss assessment coverage limit in effect one day before the date of the occurrence that gave rise to the loss. Such coverage is applicable to any loss assessment regardless of the date of the assessment by the association. Any changes to the limits of your unit-owner's coverage for loss assessments made on or after the day before the date of the occurrence are not applicable to such loss.

A deductible amount, not to exceed the lesser of:

(3) The deductible amount under this Policy equal to that which applies to the peril of fire; or

(4) \$250;

applies to loss covered under this Additional Coverage. We will pay only that part of the total of all loss payable under this Additional Coverage that exceeds that deductible amount. However, if a deductible was or will be applied to other property loss sustained by you resulting from the same direct loss, then no deductible applies to this coverage.

SECTION I – PERILS INSURED AGAINST

In Forms **HO 00 02**, **HO 00 04** and **HO 00 06**:

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph **b.(5)** in Forms **HO 00 02** and **HO 00 06** (**b.(4)** in Form **HO 00 04**) is replaced by the following:

(5) To a building caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

In Form **HO 00 03**:

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

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

(5) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

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

(c) Smog, rust or other corrosion;

B. Coverage C – Personal Property

12. Accidental Discharge Or Overflow Of Water Or Steam

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

(4) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

For Coverage **C**, the following peril is added:

17. "Catastrophic Ground Cover Collapse"

In Form **HO 00 05**:

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

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

d. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

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

- (3) Smog, rust or other corrosion;

In Forms **HO 00 02**, **HO 00 04** and **HO 00 06**, the following peril is added:

17. "Catastrophic Ground Cover Collapse"

SECTION I – EXCLUSIONS

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

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.

This Exclusion **2.** applies regardless of whether any of the above, in **2.a.** through **2.d.**, is caused by an act of nature or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above, in **2.a.** through **2.d.**, is covered.

This Exclusion **2.** does not apply to loss by "Catastrophic ground cover collapse".

(This is Exclusion **A.2.** in Forms **HO 00 03** and **HO 00 05.**)

The following exclusion is added:

"Fungi", Wet Or Dry Rot, Or Bacteria

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

This exclusion does not apply:

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

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

SECTION I – CONDITIONS

C. Duties After Loss

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

1. Give prompt notice to us or our agent, except that a claim or reopened claim for loss or damage caused by any peril is barred unless notice of the claim or reopened claim is given to us in accordance with the terms of this Policy within one year after the date of loss. A reopened claim means a claim that we have previously closed but that has been reopened upon an "insured's" request for additional costs for loss or damage previously disclosed to us.

A supplemental claim is barred unless notice of the supplemental claim was given to us in accordance with the terms of the Policy within 18 months after the date of loss. A supplemental claim means a claim for additional loss or damage from the same peril which we have previously adjusted or for which costs have been incurred while completing repairs or replacement pursuant to an open claim for which timely notice was previously provided to us.

For claims resulting from hurricanes, tornadoes, windstorms, severe rain or other weather-related events, the date of loss is the date that the hurricane made landfall or the tornado, windstorm, severe rain or other weather-related event is verified by the National Oceanic and Atmospheric Administration.

This provision concerning time for submission of a claim, supplemental claim or reopened claim does not affect any limitation for legal action against us as provided in this Policy under the Suit Against Us Condition, including any amendment to that condition.

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

7. As often as we reasonably require:
 - a. Show the damaged property to the extent reasonably possible;
 - 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.

D. Loss Settlement

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**:

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

- d. We will settle the loss as follows:
- (1) If the Mobilehome Endorsement is not made a part of this Policy, we will settle the loss as noted in **2.a.** of this provision. If **2.a.** is not applicable, we will settle the loss as follows:
 - (a) We will initially pay the actual cash value of the building damage, minus any applicable deductible.
 - (b) We will then pay the necessary amounts actually spent to repair or replace the damaged building as work is performed and expenses are incurred.
 - (c) If a total loss, we will pay the replacement cost amount without deduction for depreciation.
 - (2) If the Mobilehome Endorsement is made a part of this Policy:
 - (a) 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 **2.b.** of this provision. However, if the cost to repair or replace the damage is both:
 - (i) Less than 5% of the amount of insurance in this Policy on the building; and
 - (ii) Less than \$2,500;we will settle the loss as noted in **2.a.** and **2.b.** of this provision whether or not actual repair or replacement is complete.
 - (b) 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 **D.** Loss Settlement, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

Paragraph **2.e.** is deleted.

In Form **HO 00 06**:

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

2. Coverage **A** – Dwelling, at the actual cost to repair or replace.

In this provision, the terms "repaired" and "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.10.** Ordinance Or Law under Section **I** – Property Coverages.

Paragraph **F. Appraisal** is replaced by the following:

F. Mediation Or Appraisal

1. If either you or a third party who is an assignee of benefits under the Policy and we are engaged in a dispute regarding a claim under this Policy, either you, the third-party assignee or we may request a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services. However, we are not required to participate in any mediation requested by a third-party assignee. The loss amount must be \$500 or more, prior to application of the deductible, or there must be a difference of \$500 or more between the loss settlement amount we offer and the loss settlement amount that you request. If the dispute is mediated, the settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and you have not rescinded the settlement within three business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the total cost for that rescheduled conference. However, if we fail to appear at a mediation conference without good cause, we will pay the actual cash expenses you incur in attending the conference and also pay the total cost for the rescheduled conference.

2. If you and we fail to agree on the amount of loss, either party may request an appraisal of the loss. However, both parties must agree to the appraisal. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

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

In Form **HO 00 06**:

Paragraph **G. Other Insurance And Service Agreement** is replaced by the following:

G. Other Insurance And Service Agreement

If a loss covered by this Policy is also covered by other insurance or a service agreement covering the same property, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

However, if a loss covered by this Policy is covered by other insurance covering the same property and such other insurance is excess insurance over the amount recoverable under any other policy covering the same property, 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 such insurance covering the loss.

Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

Paragraph **H. Suit Against Us** is replaced by the following:

H. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section **I** of this Policy and the action is started within five years after the date of loss. In addition, the "insured" must provide the Department of Financial Services with written notice of intent to initiate litigation at least 10 business days prior to filing any legal action against us in accordance with section 627.70152 of Florida Statutes.

Paragraph **I. Our Option** is replaced by the following:

I. Our Option

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**:

If at the time of loss:

1. The Mobilehome Endorsement is made a part of this Policy, and we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.
2. The Mobilehome Endorsement is not made a part of this Policy and the damaged property is:
 - a. Not insured for Replacement Cost Loss Settlement as outlined in Section **I** – Conditions, Loss Settlement, and we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.
 - b. Insured for Replacement Cost Loss Settlement as outlined in Section **I** – Conditions, Loss Settlement, we will pay the amount of loss as noted in Paragraph **D.2.d.(1)** of the Loss Settlement Provision.
3. The Personal Property Replacement Cost Loss Settlement – Florida endorsement is made a part of this Policy, we will pay the amount of loss as noted in Paragraph **C.** of that endorsement.

In Forms **HO 00 04** and **HO 00 06**:

If at the time of loss:

1. The Personal Property Replacement Cost Loss Settlement – Florida endorsement is not made a part of this Policy, and we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged personal property with material or property of like kind and quality.
2. The Personal Property Replacement Cost Loss Settlement – Florida endorsement is made a part of this Policy, we will pay the amount of loss as noted in Paragraph **C.** of that endorsement.

Paragraph **J. Loss Payment** is replaced by the following:

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the Policy or is legally entitled to receive payment. Loss will be payable upon the earliest of the following:

1. 20 days after we receive your proof of loss and reach written agreement with you;
2. 60 days after we receive your proof of loss and:
 - a. There is an entry of a final judgment; or
 - b. There is a filing of an appraisal award or a mediation settlement with us; or
3. If payment is not denied, within 60 days after we receive notice of an initial, reopened or supplemental claim. However, this provision (**J.3.**) does not apply if factors beyond our control prevent such payment.

Paragraph **R. Concealment Or Fraud** is replaced by the following:

R. Concealment Or Fraud

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

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

relating to this insurance.

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an "insured" on the basis of credit information available in public records.

(This is Paragraph **Q.** in **HO 00 04.**)

SECTION II – EXCLUSIONS

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

Paragraph **8. Controlled Substance** is replaced in all forms and Endorsement **HO 24 73** by the following:

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 under federal law. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional.

(This is Exclusion **9.** in **HO 24 73.**)

SECTION II – CONDITIONS

Paragraph **A. Limit Of Liability** is replaced by the following:

A. Limit Of Liability

1. Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Limit Of Liability for Coverage **E** as shown in the Declarations. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

2. Sublimit Of Liability

Subject to Paragraph **1.** above, our total liability under Coverage **E** for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sublimit is within, but does not increase, the Coverage **E** limit of liability.

3. The limit of liability in **1.** above and sublimit in **2.** above apply regardless of the number of "insureds", claims made or persons injured.

4. Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Limit Of Liability for Coverage **F** as shown in the Declarations.

This condition does not apply with respect to damages arising out of "fungi", wet or dry rot, or bacteria when Endorsement **HO 03 34** is attached.

Paragraph **J. Concealment Or Fraud** is replaced by the following:

J. Concealment Or Fraud

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

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

relating to this insurance.

However, if this Policy has been in effect for more than 90 days, we may not deny a claim filed by you or an "insured" on the basis of credit information available in public records.

SECTIONS I AND II – CONDITIONS

Paragraph **C. Cancellation** is replaced by the following:

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. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, we may cancel this Policy only for the following reasons, with respect to the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", 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 during this period by letting you know at least 10 days before the date cancellation takes effect.
 - b. If:
 - (1) There has been a material misstatement or fraud related to the claim;
 - (2) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or

(3) We have paid policy limits;

we may cancel during this period by letting you know at least 45 days before the date cancellation takes effect.

c. We shall be entitled to collect any additional premium required to keep the Policy in effect during this period.

However, this provision (**C.2.c.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

3. If the conditions described in Paragraph **C.2.** do not apply, we may cancel only for the following reasons:

- a. When this Policy has been in effect for 90 days or less, we may cancel immediately if there has been a material misstatement or misrepresentation or failure to comply with underwriting requirements.
- b. We may also cancel this Policy subject to the following provisions. A written cancellation notice, together with the specific reasons for cancellation, will be delivered to you or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
- (2) When this Policy has been in effect for 90 days or less, we may cancel for any reason, except we may not cancel:
 - (a) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - (b) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;

- (c) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household;
 - (d) Solely on the basis of the age of the roof if the roof is less than 15 years old; or
 - (e) Solely on the basis of the age of the roof if the roof is more than 15 years old and an inspection of the roof performed by an authorized inspector indicates that the roof has five years or more of useful life remaining. Except as provided in Paragraphs **C.3.a.** and **C.3.b.(1)** of this provision, we will let you know of our action at least 20 days before the date cancellation takes effect.
- (3) When this Policy has been in effect for more than 90 days, we may cancel:
- (a) If there has been a material misstatement;
 - (b) If the risk has changed substantially since the Policy was issued;
 - (c) In the event of failure to comply, within 90 days after the effective date of coverage, with underwriting requirements established by us before the effective date of coverage;
 - (d) If the cancellation is for all insureds under policies of this type for a given class of insureds;
 - (e) On the basis of property insurance claims that are the result of an Act of God, if we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - (f) On the basis of a single claim which is the result of water damage, if we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.
- (4) When this Policy has been in effect for more than 90 days, we may not cancel:
- (a) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household;
 - (b) On the basis of credit information available in public records;
 - (c) Solely on the basis of the age of the roof if the roof is less than 15 years old; or
 - (d) Solely on the basis of the age of the roof if the roof is more than 15 years old and an inspection of the roof performed by an authorized inspector indicates that the roof has five years or more of useful life remaining.
- (5) If any of the reasons listed in Paragraphs **C.3.b.(3)(a)–(f)** apply, we will provide written notice at least 120 days before the date cancellation takes effect.
4. If the date of cancellation becomes effective during a "hurricane occurrence":
- a. The date of cancellation will not become effective until the end of the "hurricane occurrence"; and
 - b. We shall be entitled to collect additional premium for the period beyond the original date of cancellation for which the Policy remains in effect.
- However, this provision (**C.4.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".
5. We may cancel this Policy after giving at least 45 days' notice if the Florida Office of Insurance Regulation determines and approves of our plan that early cancellation of some or all of our policies is necessary to protect the best interests of the policyholders due to our financial condition, lack of adequate reinsurance coverage for hurricane risk or other relevant factors.

6. When this Policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
7. 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 15 days after the date cancellation takes effect.

Paragraph **D. Nonrenewal** is replaced by the following:

D. Nonrenewal

1. 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, together with the specific reasons for nonrenewal. Proof of mailing will be sufficient proof of notice.
 - a. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, then, during the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", we may elect not to renew this Policy only if:
 - (1) You have not paid the renewal premium;
 - (2) There has been a material misstatement or fraud related to the claim;
 - (3) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
 - (4) We have paid policy limits.

We may do so by letting you know at least 45 days before the expiration date of the Policy.
 - b. We shall be entitled to collect any additional premium required to keep the Policy in effect during this period.

However, this provision **(D.1.b.)** does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.
 - c. If the conditions described in Paragraph **D.1.a.** do not apply, we may elect not to renew this Policy by providing written notice at least 120 days before the expiration date of this Policy.

2. We will not nonrenew this Policy:
 - a. On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
 - b. On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;
 - c. On the basis of filing of claims for loss caused by sinkhole damage, unless:
 - (1) The total of such property claim payments equals or exceeds the policy limits of the Policy in effect on the date of loss for property damage to the covered building(s); or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based;
 - d. On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household;
 - e. On the basis of credit information available in public records;
 - f. Solely on the basis of the age of the roof if the roof is less than 15 years old; or
 - g. Solely on the basis of the age of the roof if the roof is more than 15 years old and an inspection of the roof performed by an authorized inspector indicates that the roof has five years or more of useful life remaining.
3. If the date of nonrenewal becomes effective during a "hurricane occurrence":
 - a. The expiration date of this Policy will not become effective until the end of the "hurricane occurrence"; and
 - b. We shall be entitled to collect additional premium for the period the Policy remains in effect.

However, this provision **(D.3.)** does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the "hurricane occurrence".

4. We may nonrenew this Policy after giving at least 45 days' notice if the Florida Office of Insurance Regulation determines and approves of our plan that early nonrenewal of some or all of our policies is necessary to protect the best interests of the policyholders due to our financial condition, lack of adequate reinsurance coverage for hurricane risk or other relevant factors.

Paragraph **E. Assignment** is replaced by the following:

E. Assignment

1. Except as otherwise provided in Paragraph **E.2.** below, assignment of this Policy will not be valid unless we give our written consent.
2. Under this Policy, any attempt to assign post-loss property insurance benefits is void, invalid, and unenforceable. Post-loss insurance benefits may not be assigned, in whole or in part, with the exception of:
 - a. An assignment, transfer, or conveyance granted to a subsequent purchaser of the property with an insurable interest in the property following a loss;
 - b. A power of attorney that grants to a management company, family member, guardian, or similarly situated person of an "insured" the authority to act on behalf of an "insured" as it relates to a property claim under this Policy; or
 - c. Liability coverage under this Policy.

The following conditions are added:

H. Renewal Notification

If we elect to renew this Policy, we will let you know, in writing:

1. Of our decision to renew this Policy; and
2. The amount of renewal premium payable to us.

This notice will be delivered to you or mailed to you at your mailing address shown in the Declarations at least 45 days before the expiration date of this Policy. Proof of mailing will be sufficient proof of notice.

I. Notification Regarding Access

If we require access to an "insured" or claimant or to the insured property that is the subject of a claim, we must provide at least 48 hours' notice to you or the claimant, or your or the claimant's public adjuster or legal representative, before scheduling a meeting with you, the "insured" or the claimant or prior to conducting an on-site inspection of the insured property. You or the claimant may deny access to the property if the notice has not been provided or may waive the 48-hour notice.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE – GEORGIA

SCHEDULE

These limits of liability apply to the total of all loss or costs payable under this endorsement, regardless of the number of "occurrences", the number of claims made, or the number of locations insured under this endorsement and listed in this Schedule.		
1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$
2.	Section II – Coverage E Aggregate Sublimit Of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

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.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

The following Additional Coverage is added:

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

- a. The amount shown in the Schedule above is the most we will pay for:
 - (1) The total of all loss payable under Section I – Property Coverages caused by "fungi", wet or dry rot, or bacteria;
 - (2) The cost to remove "fungi", wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
 - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", wet or dry rot, or bacteria; and

- (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi", wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi", wet or dry rot, or bacteria.

- b. The coverage described in 13.a. only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.

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

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

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

(This is Additional Coverage C.13. in Form HO 00 04; D.12. in Form HO 00 06 and E.9. in Form HO 00 08.)

SECTION I – PERILS INSURED AGAINST

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph **b.(5)** in Forms **HO 00 02** and **HO 00 06 (b.(4)** in Form **HO 00 04**) is replaced by the following:

- (5) To a building caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

SECTION I – EXCLUSIONS

The following exclusion is added:

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

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

This exclusion does not apply:

- a. When "fungi", wet or dry rot, or bacteria results from fire or lightning;
- 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; or
- c. With respect to "fungi", wet or dry rot, or bacteria that is located on the portion of the covered property that must be repaired or replaced because of direct physical damage caused by a Peril Insured Against.

However, the exclusion shall continue to apply to:

- (1) The cost to treat, contain, remove or dispose of "fungi", wet or dry rot, or bacteria beyond that which is required to repair or replace the covered property physically damaged by a Peril Insured Against;
- (2) The cost of any 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; and

- (3) Any increase in loss under Coverage **D** – Loss Of Use and Additional Coverage **1**. Debris Removal resulting from **c.(1)** and **(2)**.

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

SECTION I – CONDITIONS

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

Q. Policy Period

This policy applies to loss or costs which occur during the policy period. (This is Condition **P.** in Form **HO 00 04.**)

SECTION II – CONDITIONS

Condition **A. Limit Of Liability** is 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:

1. Number of locations insured under the policy to which this endorsement is attached;
2. Number of persons injured;

3. Number of persons whose property is damaged;
4. Number of "insureds"; or
5. Number of "occurrences" or claims made.

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

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

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, A. Limit Of Liability. This condition will not increase the limit of liability for this coverage.

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – GEORGIA

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

In all forms except **HO 00 08**:

8. Collapse

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

- (2)** A part of a building that is standing, even if it has separated from another part of the building. However, if any part of the interior dwelling building separates from another part of the interior of the dwelling building, with the result that any part of the interior dwelling building cannot be occupied for its intended purpose, then this Paragraph **c.(2)** does not apply to that part of the building; or

(This is Paragraph **C.8.c.(2)** in Form **HO 00 04** and **D.8.c.(2)** in Form **HO 00 06**.)

SECTION I – EXCLUSIONS

Paragraph **8. Intentional Loss** is replaced by the following:

8. Intentional Loss

- a.** Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.
- In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.
- b.** However, this exclusion will not apply to deny payment to an innocent co-"insured" if the loss:
- (1)** Arose out of family violence or sexual assault; and
- (2)** Is caused by the intentional act of an "insured" against whom a family violence or sexual assault complaint is brought for the act causing the loss.
- c.** If we pay a claim pursuant to Paragraph **8.b.**, our payment to the innocent co-"insured" is limited to that "insured's" insurable interest in the property. In no event will we pay more than the Limit of Liability.

(This is Exclusion **A.8.** in Forms **HO 00 03** and **HO 00 05**.)

SECTION I – CONDITIONS

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**:

The lead-in paragraph in Paragraph **D. Loss Settlement** is replaced by the following:

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include:

- 1.** Any compensation for actual or perceived reduction in the market value of any property; or
- 2.** 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:

In Form **HO 00 06**:

The last paragraph in Paragraph **D. Loss Settlement** is replaced by the following:

In this provision, the terms "repaired" or "replaced" do not include:

- a.** Any compensation for actual or perceived reduction in the market value of any property; or
- b.** The increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.10. Ordinance Or Law** under Section **I – Property Coverages**.

In Form **HO 00 08**:

The last paragraph in Paragraph **D. Loss Settlement** is replaced by the following:

In this provision, the terms "repair" and "replace" do not include:

- 1.** Any compensation for actual or perceived reduction in the market value of any property; or
- 2.** The increased costs incurred to comply with the enforcement of any ordinance or law.

L. Mortgage Clause

Paragraph 3. is replaced by the following:

3. If we decide to cancel or not renew this Policy, the mortgagee will be notified at least 30 days before the date cancellation or nonrenewal takes effect. If the Policy has been in effect for less than 60 days or is cancelled for nonpayment of premium, the mortgagee will be notified at least 10 days before the date cancellation takes effect.

(This Condition does not apply to Form HO 00 04.)

SECTION II – EXCLUSIONS

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

Paragraph 8. is replaced in all forms and Endorsement HO 24 73 by the following:

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(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs.

However, this exclusion does not apply:

- (1) To the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional; or
- (2) Where the involvement with controlled substance(s) is not within the knowledge of any "insured".

(This is Exclusion 9. in HO 24 73.)

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraphs 1., 2., 2.a., 2.b., 2.c. and 4. are replaced by the following:

1. You may cancel this Policy at any time by:
 - a. Returning this Policy to us; or
 - b. Giving us or our authorized agent advance notice of cancellation in one of the following ways:
 - (1) Orally;
 - (2) Electronically; or
 - (3) Mailing or delivering to us written notice;

stating a future date on which the Policy is to be cancelled, subject to the following:

- a. If only your interest is affected, the effective date of cancellation will be either the date:
 - (1) This Policy is returned to us;
 - (2) We receive your notice of cancellation; or
 - (3) Specified in the notice;whichever is later.

However, upon our receipt of your notice of cancellation, we may waive the requirement that the notice state the future effective date of cancellation, as provided in either 1.a.(1), 1.a.(2) or 1.a.(3) above, by confirming to you the date and time of cancellation.

- b. If by statute, regulation or contract, this Policy may not be cancelled unless notice is given to a governmental agency, mortgagee or other third party, we will mail or deliver at least 10 days' notice to you and the third party as soon as practicable after receiving your request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

- (1) 10 days from the date of mailing or delivering our notice; or
 - (2) The effective date of cancellation stated in your notice to us.
- c. In the event of oral cancellation, we shall, within 10 days provide you, electronically or in writing, confirmation of such requested cancellation.
 - d. We may require that you provide written, electronic or other recorded verification of the request for cancellation prior to such cancellation taking effect.

2. We may cancel this Policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice, together with our reasons for cancellation, may be delivered to you, or mailed to you at your last known mailing address. A receipt provided by, or such other evidence of mailing as prescribed or accepted by, the U.S. Postal Service will be sufficient proof of notice.

- a. When you have not paid the premium, whether payable to us or to our agent, 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 60 days or less and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the cancellation effective date takes effect.
- c. When this Policy has been in effect for more than 60 days, or at any time if it is a renewal with us, we may cancel only for one or more of the following reasons:
 - (1) Upon discovery of fraud, concealment of a material fact or material misrepresentation made by, or with the knowledge of, any "insured" in obtaining this Policy, continuing the Policy, or presenting a claim under this Policy;
 - (2) Upon the occurrence of a change in the risk which substantially increases any hazard insured against; or
 - (3) Upon the violation, by the "insured", of any of the material terms or conditions of the Policy.

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

- 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 no later than the date cancellation takes effect.

Paragraph **D. Nonrenewal** is replaced by the following:

D. Nonrenewal

We may elect not to renew this Policy. We may do so by delivering to you, or mailing to you at your last known mailing address, and to any lienholder named in the Policy, written notice, together with our reasons for nonrenewal, at least 30 days before the expiration date of this Policy.

A receipt provided by, or such other evidence of mailing as prescribed or accepted by, the U.S. Postal Service will be sufficient proof of notice.

The following provision is added:

H. Our Right To Recompute Premium

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

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – TENNESSEE

SECTION I – CONDITIONS

L. Mortgage Clause

The following Paragraph **6.** is added:

6. The rights and obligations set forth in Paragraphs **1.** through **5.** above apply to any party who has an insurable interest in the "residence premises" who is not an "insured".

(This condition does not apply to Forms **HO 00 04** and **HO 00 14.**)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – TEXAS

DEFINITIONS

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

12. "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.
13. "Business day" means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

SECTION I – PROPERTY COVERAGES

For Form **HO 00 05**, Paragraph **E.10.k.(2)(d)** is replaced by the following:

- (d) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years.

For all forms except **HO 00 08**, the following is added to Paragraph **E.11. Ordinance Or Law:**

- d. If the insured property is located in an area which is eligible for coverage through the Texas Windstorm Insurance Association, the coverage described above also applies to the increased cost you incur due to the repair, replacement or demolition required for the dwelling to comply with the building specifications contained in the Texas Windstorm Insurance Association's plan of operation.

(This is Paragraph **C.11.** in Form **HO 00 04** and **D.10.** in Form **HO 00 06.**)

SECTION I – PERILS INSURED AGAINST

For Forms **HO 00 02** and **HO 00 06**, Paragraph **12.b.(5)** is replaced by the following:

- (5) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years.

For Form **HO 00 04**, Paragraph **12.b.(4)** is replaced by the following:

- (4) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years.

For Form **HO 00 03:**

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

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

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

- (c) Smog, rust or other corrosion, wet or dry rot;

The following is added to Paragraph **A.2.c.(6)(e):**

For purposes of this provision, pollutants does not include:

- (i) Pollutants that escape from heating and air conditioning systems and appliances; or
- (ii) Common household chemicals used to maintain the "residence premises".

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

- (4) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years.

For Form **HO 00 05:**

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

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

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

- (3) Smog, rust or other corrosion, wet or dry rot;

The following is added to Paragraph **A.2.e.(5)**:

For purposes of this provision, pollutants does not include:

- (i) Pollutants that escape from heating and air conditioning systems and appliances; or
- (ii) Common household chemicals used to maintain the "residence premises".

SECTION I – EXCLUSIONS

Paragraph **8. Intentional Loss** is replaced by the following:

8. Intentional Loss

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

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

- b. However, this exclusion does not apply to an "insured" who did not cooperate in or contribute to the creation of the loss if that "insured" has:

- (1) Filed a police report; and
- (2) Cooperated with law enforcement investigation or prosecution relating to any other "insured" causing the intentional loss.

- c. If we pay a claim pursuant to Paragraph **8.b.**, our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a secured interest in the Policy. In no event will we pay more than the limit of liability. As a condition of payment for intentional loss caused by another "insured" under this exception to the exclusion, we may require an assignment of rights of recovery to the extent that payment is made by us.

The following exclusion is added:

10. "Fungi" Or Microbes

- a. "Fungi" or microbes means the presence, growth, proliferation, spread or any activity of "fungi" or microbes.

This exclusion also applies to the cost:

- (1) To remove "fungi" or microbes from property covered under Section I – Property Coverages;

- (2) To tear out and replace any part of the building or other covered property as needed to gain access to the "fungi" or microbes; and

- (3) Of testing of air or property to confirm the absence, presence or level of "fungi" or microbes.

- b. Exclusion **10.a.** applies unless the "fungi" or microbes are located upon the portion of covered property which must be repaired or replaced because of direct physical damage resulting from sudden and accidental discharge or overflow of water which would otherwise be covered under this Policy. For purposes of this exclusion, sudden and accidental shall include a loss event that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the date it was detected or should have been detected.

- c. However, the exception to the exclusion described in **10.b.** does not include:

- (1) The cost to treat, contain, remove or dispose of the "fungi" or microbes beyond that which is required to repair or replace the covered property physically damaged by water;
- (2) The cost of any testing of air or property to confirm the absence, presence or level of "fungi" or microbes whether performed prior to, during or after removal, repair, restoration or replacement;
- (3) The cost of any decontamination of the "residence premises"; and
- (4) Any increase in loss under Coverage **D – Loss Of Use and Additional Coverage 1. Debris Removal** resulting from **c.(1), (2) or (3).**

Direct loss by fire, smoke or explosion resulting from "fungi" or microbes is covered.

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

SECTION I – CONDITIONS

The following is added to Paragraph **A. Insurable Interest And Limit Of Liability**:

Policy A Liquidated Demand

A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policy. This provision shall not apply to personal property.

Paragraph **C. Duties After Loss** is replaced by the following:

C. Duties After Loss

1. Your Duties After Loss

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

- a.** Give prompt notice to us or our agent. With respect to loss caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss that is the subject of the claim. However, any such claim may be filed after the first anniversary of the date of the loss for good cause shown by the person filing the claim;
- b.** Notify the police in case of a loss by theft;
- c.** 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 Coverage under Section I – Property Coverages**;
- d.** Protect the property from further damage. If repairs to the property are required, you must:
 - (1)** Make reasonable and necessary repairs to protect the property; and
 - (2)** Keep an accurate record of repair expenses;
- e.** Cooperate with us in the investigation of a claim;
- f.** 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;
- g.** As often as we reasonably require:
 - (1)** Show the damaged property;
 - (2)** Provide us with records and documents we request and permit us to make copies; and
 - (3)** Submit to examination under oath, while not in the presence of another "insured", and sign the same;

h. Send to us, within 91 days after our request, your signed, sworn proof of loss on a standard form supplied by us. We must request a signed, sworn proof of loss within 15 days after we receive your written notice, or we waive our right to require a proof of loss. Such waiver will not waive our other rights under this Policy.

- (1)** This proof of loss shall set 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 the title or occupancy of the property during the term of the Policy;
 - (e)** Specifications of the damaged buildings and detailed repair estimates;
 - (f)** The inventory of damaged personal property described in **C.1.f.** 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 Coverage under Section I – Property Coverages**, stating the amount and cause of loss.
- (2)** If you elect to make claim under the Replacement Cost Coverage of this Policy, this proof of loss shall also state, to the best of your knowledge and belief:
 - (a)** The replacement cost of the described dwelling;
 - (b)** The replacement cost of any other building on which loss is claimed; or
 - (c)** The full cost of repair or replacement of loss without deduction for depreciation.

2. Our Duties After Loss

- a.** No later than 15 days after we receive your written notice of claim, we must:
 - (1)** Acknowledge receipt of the claim.

If our acknowledgment of the claim is not in writing, we will keep a record of the date, means and content of our acknowledgment;

- (2) Begin an investigation of the claim; and
- (3) Specify the information you must provide in accordance with Paragraph C.1. Your Duties After Loss above.

We may request more information if during the investigation of the claim such additional information is necessary;

- b. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:
 - (1) Within 15 "business days"; or
 - (2) Within 30 days if we have reason to believe the loss resulted from arson;
- c. If we do not approve payment of your claim or require more time for processing your claim, we must:
 - (1) Give the reason for denying your claim; or
 - (2) Give the reasons we require more time to process your claim. But we must either approve or deny your claim within 45 days after requesting more time.

For Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, Paragraph **D.1.** in **Loss Settlement** is replaced by the following:

1. Property of the following types:
 - a. Personal property other than jewelry;
 - 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.

For Form **HO 00 04**, Paragraph **D. Loss Settlement** is replaced by the following:

D. Loss Settlement

1. Covered property losses other than jewelry are settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

2. Jewelry losses are settled at replacement cost at the time of loss without deduction for depreciation.

For Form **HO 00 06**, Paragraph **D.1.** in **Loss Settlement** is replaced by the following:

1. Personal property and grave markers, including mausoleums, at actual cash value at the time of loss but not more than the amount required to repair or replace. This does not include loss to jewelry.

For Form **HO 00 08**, Paragraph **D.1.** in **Loss Settlement** is replaced by the following:

1. Property of the following types:
 - a. Personal property other than jewelry;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - c. Structures that are not buildings;at actual cash value at the time of loss but not more than the amount required to repair or replace.

For all forms except **HO 00 04**, Paragraph **3.** is added to **D. Loss Settlement**:

3. Jewelry at replacement cost at the time of loss without deduction for depreciation.

Paragraph **E. Loss To A Pair Or Set** is replaced by the following:

E. Loss To A Pair Or Set

1. In case of loss to a pair or set other than jewelry, we may elect to:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between actual cash value of the property before and after the loss.
2. Loss to a jewelry pair or set will be settled at replacement cost at the time of loss without deduction for depreciation.

Paragraph **H. Suit Against Us** is replaced by the following:

H. Suit Against Us

1. Except as provided in Paragraph **2.**, no suit or action can be brought against us unless there has been full compliance with all of the terms under Section **I** of this Policy. Action must be brought against us within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.

2. With respect to suits brought in connection with claims for loss caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code:

No action can be brought against us unless there has been compliance with all of the terms of this Policy. The action must be brought before the earlier of the following:

- a. Two years and one day from the date we accept or reject the claim; or
- b. Three years and one day from the date of the loss that is the subject of the claim.

Paragraph **J. Loss Payment** is replaced by the following:

J. 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 payment.

If we notify you that we will pay your claim, or part of your claim, we must pay within five "business days" after we notify you. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within five "business days" after the date you perform the act.

In all forms except **HO 00 04**, Paragraph **L. Mortgage Clause** is replaced by the following:

L. Mortgage Clause (Without Contribution)

1. We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown in the Declarations as interests appear.
2. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building structure.
3. If we deny your claim because of your acts or because you have failed to comply with the terms of this Policy, the mortgagee has the right to receive loss payment if the mortgagee:
 - a. At our request, pays any premium due under this Policy, if you have failed to do so;
 - b. Submits a signed, sworn statement of loss within 91 days after receiving notice from us of your failure to do so; and
 - c. Has notified us of any changes in ownership, occupancy or substantial changes in risk known to the mortgagee.

All of the terms of this Policy will then apply directly to the mortgagee.

Failure of the mortgagee to comply with **3.a.**, **3.b.** or **3.c.** above shall void this Policy as to the interest of the mortgagee.

4. If we pay the mortgagee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Policy:

- a. The mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay.
- b. The mortgagee's right to recover the full amount of the mortgagee's claim will not be impaired.

At our option, we may pay the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

5. If this Policy is cancelled, we will give the mortgagee specifically named in the Declarations written notice of cancellation.

If we cancel the Policy, we will give the mortgagee the same number of days' notice of cancellation we give to you.

If you cancel the Policy, we will give the mortgagee notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after the date we mail the notice.

We will not give notice of cancellation to any successor or assignee of the mortgagee named in the Policy.

6. If the property described under Coverage **A** – Dwelling or Coverage **B** – Other Structures is foreclosed upon under the deed of trust, the mortgagee may cancel this Policy of insurance and will be entitled to any unearned premium from this Policy.

The mortgagee must credit any unearned premium against any deficiency owed by the borrower and return any unearned premium not so credited to the borrower. The unearned premium will be figured using the customary pro rata procedures.

7. If we elect not to renew this Policy, the mortgagee specifically named in the Declarations will be given 30 days' written notice of the nonrenewal.

(This condition does not apply to Form **HO 00 04**.)

Paragraph **R. Concealment Or Fraud** is replaced by the following:

R. Concealment Or Fraud

We will not provide coverage for 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 material false statements;
- relating to this insurance.

(This is Paragraph **Q.** in Form **HO 00 04.**)

The following conditions are added:

Residential Community Property Clause

This Policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this Policy, until the expiration of the Policy or until cancelled in accordance with the terms and conditions of this Policy.

Catastrophe Claims

If a claim results from a weather-related catastrophe or a major natural disaster, each claim-handling deadline shown in **C. Duties After Loss** and **J. Loss Payment** is extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather-related event which:

1. Is declared a disaster under the Texas Disaster Act of 1975; or
2. Is determined to be a catastrophe by the Texas Department of Insurance.

SECTION II – EXCLUSIONS

Paragraph **E.1. Expected Or Intended Injury** is replaced by the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured".

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

Paragraph **E.6. Communicable Disease** is replaced by the following:

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of sickness or disease by an "insured" through sexual contact;

Paragraph **E.7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse** is replaced by the following:

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.

For purposes of this exclusion, abuse means an act which is committed with the intent to cause harm; or

SECTION II – CONDITIONS

The following condition is added:

K. Notice Of Offer To Settle Or Of Settlement Of Claim

1. We will notify you in writing of any initial offer to settle a claim against you under this Section II. We will give you notice within 10 days after the date the offer is made.
2. We will notify you in writing of any settlement of a claim against you under this Section II. We will give you notice within 30 days after the date of the settlement.

SECTIONS I AND II – CONDITIONS

Paragraph **C. Cancellation** is replaced by the following:

C. Cancellation

1. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this Policy at any time for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.
 - a. If this Policy has been in effect for less than 60 days and is not a renewal policy, we may not cancel this Policy unless:
 - (1) We identify a condition that:
 - (a) Creates an increased risk of hazard;
 - (b) Was not disclosed in the application for insurance coverage; and
 - (c) Is not the subject of a prior claim;

(2) Before the effective date of the Policy, we do not accept a copy of a required inspection report that:

- (a) Was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and
- (b) Is dated not earlier than the 90th day before the effective date of the Policy.

An inspection report is deemed accepted unless we reject it before the 11th day after the date we receive it;

- (3) You do not pay the premium or any portion of the premium due;
- (4) The Texas Department of Insurance determines that continuation of the Policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state;
- (5) You submit a fraudulent claim; or
- (6) There is an increase in the hazard covered by this Policy that is within your control and that would produce an increase in the premium rate of this Policy.

The effective date of cancellation cannot be before:

- (1) The 10th day after we mail notice if we cancel for reason (3), (4), (5) or (6) above.
 - (2) The 30th day after we mail notice if we cancel for any other reason.
- b. If this Policy has been in effect 60 days or more, or at any time if it is a renewal policy, we may not cancel this Policy unless:
- (1) You do not pay the premium or any portion of the premium due.
 - (2) The Texas Department of Insurance determines that continuation of the Policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
 - (3) You submit a fraudulent claim.
 - (4) There is an increase in the hazard covered by this Policy that is within your control and that would produce an increase in the premium rate of this Policy.

The effective date of cancellation cannot be before the 10th day after we mail the notice. Our notice of cancellation must state the reason for cancellation.

- 3. When this Policy is cancelled, we will send you any refund due not later than the 15th "business day" after the effective date of cancellation. The premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- 4. If we cancel, our notice to you will state that if this refund is not included with the notice, it will be returned on demand or not later than the 15th "business day" after the date of cancellation.
- 5. We may not cancel this Policy solely because you are an elected official.

Paragraph **D. Nonrenewal** is replaced by the following:

D. Refusal To Renew

- 1. We may not refuse to renew this Policy because of claims for losses resulting from natural causes.
- 2. We may not refuse to renew this Policy solely because you are an elected official.
- 3. We may refuse to renew this Policy if you have filed three or more claims under the Policy in any three-year period that do not result from natural causes.

If you have filed two claims in a period of less than three years, we may notify you in writing that if you file a third claim during the three-year period, we may refuse to renew this Policy by providing you proper notice of our refusal to renew as provided in 4. below. If we do not notify you after the second claim, we may not refuse to renew this Policy because of losses.

A claim does not include a claim that is filed but is not paid or payable under the Policy.

- 4. If we refuse to renew this Policy, we must deliver to you, or mail to you at your mailing address shown in the Declarations and any mortgagee named in the Declarations, written notice of our refusal to renew not later than the 30th day before the date on which this Policy expires. Proof of mailing will be sufficient proof of notice. If we fail to give you proper notice of our decision not to renew, you may require us to renew the Policy.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – SOUTH CAROLINA

SECTION I – CONDITIONS

Paragraph **H. Suit Against Us** is replaced by the following:

H. Suit Against Us

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

The following condition is added to all forms except **HO 00 04**, **HO 00 06** and **HO 00 14**:

T. Valuation Clause

With respect to the perils of fire and lightning, we agree that the Limit Of Liability stated in Coverage **A** of the Declarations of this Policy is the value of the building described. This valuation is established for insurance purposes only.

SECTIONS I AND II – CONDITIONS

C. Cancellation

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

2. We may cancel this Policy only for the reasons stated below, by written notification to you and, if any, your insurance agent of the date cancellation takes effect and the precise reason for cancellation. This cancellation notice may be delivered or mailed to you and your agent at the mailing addresses shown in the Declarations or the last known addresses. 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 and your agent know at least 10 days before the date cancellation takes effect.
- b.** When this Policy has been in effect for less than 120 days and is not a renewal with us, we may cancel for any reason by letting you and your agent know at least 30 days before the date cancellation takes effect.
- c.** When this Policy has been in effect for 120 days or more 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 this Policy;
 - (2)** If the risk has changed substantially since the Policy was issued, except to the extent that:
 - (a)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (b)** We should reasonably have foreseen the change or contemplated the risk in writing the Policy;
 - (3)** In the event of a substantial breach of a contractual duty, condition or warranty; or
 - (4)** If we lose our reinsurance covering all or a significant portion of this Policy, or where continuation of the Policy would imperil our solvency or place us in violation of the insurance laws of this state. Cancellation for these reasons is subject to approval by the Insurance Commissioner.

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

Paragraph **D. Nonrenewal** is replaced by the following:

D. Nonrenewal

We may elect not to renew this Policy. We may do so by giving the following written notification to you and your agent:

- 1.** If this Policy was written for a term of one year or less, we may elect not to renew this Policy by giving written notification at least 60 days before the expiration date of the Policy.

2. If this Policy was written for a term of more than one year or for an indefinite term, we may elect not to renew this Policy by giving written notification at least 60 days before the anniversary date of the Policy.

The nonrenewal notice, together with the precise reason for nonrenewal, may be delivered or mailed to you and your agent at the mailing addresses shown in the Declarations or the last known addresses.

All other provisions of this Policy apply.

FLOOD COVERAGE

Homeowners Policy - Form 6

Disclaimer - This endorsement does not satisfy mandatory flood insurance coverage should it be required by your federally regulated lender for your home mortgage or loan. This insurance product is not affiliated with the National Flood Insurance Program.

This Flood Coverage is added to Section I of the Homeowners Policy Form 6.

1. AGREEMENT

We agree to provide the insurance described in this endorsement subject to all applicable terms and conditions of **your** Homeowners policy. This endorsement contains definitions, limitations, restrictions and other terms separate and distinct from the remainder of **your** Homeowners policy. However, the provisions of this endorsement supersede any provisions to the contrary. In return, **you** must pay the premium and comply with all the terms and conditions applicable to this insurance coverage. Coverage provided under this endorsement does not increase any limit of liability under Section I - Property Protection.

The provisions of this Inland Flood Coverage endorsement apply only to this endorsement. With the exception of the cancellation, nonrenewal and WHAT TO DO IN CASE OF LOSS and GENERAL POLICY CONDITIONS provisions of the policy to which this Inland Flood Coverage endorsement is a part, no other coverages, exclusions, additional coverages, terms and conditions of such policy apply to this Inland Flood Coverage endorsement unless specifically stated otherwise.

This endorsement applies solely to the peril of **inland flood**. For coverage to apply under this endorsement, the **flood occurrence** must commence during the policy term.

2. DEFINITIONS

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

- a. **Basement** means any area of the **residence premises**, including any sunken room, sunken portion of a room, garage or crawl space, having any side of its floor below ground level.
- b. **Basement personal property** means personal property owned by **you, your relatives**, guests or **residence employees** when such property is located in the **basement** of the **residence premises**.
- c. **Direct physical loss by or from inland flood** means loss or damage to property covered on

the **residence premises** directly caused by an **inland flood**. There must be evidence of physical change to the property requiring repair or replacement.

- d. **Flood occurrence** means the sum of all **direct physical loss by or from inland flood** and all expenses covered under this endorsement arising from all instances of **inland flood** occurring during one consecutive 168 hour time period.
- e. **Information technology hazard** means losses arising, directly or indirectly, out of:
 - (1) loss of, alteration of or damage to; or
 - (2) a reduction in the functionality, availability or operation of a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the policyholder or not.
- f. **Inland flood** means a general and temporary condition of partial or complete inundation of normally dry land area resulting from:
 - (1) overflow of inland or tidal waters;
 - (2) an unusual and rapid accumulation or runoff of surface waters from any source including but not limited to rainfall and ice melt; or
 - (3) **mudflow**.**Inland flood** does not mean or include tsunami.
- g. **Mudflow** means a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. **Mudflow** does not mean or include other earth movements, such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope.

3. PROPERTY COVERAGES

The following coverages are added for purposes of this endorsement only, subject to the Inland Flood Coverage limits and sublimits shown in the Declarations.

- a. **Dwelling**
We cover risk of **direct physical loss by or from inland flood** to:

- (1) fixtures and appliances contained within the **residence premises** which are part of the building;
- (2) alterations and improvements made to part of the building within the **residence premises**;
- (3) real property owned solely by **you** which pertains solely to the **residence premises**;
- (4) property for which **you** have an insurance responsibility under an association agreement; and
- (5) other structures which **you** solely own at the **residence premises** location.

b. Debris Removal

We will pay the reasonable necessary expenses **you** incur to remove any owned and non-owned debris from the **residence premises** if caused by a **direct physical loss by or from inland flood**. This is not an additional amount of insurance.

c. Property Removed to Safety

We cover **direct physical loss by or from inland flood** to covered property removed from a **residence premises** endangered by a **flood occurrence**.

We will also pay for the reasonable expenses **you** incur to move covered property to safety. The property that is moved must be placed in a fully enclosed structure or otherwise reasonably protected from the elements. This coverage shall only apply for the first 30 days from the date such property is removed from the **residence premises**. This is not an additional amount of insurance.

We do not cover land, including land on which the dwelling or other structures are located.

4. PROPERTY NOT COVERED

The following are added to PROPERTY NOT COVERED for purposes of this endorsement only.

- a. any structure located entirely in, on or over water;
- b. open structures, boathouses or any structure into which boats are floated;
- c. lawns, trees, shrubs, plants or growing crops;
- d. underground structures and equipment, including private water wells, septic tanks and septic systems;
- e. those portions of walks, walkways, decks, driveways, patios and other surfaces, all whether protected by a roof or not, located outside the perimeter, exterior walls of the **residence**

premises;

- f. containers, and related equipment, including tanks containing gases or liquids;
- g. fences, retaining walls, seawalls, bulkheads, wharves, piers, bridges and docks;
- h. hot tubs and spas which are not bathroom fixtures, and swimming pools and their equipment, including heaters, filters, pumps and pipes, wherever located;
- i. barns or structures used for farming;; and
- j. 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**.

5. EXCLUSIONS

All exclusions in **your** Homeowners policy apply to this endorsement except as modified below and to the extent coverage is specifically provided by this endorsement. Additional exclusions apply specifically to the coverages provided by this endorsement and for purposes of this endorsement only. No coverage is provided under this endorsement for loss to a sump pump caused by mechanical breakdown.

a. We do not pay for:

- (1) loss of revenue or profits;
- (2) loss from interruption of **business** or production;

(3) the increased costs **you** incur arising from the enforcement of any ordinance or law which requires or regulates construction, demolition, renovation or repair of that part of a covered building or other structure, when that building or other structure sustains physical loss by or from an **inland flood**;

(4) the costs to comply with an ordinance or law which requires **you** 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.

b. We do not insure loss, damage or expense directly or indirectly caused by a **flood occurrence** already in progress at the date and time coverage under this endorsement becomes effective.

c. We do not insure loss, damage or expense caused by earth movement even if the earth movement is caused by a **flood occurrence**. As used in this exclusion, earth movement includes:

- (1) earthquake;
- (2) landslide;
- (3) land subsidence;
- (4) mine subsidence;
- (5) sinkholes;
- (6) destabilization or movement of land resulting from accumulation of water in subsurface land areas; or
- (7) gradual erosion.

This exclusion does not apply to **mudflow**.

- d. **We** do not insure for loss, damage or expense caused by **fungi**, wet rot, dry rot or bacteria. **Fungi**, wet rot, dry rot or bacteria damage includes contamination by **fungi**, wet rot, dry rot or bacteria, including any spores or toxins created or produced by or emanating from such **fungi**, wet rot, dry rot or bacteria.
- e. **We** do not insure for loss, damage or expense caused directly or indirectly by:
 - (1) water or sewage that enters through sewers or drains;
 - (2) water or water-borne material which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area;
 - (3) water below the surface of the ground. This includes water which exerts pressure on, or flows, seeps or leaks through any part of the residence premises.
 - (4) the pressure or weight of ice or water;
 - (5) freezing or thawing;
 - (6) theft, fire, explosion, wind or windstorm; or
 - (7) power, heating or cooling failure. This exclusion does not apply if:
 - (a) there is an **inland flood** and the **inland flood** is the proximate cause of such back up, overflow, pressure, seepage, leakage or flow; and
 - (b) there is evidence of **inland flood** on the **residence premises**.
- f. **We** do not insure for loss, damage or expense caused directly or indirectly by **information technology hazard**.
- g. **We** do not insure for **direct physical loss by or from inland flood** to any **residence premises** or personal property located on land leased from the Federal Government, arising from or incidental to the flooding of the land by the Federal Government, where the lease expressly holds the Federal Government harmless under flood insurance issued under any Federal Government program.

6. LIMITS

A **flood occurrence** may begin in one policy term but cause **direct physical loss by or from inland flood** in one or more subsequent policy terms. If so, all covered **direct physical loss by or from inland flood** arising from such a **flood occurrence** will be subject to the Inland Flood Coverage Occurrence and Aggregate Limit/Sublimit(s) per policy term in the policy term when the **flood occurrence** began.

a. Inland Flood Limits

Inland Flood Limits are part of, and not in addition to, the applicable limits under **your** Homeowners policy.

(1) Inland Flood Occurrence Limit

The most **we** will pay for **direct physical loss by or from inland flood** arising from any one **flood occurrence** is the amount shown as the Inland Flood Occurrence limit shown in the Declarations.

(2) Inland Flood Aggregate Limit Per Policy Term

The most **we** will pay for **direct physical loss by or from inland flood** arising from all **flood occurrences** during any one policy term is the Inland Flood Aggregate Limit per

policy term shown in the Declarations. The Inland Flood Aggregate Limit per policy term applies regardless of the number of **flood occurrences** during that policy term.

7. DEDUCTIBLE

No loss shall be paid until the amount of covered loss exceeds the deductible shown in the Declarations for Inland Flood Coverage. However, if damage resulting from the same covered loss is subject to more than one deductible at that location, only one deductible shall apply. **We** shall apply the largest applicable deductible to the entire covered loss at that location.

8. OTHER INSURANCE

If there is other insurance, including but not limited to any insurance provided under the National Flood Insurance Program, covering the same **direct physical loss by or from inland flood** for which coverage is also provided under this endorsement, **we** will pay under this endorsement only the amount of covered **direct physical loss by or from inland flood** in excess of the amount due from the other insurance, whether **you** can collect it or not. In no event will **we** pay more than the applicable limits shown in the Declarations.

(1)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** Except as otherwise provided in Paragraph **C.** of this endorsement, Paragraphs **2.** and **3.** of **Cancellation** Common Policy Condition are replaced by the following:
- 2.** We may cancel this policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect For 120 Days Or More**
- If this policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:
- a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;
 - c.** Substantial change in the risk assumed, except to the extent that:
 - (1)** We had notice of the risk within the first 120 days of the policy period and this is not a renewal or continuation of a policy we issued; or
 - (2)** We should reasonably have foreseen the change or contemplated the risk in writing the policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
 - e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.
- Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.

- C. The following change applies only if Flood Coverage Endorsement **CP 10 65** or Flood Coverage **OP 10 04** is attached to this policy and supersedes any provision to the contrary:

Paragraph **2.b.** of **Cancellation** Common Policy Condition is replaced by the following:

- b. 45 days before the effective date of cancellation if we cancel for any other reason permissible under applicable law.

- D. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If we decide not to renew this policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this policy, if the policy is written for a term of one year or less; or

- (2) An anniversary date of this policy, if the policy is written for a term of more than one year or for an indefinite term; and

- b. Provide at least 60 days' notice of nonrenewal.

3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL EXCLUSION – SOUTH CAROLINA

SECTION I – PERILS INSURED AGAINST

In all forms, coverage for the peril of Windstorm or Hail is deleted.

SECTION I – EXCLUSIONS

The following exclusion is added. In Forms **HO 00 03** and **HO 00 05**, it is added to Paragraph **A.**:

Windstorm Or Hail

However, this exclusion does not apply to direct loss by fire or explosion resulting from windstorm or hail.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – NORTH CAROLINA

PERSONAL LIABILITY ADDITIONAL POLICY CONDITIONS

Under Condition **E. Cancellation**, Paragraph **2.** is replaced by the following:

- 2.** We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect and the precise reason for cancellation. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations or your last known address. Proof of mailing will be sufficient proof of notice.
 - a.** If this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel this policy for any reason by mailing or delivering written notice of cancellation to you at least 15 days before the effective date of cancellation.
 - b.** If this policy has been in effect for 60 days or more, or is a renewal with us, we may cancel this policy prior to the expiration of the policy term, or the anniversary date stated in the policy only for one or more of the following reasons:
 - (1)** Nonpayment of premium;
 - (2)** An act or omission by the "insured" or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;
 - (3)** Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;
 - (4)** Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;
 - (5)** A fraudulent act against us by the "insured" or his or her representative that materially affects the insurability of the risk;

- (6)** Willful failure by the "insured" or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;
- (7)** Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;
- (8)** Conviction of the "insured" of a crime arising out of acts that materially affect the insurability of the risk;
- (9)** A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or
- (10)** You fail to meet the requirements contained in our corporate charter, articles of incorporation or bylaws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to you at least 15 days before the effective date of cancellation if we cancel for any of the above reasons.

We will also send this notice to any designated mortgagee or loss payee, and the agent or broker of record, at their mailing addresses shown in the Declarations, or their last known addresses.

Failure to send this notice to:

- (a)** Any designated mortgagee or loss payee invalidates the cancellation only as to the mortgagee's or loss payee's interest.
- (b)** The agent or broker of record does not invalidate the cancellation.

(c) Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.

(d) We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

The following Condition is added:

F. Nonrenewal

1. We may elect not to renew this policy. We may do so by mailing or delivering written notice of nonrenewal, and the precise reason for nonrenewal, to you at your mailing address shown in the Declarations or your last known address. This notice will be sent to you at least 45 days prior to the:

- a. Expiration of the policy if this policy has been written for one year or less; or
- b. Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.

We will also send this notice to any designated mortgagee or loss payee, and the agent or broker of record, at their mailing addresses shown in the Declarations, or their last known addresses.

Proof of mailing will be sufficient proof of notice.

Failure to send this notice to:

- (1) Any designated mortgagee or loss payee invalidates the nonrenewal only as to the mortgagee's or loss payee's interest.
 - (2) The agent or broker of record does not invalidate the nonrenewal.
2. We need not mail or deliver the notice of nonrenewal if you have:
- a. Insured property covered under this policy, under any other insurance policy;
 - b. Accepted replacement coverage; or
 - c. Requested or agreed to nonrenewal of this policy.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOUSE ACCESS – NORTH CAROLINA

SECTIONS I AND II – CONDITIONS

The following Condition is added:

SPOUSE ACCESS

The named insured and we agree that the named insured and resident spouse are customers for purposes of state and federal privacy laws. The resident spouse will have access to the same information available to the named insured.

The named insured may notify us that he/she no longer agrees that the resident spouse shall be treated as a customer for purposes of state and federal privacy laws, and we will not permit the resident spouse to access policy information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 2. of the **Cancellation Common Policy Condition is replaced by the following:**

2. Cancellation Requirements

a. Policies In Effect Less Than 60 Days

If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1)** 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2)** 30 days before the effective date of cancellation if we cancel for any other reason.

b. Policies In Effect More Than 60 Days

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

- (1)** Expiration of the policy term; or
- (2)** Anniversary date,
 stated in the policy only for one or more of the following reasons:
 - (a)** Nonpayment of premium;

- (b)** An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;
- (c)** Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;
- (d)** Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;
- (e)** A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;
- (f)** Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;

- (g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;
- (h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;
- (i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or
- (j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

- (i) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (ii) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.
 - d. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

B. The following provisions are added and supersede any other provisions to the contrary:

1. Nonrenewal

a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:

- (1) Expiration of the policy if this policy has been written for one year or less; or
- (2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.

b. We need not mail or deliver the notice of nonrenewal if you have:

- (1) Insured property covered under this policy, under any other insurance policy;
- (2) Accepted replacement coverage; or
- (3) Requested or agreed to nonrenewal of this policy.

c. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. The written notice of cancellation or nonrenewal will:

- a. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and
- b. State the reason or reasons for cancellation or nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – NORTH CAROLINA

DEFINITIONS

Definition **B.3.** is replaced by the following:

3. "Business" includes:
 - a. Any full- or part-time activity of any kind engaged in for economic gain, including the use of any part of any premises for such purposes; and
 - b. "Home-sharing host activities".

The following definitions are added to Paragraph **B.** in all forms:

12. "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 any good or product intended for consumption.

Actual Cash Value

Throughout this Policy, the following is added to any provision that uses the term actual cash value:

Actual cash value is the value of the covered damaged part of the property at the time of loss, calculated as the estimated cost to repair or replace such property with material of like kind and quality, less a deduction to account for pre-loss depreciation. In calculating the actual cash value, the components of this estimated cost that are subject to depreciation include, but are not limited to:

1. Materials, labor, permits and any applicable tax; and
2. Overhead and profit.

Pre-loss depreciation refers to the decrease in the value of the covered damaged part of the property due to, but not limited to, such considerations as:

1. Age;
2. Condition, including wear and tear or deterioration;
3. Remaining useful life; and
4. Obsolescence.

SECTION I – PROPERTY COVERAGES

C. Coverage C – Personal Property

(This is Paragraph **A.** in **HO 00 04** and Paragraph **B.** in **HO 00 06.**)

3. Special Limits Of Liability

Paragraphs **f.** and **g.** are deleted in all forms except **HO 00 08**, and deleted in Endorsements **HO 32 95** and **HO 32 35** when made part of Forms **HO 00 04** and **HO 00 06**, respectively. Paragraphs **f.** and **g.** in those forms are replaced by the following:

- f. 10% of the Coverage **C** limit, subject to a maximum of \$10,000, for loss by theft* of firearms and related equipment.
- g. 25% of the Coverage **C** limit, subject to a maximum of \$10,000, for loss by theft* of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

*In Form **HO 00 05** and Endorsements **HO 32 95** and **HO 32 35**, theft includes misplacing or losing.

4. Property Not Covered

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

- (a) Used to service an "insured's" residence; or

E. Additional Coverages

(This is Paragraph **C.** in **HO 00 04** and Paragraph **D.** in **HO 00 06.**)

In all forms except **HO 00 06** and **HO 00 08**:

Paragraph **1. Debris Removal** is replaced by the following:

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 of liability is available for debris removal expense.

- b. We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:
- (1) Your trees felled by the peril of Windstorm or Hail, or Weight of Ice, Snow or Sleet; or
 - (2) A neighbor's trees felled by a Peril Insured Against under Coverage C;
provided the trees:
 - (3) Damage a covered structure; or
 - (4) Do not damage a covered structure, but:
 - (a) Block a driveway on the "residence premises" which prevents a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
 - (b) Block a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$500 limit is the most we will pay in any one loss, regardless of the number of fallen trees.

This coverage is additional insurance.

In Form **HO 00 06**:

Paragraph **1. Debris Removal** is replaced by the following:

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 of liability is available for debris removal expense.

- b. We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:
- (1) Trees you solely own felled by the peril of Windstorm or Hail, or Weight of Ice, Snow or Sleet; or
 - (2) A neighbor's trees felled by a Peril Insured Against under Coverage C;
provided the trees damage a covered structure. The \$500 limit is the most we will pay in any one loss, regardless of the number of fallen trees.

This coverage is additional insurance.

In Form **HO 00 08**:

Paragraph **1. Debris Removal** is replaced by the following:

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 of liability is available for debris removal expense.

- b. We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:
- (1) Your trees felled by the peril of Windstorm or Hail; or

(2) A neighbor's trees felled by a Peril Insured Against under Coverage C;

provided the trees:

(3) Damage a covered structure; or

(4) Do not damage a covered structure, but:

(a) Block a driveway on the "residence premises" which prevents a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or

(b) Block a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$500 limit is the most we will pay in any one loss, regardless of the number of fallen trees.

This coverage is additional insurance.

In all forms:

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

2. Reasonable Repairs

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

b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this Policy and the damage is caused by a Peril Insured Against.

c. Coverage provided under a. and b. 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 Section I – Conditions, C.4. Duties After Loss; and

is limited to the greater of:

(3) \$3,000; or

(4) 1% of your Coverage A limit of liability;

unless we grant you approval within 72 hours of your request to exceed the limit. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

If we fail to respond to you within 72 hours of your request to us and the damage is caused by a Peril Insured Against, you may exceed the amount stated above only up to the cost incurred by you for the reasonable repairs necessary to protect the covered property from further damage.

d. In the event such repairs are undertaken, we have the right to inspect the repairs and the removed property which, to the extent possible, you are required to retain.

In Form HO 00 05:

10. Landlord's Furnishings

k. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph (2)(d) is replaced by the following:

(d) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years; or

The following Additional Coverage is added to all forms except HO 00 04:

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

a. We will pay up to a total of \$5,000 for:

(1) Direct physical loss to property covered under Section I – Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria if the direct result of a Peril Insured Against; and

(2) The necessary increase in costs which you incur to maintain your normal standard of living when the "residence premises" is uninhabitable due to a loss caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria which is the direct result of a Peril Insured Against.

The coverage provided above is the only coverage under Section I – Coverage A – Dwelling, Coverage B – Other Structures, Coverage C – Personal Property and Coverage D – Loss Of Use for loss caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria caused directly or indirectly regardless of any other cause or event contributing concurrently or in any sequence.

b. The amount in a. above is the most we will pay for the cost:

- (1) To remove "fungi", wet or dry rot, or bacteria from covered property;
- (2) 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
- (3) Of any 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.

c. The coverage provided above applies only when such loss or costs are the result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and protect the property from further damage at or after the time of the occurrence of that Peril Insured Against.

d. If there is covered loss 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 is additional insurance and is the most we will pay for the total of all loss or costs payable under the Additional Coverage regardless of the number of locations insured or the number of claims made. No deductible applies to this coverage.

(This is Additional Coverage 12. in Form HO 00 06 and Additional Coverage 9. in Form HO 00 08.)

SECTION I – PERILS INSURED AGAINST

In Form HO 00 03:

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

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

- (5) Constant or repeated discharge, seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years; or

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

- (c) Smog, rust or other corrosion;

B. Coverage C – Personal Property

12. Accidental Discharge Or Overflow Of Water Or Steam

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

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

In Form HO 00 05:

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

- d. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years; or

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

- (3) Smog, rust or other corrosion;

In Forms HO 00 02, HO 00 04 and HO 00 06:

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph b.(5) is replaced by the following:

- (5) To a building caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years.

(This replaces Paragraph b.(4) in Form HO 00 04.)

SECTION I – EXCLUSIONS

Paragraph 2. Earth Movement is replaced by the following:

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.

This Exclusion 2. applies regardless of whether any of the above, in 2.a. through 2.d., is caused by an act of nature, an act of man or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above, in **2.a.** through **2.d.**, is covered.

(This is Paragraph **A.2.** in Forms **HO 00 03** and **HO 00 05.**)

In all forms except **HO 00 05:**

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

3. Water

This means:

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

This Exclusion **3.** applies regardless of whether any of the above, in **3.a.** through **3.d.**, is caused by an act of nature, an act of man or is otherwise caused.

This Exclusion **3.** applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system whether natural, man-made or is otherwise made.

However, direct loss by fire, explosion or theft resulting from any of the above, in **3.a.** through **3.d.**, is covered.

(This is Paragraph **A.3.** in Form **HO 00 03.**)

In Form **HO 00 05:**

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

3. Water

This means:

- a.** Flood, including, but not limited to, flash flood, surface water, waves, including tidal wave and tsunami, seiche, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;

b. Water which:

- (1)** Backs up through sewers or drains; or
- (2)** Overflows or is otherwise discharged from a sump, sump pump or related equipment;

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

d. Waterborne material carried or otherwise moved by any of the water referred to in **3.a.** through **3.c.** of this exclusion.

This Exclusion **A.3.** applies regardless of whether any of the above, in **A.3.a.** through **A.3.d.**, is caused by an act of nature, an act of man or is otherwise caused.

This Exclusion **A.3.** applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system whether natural, man-made or is otherwise made.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.3.a.** through **A.3.d.**, is covered.

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

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

Paragraph **8. Intentional Loss** is replaced by the following:

8. Intentional Loss

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

This exclusion only applies to an "insured" who commits or conspires to commit an act with the intent to cause a loss.

(This is Paragraph **A.8.** in Forms **HO 00 03** and **HO 00 05.**)

The following exclusion is added:

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

"Fungi", Wet Or Dry Rot, Or Bacteria means the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria other than as provided in Additional Coverage **13. "Fungi", Wet Or Dry Rot, Or Bacteria.**

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

SECTION I – CONDITIONS

C. Duties After Loss

The following is added to the end of Paragraph **8.:**

However, if a state of disaster is proclaimed or declared for the State of North Carolina or for an area within the state in accordance with North Carolina law and the covered property that has sustained loss is located within the geographic area designated in the disaster proclamation or declaration, this 60-day period shall not commence until the expiration of the disaster proclamation or declaration, including all renewals of the proclamation, or the expiration of the commissioner's order.

D. Loss Settlement

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, Subparagraph **2.a.** is replaced by the following:

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, 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 on the "residence premises" or some other premises within the State of North Carolina.

Paragraph **F. Appraisal** is replaced by the following:

F. Appraisal

If you and we fail to agree on the value or amount of any item or loss, either may demand an appraisal of such item or loss. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss. Each party will:

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

In no event will an appraisal be used for the purpose of interpreting any policy provision, determining causation or determining whether any item or loss is covered under this Policy. If there is an appraisal, we still retain the right to deny the claim.

Paragraph **H. Suit Against Us** is replaced by the following:

H. Suit Against Us

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

Paragraph **J. Loss Payment** is replaced by the following:

J. 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. We will pay within 60 days after the amount is finally determined.

This amount may be determined by:

1. Reaching an agreement with you;
2. Entry of a final judgment; or
3. The filing of an appraisal award with us.

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

Paragraph 2.b. is replaced in all forms by the following:

- b. Used to service an "insured's" residence;

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

Paragraph 1. **Expected Or Intended Injury** is replaced in all forms by the following:

1. **Expected Or Intended Injury**

"Bodily injury" or "property damage" which is intended by or which may reasonably be expected to result from the intentional acts or omissions or criminal acts or omissions of one or more "insured" persons. This exclusion applies even if:

- a. The "insured" persons lack the mental capacity to govern their own conduct;
- b. The "bodily injury" or "property damage" is of a different kind, quality or degree than intended or reasonably expected; or
- c. The "bodily injury" or "property damage" is sustained by a different person or entity than intended or reasonably expected.

This exclusion applies regardless of whether or not an "insured" person is actually charged with, or convicted of, a crime.

If the Broadened Home-sharing Host Activities Coverage Endorsement is not made a part of this Policy, Paragraph 2. **"Business"** is replaced by the following:

2. **"Business"**

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" engaged in by an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- b. With respect to other than "home-sharing host activities", this Exclusion E.2. does not apply to:

(1) The rental or holding for rental of an "insured location":

- (a) On an occasional basis if used only as a residence;

- (b) In part, for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

- (c) In part, as an office, school, studio or private garage; and

(2) An insured minor involved in part-time, self-employed "business" pursuits normally undertaken by minors, unless the minor is employed by a "business". A minor means a person who has not attained his or her 19th birthday (or age 23 if a full-time student);

If the Broadened Home-sharing Host Activities Coverage Endorsement is made a part of this Policy, Paragraph 2. **"Business"** is replaced by the following:

2. **"Business"**

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" engaged in by an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

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

(1) "Home-sharing host activities"; and

(2) With respect to other than "home-sharing host activities":

- (a) The rental or holding for rental of an "insured location":

- (i) On an occasional basis if used only as a residence;

- (ii) 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
- (iii) In part, as an office, school, studio or private garage; and
- (b) An insured minor involved in part-time, self-employed "business" pursuits normally undertaken by minors, unless the minor is employed by a "business". A minor means a person who has not attained his or her 19th birthday (or age 23 if a full-time student);

The following exclusion is added:

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

"Bodily injury" or "property damage" 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.

SECTIONS I AND II – CONDITIONS

Paragraph **E. Assignment** is replaced by the following:

E. Assignment Of Policy Or Policy Benefits

Neither the assignment of this Policy nor the assignment of the benefits of this Policy will be valid unless we give our written consent. This provision applies both before and after a loss.

The following condition is added:

Choice Of Law

This Policy is issued in accordance with the laws of North Carolina and covers property or risks principally located in North Carolina. Any and all claims or disputes in any way related to this Policy shall be governed by the laws of North Carolina.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – VIRGINIA

Throughout this Policy:

1. The following is added to any provision which uses the term actual cash value:

Actual cash value means the amount equal to the replacement cost minus depreciation of damaged or stolen property at the time of the loss.

2. The following is added to any provision which uses the term vacant:

Vacant means a dwelling:

- a. That has not been occupied as a residence for more than 60 consecutive days immediately before a loss; and
- b. Where most of the named insured's personal property has been removed such that the dwelling is not functional as a customary place of residence.

A dwelling is not occupied if the dwelling is being used without the permission of an insured. A dwelling under construction or being remodeled, repaired or renovated is not vacant.

DEFINITIONS

In Forms **HO 00 03**, **HO 00 04**, **HO 00 05** and **HO 00 06**:

Paragraph **B.1.** is deleted.

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

3. "Business" means a trade, profession or occupation whether a full-time, part-time or occasional activity including:
 - a. "Home-sharing host activities";
 - b. "Farming";
 - c. The rental of the whole or a part of the "residence premises" by an "insured"; or
 - d. The "business" use of a part of the "insured location".

"Business" does not include:

- e. The "occasional rental" of the whole or a part of the "residence premises" for dwelling purposes;
- f. The rental or holding for rental of a part of the "residence premises" for no more than two roomers or boarders for use as a primary residence;
- g. The rental of a part of the "residence premises" as a private garage;
- h. The rental of a part of the "residence premises" as an office, school or studio; or
- i. The "insured's" use of the "residence premises" for remote work under an agreement with the "insured's" employer.

Paragraph **B.4.** is deleted.

Paragraphs **B.6.**, **B.9.**, **B.10.e.**, **B.11.** and **B.15.** are replaced by the following:

6. "Home-sharing host activities" means:
 - a. Rental of the whole or part of the "residence premises" for lodging purposes to a "home-sharing occupant" through a "home-sharing network platform" during the policy term:
 - (1) For more than seven consecutive or random days; or
 - (2) That generates revenue of more than \$2,500; and
 - b. Any other related property or services made available by an "insured" for use during such rental and outlined in the agreement which is entered into through the "home-sharing network platform" except those property or services provided by another party.

9. "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 your care or the care of a resident of your household who is your relative;
 - b. Under Section II:
 - (1) A person having custody or possession of an insured's pet, unless the custody or possession is in the course of the person's business or without the insured's permission;
 - (2) A person using or having custody of an "insured's" covered watercraft unless the use, custody or possession is in the course of the person's "business" or without the "insured's" permission; and
 - (3) "Residence employees" while engaged in the duties of their employment with respect to a "motor vehicle", "recreational motor vehicle", "hovercraft" or covered watercraft insured under the Policy.
10. "Insured location" means:
- e. Unimproved land, other than land used for "farming", owned by or rented to an "insured";
11. "Motor vehicle" means a vehicle that is self-propelled or designed for self-propulsion and is designed or licensed for use on public roads.
15. "Residence premises" means:
- a. A dwelling, other structures and grounds at the location shown in the Declarations; and
 - b. That part of any other building occupied by you for residential purposes.

The following definitions are added:

"Aircraft" means a machine or device capable of atmospheric flight, including hobby or model "aircraft", drones, self-propelled missiles, and spacecraft.

"Farming" means the use of land and buildings primarily for agricultural purposes with the objective of:

- a. Raising animals to produce food for sale or distribution to the public; and
- b. Growing crops for sale or distribution to the public.

"Fixtures" means permanently installed components of the dwelling or other structures including:

- a. Wells;
- b. Plumbing systems;
- c. Pumps;
- d. Air conditioning equipment, systems and parts;
- e. Heating equipment, systems and parts;
- f. Hot water heaters;
- g. Lighting systems; or
- h. Built-in appliances and other components where removal would deface or damage the dwelling.

"Hovercraft" means a self-propelled air cushioned vehicle that can travel over land and water.

"Occasional rental" means rental of the whole or a part of the "residence premises" for lodging purposes during a policy term for:

- a. Seven or fewer consecutive or random days; or
- b. That generates revenue of up to \$2,500.

"Occasional rental" is not "home-sharing host activities".

"Recreational motor vehicle" means a vehicle designed for recreational use off public roads and not subject to "motor vehicle" registration.

The last paragraph of Paragraph **B.14.** is deleted.

SECTION I – PROPERTY COVERAGES

In Forms **HO 00 03** and **HO 00 05**:

Coverage A – Dwelling

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

1. We cover:
 - a. The dwelling on the "residence premises" shown in the Declarations, including "fixtures" and 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".

Coverage B – Other Structures

Paragraphs **1.** and **2.b.** are replaced by the following:

1. We cover other structures, and the "fixtures" of 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:
 - b. Other structures rented or held for rental to any person unless such structure is rented to a roomer, boarder or tenant of the dwelling or rented for use solely as a private garage;

In Form **HO 00 06**:

Coverage A – Dwelling

Paragraphs **1.a.**, **1.d.**, **2.b.**, **2.c.** and **2.d.** are replaced by the following, and Paragraph **1.e.** is added:

1. We cover:
 - a. The alterations, appliances, "fixtures" and improvements which are part of the building contained within the "residence premises";
 - d. Other structures, and the "fixtures" of other structures, owned by you, at the location of the "residence premises". We will pay up to 10% of the Coverage **A** limit of liability for other structures and the "fixtures" of other structures.
 - e. 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:
 - b. Other structures rented or held for rental to any person unless such other structure is rented to a roomer, boarder or tenant of the dwelling or rented for use solely as a private garage;
 - c. Other structures from which any "business" is conducted; or
 - d. Other structures used to store "business" property. However, we do cover an other structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the other structure.

In Forms **HO 00 03**, **HO 00 04**, **HO 00 05** and **HO 00 06**:

Coverage C – Personal Property

Paragraph **1. Covered Property** is replaced by the following:

1. Covered Property

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

- a. Others while the property is on the part of the "residence premises" occupied by an "insured";
- b. A guest while the property is in any residence occupied by an "insured"; and
- c. A "residence employee" while the property:
 - (1) Is in any residence occupied by an "insured"; or

- (2) Is in the physical custody of that employee and that employee is engaged in the service of an "insured".

In Forms **HO 00 03, HO 00 04, HO 00 05** and **HO 00 06**:

Special Limits Of Liability

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

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. \$100 on money, bank notes, bullion, gold other than goldware and gold-plated ware, silver other than silverware and silver-plated ware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, 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, including their trailers, furnishings, equipment and outboard engines or motors. This limit does not apply to rowboats or canoes.
- d. \$500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$500 for loss by theft of firearms and related equipment.
- g. \$2,500 on "business" property on the "residence premises.
- h. \$500 on "business" property, away from the "residence premises". However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:

(1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and

(2) In or upon a "motor vehicle".

- i. \$2,000 on portable electronic equipment that:

(1) Reproduces, receives or transmits audio, visual or data signals, including antennas;

(2) Is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and

(3) Is permanently installed in a "motor vehicle".

- j. \$250 on tapes, wires, records, disks or other media that are:

(1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and

(2) In or upon a "motor vehicle".

In Forms **HO 00 03, HO 00 04, HO 00 05** and **HO 00 06**:

Property Not Covered

Paragraphs **4.c.** through **4.i.** and **4.n.** are replaced by the following:

- c. "Motor vehicles".

This includes a "motor vehicle's" equipment, and parts, that are permanently installed in the "motor vehicle". However, this Paragraph **4.c.** does not apply to:

- (1) Portable electronic equipment that:

(a) Reproduces, receives or transmits audio, visual or data signals; and

(b) Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.

- (2) "Motor vehicles" and motorized bicycles which are:
 - (a) Vehicles used to service the "residence premises";
 - (b) Utility trailers that are not licensed for road use; or
 - (c) Electric mobility devices designed to assist an individual that has a disability;
- d. "Aircraft" and parts, except we shall provide coverage for:
 - (1) Drones without cameras and drones that are not capable of carrying people or cargo; and
 - (2) Model or hobby "aircraft" not used or designed to carry people or cargo;
- e. "Hovercraft" except:
 - (1) Vehicles used to service the "residence premises"; or
 - (2) Electric mobility devices designed to assist an individual that has a disability;
- f. Property of:
 - (1) A "home-sharing occupant" during "home-sharing host activities"; and
 - (2) Roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in:
 - (1) A space while rented to a "home-sharing occupant"; or
 - (2) Subject to Paragraph **g.(1)**, an apartment rented to others by an "insured".

This Paragraph **g.(2)** does not apply to "occasional rental" or on the part of the "residence premises" occupied by roomers, boarders or tenants;
- h. Property while being used during "home-sharing host activities";
- i. Property rented to others off the "residence premises";
- n. Property that is unlawful to own or possess under state or federal law.

In Forms **HO 00 03, HO 00 04, HO 00 05** and **HO 00 06**:

Coverage D – Loss Of Use is replaced by the following:

Coverage D – Loss Of Use

The limit of liability for Coverage **D** applies separately to **1. Additional Living Expense** and **2. Fair Rental Value** and includes any coverage provided under **3. Civil Authority Prohibits Use**. Civil Authority Prohibits Use does not increase the limit of liability for Additional Living Expense or Fair Rental Value.

1. Additional Living Expense

If a loss covered under Section **I** makes the dwelling not fit to live in, we cover any necessary increase in living expenses incurred by you and residents of your household who are:

- a. Your relatives; or
- b. Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;

so that your household can maintain its normal standard of living.

Payment will be for the time reasonably required to repair or replace the damaged property or, if your household permanently relocates, the time reasonably required for your household to settle elsewhere.

We do not cover living expenses that do not continue.

2. Fair Rental Value

If a loss covered under Section **I** makes any part of the dwelling or other structure 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.

However, we do not cover any fair rental value arising out of or in connection with "home-sharing host activities".

Payment will be for the time reasonably required to repair or replace the damaged property.

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

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.

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

No deductible applies to this coverage.

ADDITIONAL COVERAGES

In Forms **HO 00 03**, **HO 00 04**, **HO 00 05** and **HO 00 06**:

Paragraph **1. Debris Removal** is replaced by the following:

1. Debris Removal

We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss;
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building; or
- c. Fallen trees which cause damage to covered property.

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

When the amount payable for the actual damage to the property plus the expense for debris removal exceed the limit of liability for the damaged property, an additional 5% of that limit of liability will be available to cover debris removal expense.

In Paragraph **2. Reasonable Repairs**, Paragraph **a.** is replaced by the following:

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

Paragraph **4. Fire Department Service Charge** is replaced by the following, and in Form **HO 00 14**, the following is added:

Fire Department Service Charge

- a. 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.
- b. If the fire department service charge is not covered under the terms of Paragraph **a.**, then the following applies:

We will pay up to \$250 for your liability assumed for fire department charges incurred when a volunteer fire department is called to save or protect covered property from a Peril Insured Against.

This Additional Coverage applies to your liability for service charges billed to you by a volunteer fire department, provided that:

- (1) The volunteer fire department is not fully funded by real estate taxes or other property taxes; and
- (2) The charge is not made pursuant to a contract for service outside the volunteer fire department's fire protection district, city or municipality.

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

The following is added to Paragraph **5. Property Removed**:

The time period under Property Removed is not limited by expiration of this Policy.

In Paragraph **8. Glass Or Safety Glazing Material**:

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

a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window, including but not limited to when an ordinance or law requires the use of safety glass in replacement of damaged glass that is a part of the dwelling or other structure;
- (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 by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

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

b. This coverage does not include loss:

- (2) On the "residence premises" if the dwelling is vacant, except when breakage results directly from earth movement as provided in **a.(2)** above. If loss caused by a Peril Insured Against ensues, we will provide coverage for the ensuing loss.

In Paragraph **10. Ordinance Or Law** (Paragraph **9. Ordinance Or Law** in **HO 00 06**), Paragraph **c.(2)** is replaced by the following:

c. We do not cover:

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

Pollutants means any solid, liquid, gaseous or thermal irritants or contaminants, including vapors, fumes, acids, alkalis, chemicals and waste.

Paragraph **11. Grave Markers** (Paragraph **10. Grave Markers** in **HO 00 06**) is replaced by the following:

11. Grave Markers

We will pay up to \$500 for cemetery property on or off the "residence premises" including monuments, headstones, grave markers and urns 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.

The following is added:

Tear Out

If we cover loss to property covered under Coverage **A** or **B** resulting from an accidental discharge, leakage or overflow of water or steam from within a:

- a.** Storm drain, or water, steam or sewer pipe, off the "residence premises"; or
- b.** Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises";

we will also pay the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

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

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

In Forms **HO 00 03** and **HO 00 05**:

In Paragraph **6. Loss Assessment**, Paragraph **a.** is replaced by the following:

- 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.

Paragraph **9. Landlord's Furnishings** is deleted.

In Forms **HO 00 03** and **HO 00 06**:

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

7. Collapse

- a. For the purpose of this Additional Coverage – Collapse, collapse means a falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- b. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- c. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if such collapse was caused by one or more of the following:
 - (1) The Perils Insured Against named under Coverage **C**;
 - (2) Decay, of a building or any part of a building, that is hidden from view;
 - (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- d. Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **c.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.
- e. This coverage does not increase the limit of liability that applies to the damaged covered property.

In Forms **HO 00 03**, **HO 00 05** and **HO 00 06**:

Paragraph **3. Trees, Shrubs And Other Plants** is replaced by the following:

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. The limit of liability for this coverage includes debris removal coverage when the tree, plant or shrub does not cause damage to covered property.

We do not cover property grown for "business" purposes.

This coverage is additional insurance.

In Forms **HO 00 04** and **HO 00 06**:

In Paragraph **6. Loss Assessment**, Paragraph **a.** is replaced by the following:

- 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 **C**, 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.

In Form **HO 00 04**:

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 Coverage **C** for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. The limit of liability for this coverage includes debris removal coverage when the tree, plant or shrub does not cause damage to covered property.

We do not cover property grown for "business" purposes.

This coverage is additional insurance.

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

7. Collapse

- a. For the purpose of this Additional Coverage – Collapse, collapse means a falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- b. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- c. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if such collapse was caused by one or more of the following:
 - (1) The Perils Insured Against;
 - (2) Decay, of a building or any part of a building, that is hidden from view;
 - (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- d. Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under c.(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.
- e. This coverage does not increase the limit of liability that applies to the damaged covered property.

In Form **HO 00 05**:

7. Collapse

This Additional Coverage applies to property covered under Coverages **A** and **B**.

- a. For the purpose of this Additional Coverage – Collapse, collapse means a falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- b. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- c. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if such collapse was caused by one or more of the following:
 - (1) The following Perils Insured Against:

- (a) **Fire Or Lightning**

- (b) **Windstorm Or Hail**

- This peril includes loss to watercraft only while inside a fully enclosed building. As used in this Paragraph (b), watercraft does not include rowboats and canoes.

- This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

- (c) **Explosion**

- (d) **Riot Or Civil Commotion**

- (e) **Aircraft**

- This peril includes self-propelled missiles and spacecraft.

- (f) **Vehicles**

- (g) **Smoke**

- This peril means sudden and accidental damage from smoke or soot, 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 or soot from agricultural smudging or industrial operations.

(h) Vandalism Or Malicious Mischief

(i) Theft

- (i) This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.
- (ii) This peril does not include loss caused by theft:
 - i. Committed by an "insured";
 - ii. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
 - iii. If committed by roomers, boarders or tenants, employees of the tenants, or members of the tenants' household; or
 - iv. That occurs off the "residence premises" of property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 90 days immediately before the loss; or

(j) 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.

(k) Weight Of Ice, Snow Or Sleet

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

(l) Accidental Discharge Or Overflow Of Water Or Steam

- (i) This peril means accidental discharge, overflow or leakage of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- (ii) This peril does not include loss:
 - i. To the system or appliance from which the water or steam escaped; or
 - ii. Caused by or resulting from freezing except as provided in Perils Insured Against (n) Freezing.
- (iii) 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 equipment.
- (iv) Section I – Exclusion A.3. Water, 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.

(m) 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.

(n) Freezing

- (i) This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance. This provision does not apply to a dwelling that is vacant, under construction, or unoccupied for four or more consecutive days, and the "insured" has failed to use reasonable care to:
 - i. Maintain heat in the building; or
 - ii. Shut off the water supply and drain all systems and appliances of water.However, if the building is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the "residence premises" for coverage to apply.

(ii) 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 equipment.

(o) Sudden And Accidental Damage From Artificially Generated Electrical Current

(p) Volcanic Eruption

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

- (2) Decay, of a building or any part of a building, that is hidden from view;
 - (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- d. Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **c.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.
- e. This coverage does not increase the limit of liability that applies to the damaged covered property.

SECTION I – PERILS INSURED AGAINST

In Form **HO 00 03**:

In Paragraph **A. Coverage A – Dwelling And Coverage B – Other Structures**:

Paragraphs **2.b.**, **2.c.(1)**, **2.c.(2)(b)**, **2.c.(3)**, **2.c.(4)** and **2.c.(6)(e)** are replaced by the following:

2. We do not insure, however, for loss:

- b.** Involving collapse except as provided in **E.7. 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 only applies to a dwelling that is vacant, under construction, or unoccupied for four or more consecutive days, and the "insured" has failed to use 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 equipment;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (b) Footing, foundation or bulkhead;
- (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 if the dwelling is vacant. If loss caused by a Peril Insured Against ensues, we will provide coverage for the ensuing loss.
- (6) Any of the following:
 - (e) 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 irritants or contaminants, including vapors, fumes, acids, alkalis, chemicals and waste;

Paragraph **A.2.c.(6)(h)** is deleted.

The Paragraph **Exception To c.(6)** is deleted.

In Forms **HO 00 03** and **HO 00 04**:

In Paragraph **B.12. Accidental Discharge Or Overflow Of Water Or Steam** (Paragraph **12. Accidental Discharge Or Overflow Of Water Or Steam** in **HO 00 04**):

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

- a.** This peril means accidental discharge, overflow or leakage of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

Paragraphs **b.(3)** and **b.(4)** are deleted.

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

- 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 equipment.

In Forms **HO 00 03**, **HO 00 04** and **HO 00 06**:

Paragraph **B.2. Windstorm Or Hail** (Paragraph **2. Windstorm Or Hail** in **HO 00 04** and **HO 00 06**), **B.7. Smoke** (Paragraph **7. Smoke** in **HO 00 04** and **HO 00 06**) and **B.8. Vandalism Or Malicious Mischief** (Paragraph **8. Vandalism Or Malicious Mischief** in **HO 00 04** and **HO 00 06**) are replaced by the following:

2. Windstorm Or Hail

This peril includes loss to watercraft and their trailers, furnishings, equipment and outboard engines or motors, only while inside a fully enclosed building. As used in this Paragraph **2.**, watercraft does not include rowboats and canoes.

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.

7. Smoke

This peril means sudden and accidental damage from smoke or soot, 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 or soot from agricultural smudging or industrial operations.

8. Vandalism Or Malicious Mischief

In Paragraph **B.9. Theft** (Paragraph **9. Theft** in **HO 00 04** and **HO 00 06**), Paragraphs **b.(4)(a)**, **b.(4)(b)** and **b.(5)** are deleted and Paragraph **b.(3)** is replaced by the following:

- (3)** If committed by roomers, boarders, tenants, employees of the tenants, or members of the tenants' household.

Paragraph **B.14. Freezing** (Paragraph **14. Freezing** in **HO 00 04** and **HO 00 06**) is replaced by the following:

14. Freezing

- a.** This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance. This provision does not apply to a dwelling that is vacant, under construction, or unoccupied for four or more consecutive days, and the "insured" has failed to use 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 equipment.

Paragraph **B.15. Sudden And Accidental Damage From Artificially Generated Electrical Current** (Paragraph **15. Sudden And Accidental Damage From Artificially Generated Electrical Current** in **HO 00 04** and **HO 00 06**) is replaced by the following:

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

In Form **HO 00 05**:

Paragraphs **A.2.a.**, **A.2.b.(2)**, **A.2.c.**, **A.2.(e)(5)**, **B.1.**, **B.2.** and **C.1.** are replaced by the following:

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

We do not insure, however, for loss:

A. Under Coverages A, B and C:

2. Caused by:

- a.** Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision only applies to a dwelling that is vacant, under construction, or unoccupied for four or more consecutive days, and the "insured" has failed to use reasonable care to:

(1) Maintain heat in the building; or

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

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

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

- b.** Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

(2) Footing, foundation or bulkhead;

- c.** Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

- e.** Any of the following:

(5) Pollutants, unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against as listed in **c.(1)(a)** through **c.(1)(p)** of **E.7. Collapse under Section I – Property Coverages.**

Pollutants means any solid, liquid, gaseous or thermal irritants or contaminants, including vapors, fumes, acids, alkalis, chemicals and waste;

Paragraph **A.2.e.(8)** is deleted.

The Paragraph **Exception To 2.e.** is deleted.

B. Under Coverages A and B:

- 1.** Caused by vandalism and malicious mischief if the dwelling is vacant. If loss caused by a Peril Insured Against ensues, we will provide coverage for the ensuing loss.
- 2.** Involving collapse other than as provided in **E.7. Collapse under Section I – Property Coverages.** However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this Policy is covered.

C. Under Coverage C caused by:

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

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

- a.** A Peril Insured Against as listed in **c.(1)(a)** through **c.(1)(p)** of **E.7. Collapse under Section I – Property Coverages;**
- b.** Earthquake; or
- c.** Water not otherwise excluded.

Paragraphs **C.5.** and **C.6.** are deleted.

In Form **HO 00 06**:

Paragraph **6. Vehicles** is replaced by the following:

6. Vehicles

Paragraph **11. Weight Of Ice, Snow Or Sleet** is replaced by the following:

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet that damages household and personal property contained in a dwelling or other structure if the weight of ice, snow or sleet first damages the dwelling or other structure.

In Paragraph **12. Accidental Discharge Or Overflow Of Water Or Steam**:

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

- a.** This peril means accidental discharge, overflow or leakage of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

Paragraphs **b.(1), b.(4)** and **b.(5)** are deleted.

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

- 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 equipment.

SECTION I – EXCLUSIONS

In Forms **HO 00 03, HO 00 04, HO 00 05** and **HO 00 06**:

Paragraph **A.1.c.** (This is Paragraph **1.c.** in Forms **HO 00 04** and **HO 00 06.**) is replaced by the following:

- c.** Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.
Pollutants means any solid, liquid, gaseous or thermal irritants or contaminants, including vapors, fumes, acids, alkalis, chemicals and waste.

The following is added to Paragraph **A.1. Ordinance Or Law** (This is Paragraph **1.c.** in Forms **HO 00 04** and **HO 00 06.**):

We shall provide coverage when an ordinance or law requires the use of safety glass in replacement of damaged glass that is a part of the dwelling or other structure.

Paragraphs **5., 8.** and **9.** are deleted.

The following is added (This is Paragraph **C.** in **HO 00 03** and **HO 00 05.**):

We do not insure for loss caused directly by any of the following. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Neglect

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

2. Intentional Loss

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

This exclusion only applies to an "insured" who commits or conspires to commit an act with the intent to cause a loss.

3. Governmental Action

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

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

In Forms **HO 00 03** and **HO 00 05**, the first paragraph of Paragraph **B.** is replaced by the following:

B. The exclusions in Paragraph **A.** apply even if one or more of the following concurrently contribute to the loss;

In Form **HO 00 06**, the following exclusion is added:

We do not insure for loss caused directly by the following:

Freezing, Thawing Or Pressure Or Weight Of Ice Or Water

This means freezing, thawing, or by the pressure or weight of ice or water to fences, pavements, patios, swimming pools, foundations, retaining walls, bulkheads, piers, wharves or docks.

SECTION I – CONDITIONS

In Forms **HO 00 03** and **HO 00 05**:

D. Loss Settlement

Paragraphs **1.** and **2.** are replaced by the following:

1. Property of the following types:

- a.** Personal property; and
- b.** Awnings, outdoor antennas and satellite dishes;

at actual cash value at the time of loss but not more than the amount required to repair or replace with like kind and quality.

2. Buildings and other structures covered under Coverage **A** or **B**, including permanently installed flooring and wall-to-wall carpeting, 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 or other structure is 80% or more of the full replacement cost of the building or other structure 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 or other structure;
- (2)** The replacement cost of that part of the building or other structure 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 or other structure.

If the building or other structure 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 or other structure 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 or other structure is less than 80% of the full replacement cost of the building or other structure 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 or other structure:

- (1)** The actual cash value of that part of the building or other structure 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 or other structure damaged, which the total amount of insurance in this Policy on the damaged building or other structure bears to 80% of the replacement cost of the building or other structure.

- c.** To determine the amount of insurance required to equal 80% of the full replacement cost of the building or other structure 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 or other structure, 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 damaged property is 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 or other structures on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **D. Loss Settlement**, provided you notify us of your intent to repair or replace the damaged building or other structure within six months of the later of:

- (1) The last date you received a payment for actual cash value; or

- (2) The date of entry of a final order of a court of competent jurisdiction declaring your right to replacement cost.

In Forms **HO 00 03, HO 00 05 and HO 00 06:**

Paragraph **3. of L. Mortgage Clause** is replaced by the following:

- 3.** If we decide to cancel this Policy, the mortgagee will be notified in writing at least 10 days before the date cancellation takes effect.

If we decide not to renew this Policy, the mortgagee will be notified in writing at least 30 days before the date nonrenewal takes effect.

We will mail the notice of cancellation or nonrenewal to the mortgagee in accordance with Virginia Law. We will retain a copy of the notice.

In Forms **HO 00 03, HO 00 04, HO 00 05, HO 00 06 and HO 00 14:**

In Paragraph **C. Duties After Loss**, Paragraph **6.c.** is replaced by the following:

- c.** Submit to examination under oath and sign the same;

In Forms **HO 00 03, HO 00 04, HO 00 05 and HO 00 06:**

Paragraph **E. Loss To A Pair Or Set** is replaced by the following:

E. Loss To A Pair Or Set

We shall determine loss to property that is part of a pair or set in a reasonable and fair proportion of the total value of the pair or set.

In Forms **HO 00 03, HO 00 04 and HO 00 05:**

In Paragraph **G. Other Insurance And Service Agreement**, Paragraph **2.** is replaced by the following:

- 2.** A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, home warranty or other similar service warranty agreement.

In Form **HO 00 06:**

Paragraph **G. Other Insurance And Service Agreement** is replaced by the following:

G. 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, home warranty or other similar service warranty agreement.

In Forms **HO 00 03, HO 00 04, HO 00 05 and HO 00 06**, the following condition is added:

Loss Clause

Payment of loss will not reduce the amount of this insurance.

In Form **HO 00 06:**

Paragraph **D. Loss Settlement** is replaced by the following:

D. Loss Settlement

Covered property losses are settled as follows:

- 1.** Personal property at actual cash value at the time of loss but not more than the amount required to repair or replace with like kind and quality.

2. Coverage A – Dwelling:

- a. If the damage to buildings and other structures covered under Coverage **A**, including permanently installed flooring and wall-to-wall carpeting, is repaired or replaced within a reasonable time, at the actual cost to repair or replace, without deduction for depreciation.
- b. You may 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 **D. Loss Settlement**, provided you notify us of your intent to repair or replace the damaged building within six months of the later of:
 - (1) The last date you received a payment for actual cash value; or
 - (2) The date of entry of a final order of a court of competent jurisdiction declaring your right to replacement cost.
- c. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. However, if the cost to repair or replace the damaged property is less than \$2,500, we will settle the loss at the actual cost to repair or replace whether or not actual repair or replacement is complete.

In this provision, the terms "repaired" or "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.9. Ordinance Or Law** under Section **I – Property Coverages**.

In Form **HO 00 14**:

In Paragraph **D. Loss Settlement**, Paragraph **3.c.** is replaced by the following:

- c. You may make a claim for loss on an actual cash value basis and then make claim for any additional liability provided you notify us of your intent to repair or replace the damaged property within six months of the later of:
 - (1) The last date you received a payment for actual cash value; or
 - (2) The date of entry of a final order of a court of competent jurisdiction declaring your right to replacement cost.

In Forms **HO 00 03, HO 00 04, HO 00 05, HO 00 06** and **HO 00 14**:

The following paragraph is added to Paragraph **F. Appraisal**:

If the written demand is made by us, then you shall be reimbursed by us for the reasonable cost of your appraiser and your portion of the cost of the umpire.

SECTION II – LIABILITY COVERAGES

In Forms **HO 00 03, HO 00 04, HO 00 05** and **HO 00 06**:

Coverage E – Personal Liability

Paragraph **A.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

Coverage F – Medical Payments To Others

The first paragraph of Paragraph **B.** is replaced by the following:

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, rehabilitation, pharmaceuticals, 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:

SECTION II – EXCLUSIONS

In Forms **HO 00 03, HO 00 04, HO 00 05** and **HO 00 06**:

Paragraphs **A., B., C.** and **D.** are replaced by the following:

A. Motor Vehicle Liability

Coverages **E** and **F** do not apply to "bodily injury" or "property damage" arising out of:

- 1. The ownership, maintenance, use, loading or unloading of any "motor vehicle" or "recreational motor vehicle" owned or operated by or rented or loaned to an "insured";

2. The entrustment by an "insured" of a "motor vehicle" or "recreational motor vehicle" to any person; or
3. Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in Paragraph 1. or 2. above.

This exclusion does not apply to:

4. A vehicle primarily used in servicing the "residence premises" while on or off the "residence premises";
5. A golf cart used for golfing purposes within a golfing facility, including crossing public roads to access other parts of the golfing facility;
6. A "recreational motor vehicle" on an "insured location"; or
7. A "motor vehicle" held in dead storage on the "residence premises".

B. Watercraft Liability

Coverages **E** and **F** do not apply to "bodily injury" or "property damage" arising out of:

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

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

4. Powered by an engine with no more than 25 horsepower;
5. A sailing vessel no more than 26 feet in length with or without auxiliary power; or
6. On an "insured location".

C. Aircraft Liability

This Policy does not cover "bodily injury" or "property damage" arising out of:

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

This exclusion does not apply to:

4. Drones without cameras and drones that are not capable of carrying people or cargo; or
5. Hobby "aircraft" or model "aircraft" that are not capable of carrying people or cargo.

D. Hovercraft Liability

This Policy does not cover "bodily injury" or "property damage" arising out of:

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

This exclusion does not apply to:

4. Vehicles primarily used in servicing the "residence premises" while on or off the "residence premises"; or
5. On an "insured location".

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

The first paragraph of Paragraph 1. **Expected Or Intended Injury** is replaced by the following:

"Bodily injury" or "property damage" which is expected or intended by an "insured", but only with respect to that person, even if the resulting "bodily injury" or "property damage":

Paragraph 2.b. is replaced by the following:

- b. This Exclusion E.2. does not apply to incidental "business" activities:
 - (1) Conducted by an "insured" who is younger than 21 years of age;
 - (2) Produces revenue of no more than \$2,500 during the policy period; or
 - (3) A combination of Paragraphs (1) and (2).

Paragraph 8. **Controlled Substance** is replaced by the following:

8. Controlled Substance And Unlawful Property

"Bodily injury" or "property damage" arising out of the manufacture, delivery, use, sale, transfer or possession of:

- a. A controlled substance, except for the legitimate use of prescription drugs by a person following the orders of a licensed medical provider; or
- b. Property that is unlawful.

The last paragraph of **E.** is replaced by the following:

Exclusions **A.** Motor Vehicle Liability, **B.** Watercraft Liability, **C.** Aircraft Liability, **D.** Hovercraft Liability and **E.4.** Insured's Premises Not An Insured Location do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

F. Coverage E – Personal Liability

Paragraph 1. is replaced by the following:

1. Liability:

- a. Your share of any loss assessment charged against all members of any property owner's association; or
- b. Assumed by an "insured" under contracts or agreements that are not in writing. This exclusion does not apply to liability that an "insured" would have had without a contract or agreement;

Paragraph 3. is replaced by the following:

- 3.** "Property damage" to property of others in the care, custody or control of an "insured";

Paragraph 6. is replaced by the following:

- 6.** "Bodily injury" to you or an "insured" as defined under Definition **9.a.**

SECTION II – ADDITIONAL COVERAGES

In Forms **HO 00 03, HO 00 04, HO 00 05** and **HO 00 06:**

Paragraph **A. Claim Expenses** is replaced by the following:

A. Claim Expenses

We pay:

- 1.** Expenses we incur and costs taxed against an "insured" in any suit we defend;
- 2.** All premiums on appeal bonds required in a suit: premiums on bonds to release attachments in a suit for an amount not more than the applicable limit of liability of the Policy; and the cost of bail bonds required of an insured because of an occurrence to which the Policy applies, of at least \$250 per bail bond, except we shall have no obligation to apply for or furnish the bonds;
- 3.** Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) and vacation time or other benefit loss up to \$50 per day, for assisting us in the investigation or defense of a claim or suit;
- 4.** Prejudgment interest incurred; and
- 5.** 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.

Paragraphs **C.1., C.2.d.** and **C.2.e.(3)** are replaced by the following:

C. Damage To Property Of Others

- 1.** We will pay, at replacement cost, up to \$250 per "occurrence" for "property damage" to property of others caused by an "insured".
- 2.** We will not pay for "property damage":
 - d.** To property owned by or rented to a roomer, boarder or tenant of an "insured" or a resident in your household; or

e. Arising out of:

(3) The ownership, maintenance, occupancy, operation, use, loading or unloading of "aircraft", "hovercraft", watercraft or "motor vehicles".

In Paragraph **D. Loss Assessment**, Paragraphs **1.** and **3.** are replaced by the following:

1. We will pay up to \$1,000 for your share of any loss assessment charged against all members of any property owner's association, 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.
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.

SECTION II – CONDITIONS

In Forms **HO 00 03**, **HO 00 04**, **HO 00 05**, **HO 00 06** and **HO 00 14**:

Paragraph **G. Bankruptcy Of An Insured** is replaced by the following:

G. Bankruptcy Of An Insured

Bankruptcy or insolvency of an "insured" or an "insured's" estate will not relieve us of our obligations under this Policy.

The following is added.

Judgements Returned Unsatisfied

If execution on a judgment against an "insured" or an "insured's" personal representative is returned unsatisfied in an action brought to recover damages for injury sustained or for loss or damage incurred during the policy term, then an action may be maintained against us under the terms of this Policy for the amount of the judgment not exceeding the amount of the applicable limit of coverage under this Policy.

In Forms **HO 00 03**, **HO 00 04**, **HO 00 05** and **HO 00 06**:

Paragraph **H. Other Insurance** is replaced by the following:

H. Other Insurance

1. Coverage E – Personal Liability:

If a loss covered by this Policy is also covered by other insurance on a primary basis, 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. However, with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, loading or unloading of any "motor vehicles" or watercraft to which this Policy applies, this insurance under Coverage **E – Personal Liability** shall be excess over any other valid and collectible insurance available to the "insured".

2. Coverage F – Medical Payments To Others:

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.

SECTIONS I AND II – CONDITIONS

In Forms **HO 00 03**, **HO 00 04**, **HO 00 05** and **HO 00 06**:

Paragraph **A. Liberalization Clause** is replaced by the following:

A. Liberalization Clause

If we make a change which broadens coverage without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state.

In Forms **HO 00 03, HO 00 04, HO 00 05, HO 00 06** and **HO 00 14**:

C. Cancellation

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

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

We will mail the cancellation notice to you in accordance with Virginia Law. We will retain a copy of the notice. 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 90 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 90 days or more, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons:
 - (1)** Conviction of a crime arising out of acts increasing the probability that a peril insured against will occur;
 - (2)** Discovery of fraud or material misrepresentation;
 - (3)** Willful or reckless acts or omissions increasing the probability that a peril insured against will occur as determined from a physical inspection of the insured premises;
 - (4)** Physical changes in the property which result in the property becoming uninsurable as determined from a physical inspection of the insured premises; or
 - (5)** Foreclosure efforts by the secured party against the subject property covered by the Policy that have resulted in the sale of the property by a trustee under a deed of trust as duly recorded in the land title records of the jurisdiction in which the property is located.

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

Paragraph **D. Nonrenewal** is replaced by the following:

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, together with our reasons for nonrenewal, at least 30 days before the expiration date of this Policy. We will mail the nonrenewal notice to you in accordance with Virginia Law. We will retain a copy of the notice. Proof of mailing will be sufficient proof of notice.

In Forms **HO 00 03, HO 00 04, HO 00 05** and **HO 00 06**:

In Paragraph **G. Death**, the following is added:

- 3.** The "named insured" includes the spouse, if not already a "named insured" and if residing in the household at the time of the death.

The following condition is added:

H. Modification Of Terms

The terms of this Policy are amended to conform to the statutes, rules and regulations of the state where this Policy is issued whenever the terms of this Policy are less favorable to the "insured".

All other provisions of this Policy apply.

Communicable Disease Endorsement

1. Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage, liability, claim, cost or expense of whatsoever nature caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, liability, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes, but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

Attaching to Binding Authority Reference:

This evidences that insurance has been placed with Certain Underwriters at Lloyd's of London as set forth below;

Policy:

Insured Name:

<u>Lloyd's Syndicate Name:</u>	<u>Line Signed</u>
A F Beazley and Others Syndicate 2623	72.00%
A F Beazley and Others Syndicate 623	28.00%
Total Participation:	100.00%

MICROORGANISM EXCLUSION (Absolute)

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is

- (i) any physical loss or damage to insured property;
- (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence;
- (iii) any Loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

LMA 5018

14/09/2005

Form approved by Lloyd's Market Association

Sanctions Limitation Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations' resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100A

05 October 2023

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the (Re)Insured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon:

**Lloyd's America, Inc.
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017**

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and Underwriters will abide by the final decision of such Court in respect of that suit, or of any Appellate Court in the event of an appeal.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or their successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the (Re)insured or any beneficiary hereunder arising out of this (re)insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes, if applicable, as provided for in any arbitration provision within this (re)insurance. Where there is an arbitration provision within this (re)insurance, the provisions of this Clause shall operate as an aid to compelling or enforcing such arbitration or arbitral award only and not as an alternative to any arbitration provision for resolving disputes arising out of this (re)insurance.

LMA5020A

07/04/2025

**APPLICABLE LAW (U.S.A.)
(NOT FOR USE WITH ARBITRATION CLAUSE)**

This Insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit Clause (U.S.A.)

LMA5021A

07/04/2025

Fraudulent Claim Clause

If the (re)insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall become void and all claim hereunder shall be forfeited.

LMA5062

4 September 2006

COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393

25 March 2020

COMMUNICABLE DISEASE EXCLUSION

(For use on liability policies)

1. Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

LMA5396

17 April 2020

PROPERTY CYBER AND DATA ENDORSEMENT

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
 - 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,
owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400

11 November 2019

PROPERTY CYBER AND DATA EXCLUSION

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 6 Cyber Incident means:
 - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7 Computer System means:
 - 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,owned or operated by the Insured or any other party.
- 8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

LMA5401

11 November 2019

CYBER and DATA - EXCLUSION

(for attachment to US General Liability and Excess Liability forms)

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy does not apply to any actual or alleged loss, damage, liability, claim, fine, penalty, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:
 - 1.1 **Cyber Act** or **Cyber Incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act** or **Cyber Incident**; or
 - 1.2 **Data Breach**; or
 - 1.3 other loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss of, damage to, corruption of, inability to access or inability to manipulate or theft of any **Electronic Data**, including any amount pertaining to the value of such **Electronic Data**;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 For the avoidance of doubt, this policy does not cover notification costs, crisis consultancy costs, credit monitoring expenses, replacement of actual credit or payment cards, forensic expenses, public relations expenses or legal advice and services arising out of or in connection with a **Data Breach**.

Definitions

- 3 **Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- 4 **Cyber Act** means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **Computer System**.
- 5 **Cyber Incident** means:
 - 5.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **Computer System**; or
 - 5.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**.
- 6 **Data Breach** means:
 - 6.1 the theft, loss, access to, acquisition of, or unauthorized or unlawful use or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit or payment card information, health information, biometric data or any other type of non-public information; involving access to, processing of, use of or operation of any **Computer System** or
 - 6.2 the violation of any statute, regulation, common-law, or any other law regulating or protecting access to, collection, use or disclosure of, or failure to protect any non-public confidential or personal information in the form of **Electronic Data**.

7. **Electronic Data** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

LMA5532

17 December 2020

LLOYD'S CCPA PRIVACY POLICY

UNDERWRITERS AT LLOYD'S, LONDON

This CCPA Privacy Policy explains how Certain Underwriters at Lloyd's, London (“we” or “us”) collect, use, and disclose personal information subject to the California Consumer Privacy Act (“CCPA”), as amended (including by the California Privacy Rights Act). “Personal information” is information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular California resident (“consumer”) or household. This CCPA Privacy Policy also describes the privacy rights of California consumers and how they can exercise those rights.

The CCPA may apply to personal information we collect in connection with providing products or services to businesses and providing products or services to individuals. The CCPA does not apply to certain types of information, such as information subject to the Gramm-Leach-Bliley Act (“GLBA”) or the Fair Credit Reporting Act (“FCRA”). This means that this CCPA Privacy Policy may not apply to personal information that we collect about individuals who seek, apply for, or obtain insurance products or services for personal, family, or household purposes.

PERSONAL INFORMATION WE COLLECT

We may collect, and in the past 12 months, may have collected, the categories of personal information described below from the sources described below. Some of this personal information may be subject to GLBA or FCRA.

Directly From You

We may collect, and in the past 12 months may have collected, the following categories of personal information about you that you include in your application or other forms that you submit, or that you otherwise provide to us:

- [Personal identifiers, such as name, postal address, email address, policy number, or account number
- Customer records information, such as financial information or phone number
- Protected information, such as gender, age, or marital status
- Commercial information, such as records of personal property and insurance products or services purchased or obtained, purchasing or consuming histories, or transaction or account information
- Professional or employment related information, such as work history
- Education information, such as school and date of graduation
- Sensitive personal information, such as Social Security number, driver’s license number, or passport number; financial account information; racial or ethnic origin; religious beliefs; health insurance information or other information about health; and sexual orientation]

From Our Affiliates and Third Parties

We may collect the following categories of personal information about you from our affiliates and other third parties, such as agents, brokers, consumer reporting agencies, or loss adjusters:

- [Personal identifiers, such as name, postal address, email address, policy number, or account number

- Customer records information, such as financial information or phone number
- Protected information, such as gender, age, or marital status
- Commercial information, such as information about your transactions with our affiliates or other parties (e.g., balances and payment history), records of personal property and insurance products or services purchased or obtained, purchasing or consuming histories, transaction or account information, credit-worthiness, claims history, or credit history
- Professional or employment related information, such as work history
- Education information, such as school and date of graduation
- Sensitive personal information, such as Social Security number, driver’s license number, or passport number; financial account information; racial or ethnic origin; religious beliefs; health insurance information or other information about health; and sexual orientation]

We may also draw inferences from the personal information we collect directly from you or from our affiliates and third parties.

HOW WE USE PERSONAL INFORMATION

The purposes for which we use personal information depend on our relationship or interaction with a specific California consumer. We may use, and in the past 12 months may have used, personal information to underwrite your insurance policy and evaluate claims under your policy; to operate and manage our business; to provide and maintain our insurance products and services; to verify your identity; to detect and prevent fraud; for vendor management purposes; to operate, manage, and maintain our business, such as developing and marketing our products and services; to conduct research and data analysis; to prepare for or complete a corporate transaction; to comply with applicable laws; to respond to civil, criminal, or regulatory lawsuits or investigations; to exercise our rights or defend against legal claims; to resolve complaints and disputes; to perform compliance activities; and to perform institutional risk control.

PERSONAL INFORMATION WE DISCLOSE

We may disclose, and in the past 12 months may have disclosed, each of the categories of personal information described in “Personal Information We Collect” for the purposes described in “How We Use Personal Information” to the following categories of third parties:

- Affiliates
- Agents
- Brokers
- Service providers, such as loss adjusters, fraud prevention services, and software providers
- Entities involved in a corporate transaction
- Regulatory and law enforcement agencies
- Attorneys, auditors, and other business partners

In the past 12 months, we did not sell or share personal information, as the terms “sell” and “share” are defined under the CCPA.

We use and disclose sensitive personal information only for the following purposes: (i) to perform services or provide goods reasonably expected by an average consumer; (ii) to prevent, detect, and investigate security incidents; (iii) to resist malicious or illegal actions directed at us and prosecute those

responsible; (iv) to ensure the physical safety of individuals; (v) for short-term, transient use, including non-personalized advertising; (vi) to perform internal services; (vii) to verify, maintain, or improve the quality or safety of our products or services; and (viii) for purposes that do not infer characteristics about you.

RETENTION OF PERSONAL INFORMATION

In general, we retain personal information for as long as needed to fulfil the purposes described in this CCPA Privacy Policy or as needed to comply with our legal obligations. For example, we retain personal information to underwrite insurance policies and evaluate claims, to operate, manage, analyze, and improve our business, and to exercise and defend our rights and comply with our legal obligations.

YOUR RIGHTS

You may have certain rights under the CCPA. These rights are subject to certain conditions and exceptions. Your rights under the CCPA may include:

- **Right to Request to Know.** You have the right to request to know the following information about our practices: (i) the categories of personal information we collected about you; (ii) the categories of sources from which we collected the personal information about you; (iii) the categories of third parties with whom we disclose personal information, (iv) the categories of personal information we sold or disclosed about you and the categories of third parties to whom we sold or disclosed that particular category of personal information; (v) our business or commercial purpose for collecting, selling, or sharing your personal information; and (vi) the specific pieces of personal information we collected about you.

You may exercise your right to request to know twice a year, free of charge. If we are unable to fulfil your request to know, we will let you know the reason why. Please note, in response to a request to know, we are prohibited from disclosing your Social Security number; driver's license number or other government-issued identification number; financial account number; any health insurance or medical identification number; an account password, security questions and answers; or unique biometric data generated from measurements or technical analysis of human characteristics.

- **Right to Request to Delete.** You have the right to request that we delete the personal information that we have collected from you. We may deny your request under certain circumstances, such as if we need to retain your personal information to comply with our legal obligations or if retaining the information is necessary to complete a transaction for which your personal information was collected. If we deny your request to delete, we will let you know the reason why.
- **Right to Request to Correct.** You have the right to request that we correct inaccurate personal information that we maintain about you. We may reject your request under certain circumstances, such as we determine that the contested information is more likely than not accurate based on the totality of the circumstances.
- **Right to Non-Discrimination.** If you choose to exercise any of these rights, we will not discriminate against you in any way.

If you, or your authorized agent, would like to make a request to know, request to delete, or request to correct, contact us at 1-888-746-16056 or emailing us at plinfo@starwindins.com.

We will take steps to verify your identity before processing your request to know, request to delete, or request to correct. We will not fulfil your request unless you have provided sufficient information for us to reasonably verify that you are the individual about whom we collected personal information. We may request additional information about you so that we can verify your identity, such as your name, email address, and phone number. We will only use additional personal information you provide to verify your identity and to process your request.

You may use an authorized agent to submit your rights request. When we verify your agent's request, we may both verify your identity and request a signed document from your agent that authorizes the agent to make the request on your behalf. To protect your personal information, we reserve the right to deny a request from an agent that does not submit proof that they have been authorized by you to act on your behalf. You may also make a consumer request on behalf of your minor child.

UPDATES TO PRIVACY NOTICE

We may change or update this CCPA Privacy Policy from time to time. If we make material changes to this CCPA Privacy Policy, we will provide you with an updated copy of the policy.

CONTACTING US

If you have any questions or concerns about this CCPA Privacy Policy or would like to learn more about how we protect your privacy, please contact the agent or broker through whom you purchased this insurance policy at [response].

Effective Date: [response]

LMA9191A
17 August 2023

LLOYD'S PRIVACY POLICY STATEMENT

UNDERWRITERS AT LLOYD'S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

06/03

LSW1135B

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

08/94
LSW1001 (Insurance)

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL**

**INSURERS DEPARTMENT (IID) LISTING OF APPROVED
NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR
AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE
INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE
INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON
THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF
THE CALIFORNIA DEPARTMENT OF INSURANCE:**

WWW.INSURANCE.CA.GOV .

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE
POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY,
EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE
WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED
TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU
DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR
YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE,
YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE
DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL
COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY
BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE
RETURNED TO YOU**

Date:

Insured:

07/11

LSW1146D

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE -
PHYSICAL DAMAGE - DIRECT**

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused * NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

* NOTE. - If Fire is not an insured peril under this policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

NMA1191

07/05/1959

CANCELLATION CLAUSE

NOTWITHSTANDING anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrendering of this contract of insurance. This Insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured, by registered, certified or other first class mail, at the Assured's address as shown in this Insurance, written notice stating when, not less than 30 (thirty) days thereafter, the cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein whichever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon or the pro rata proportion of any minimum premium stipulated herein whichever is the greater.

Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

NMA 1331
20/04/1961

U.S.A. & CANADA

LAND, WATER AND AIR EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- (a) any loss, damage, cost or expense, or
- (b) any increase in insured loss, damage, cost or expense, or
- (c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- (a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- (b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

DEBRIS REMOVAL ENDORSEMENT

THIS ENDORSEMENT CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Endorsement shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

- 1) In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter referred to as "Damage or Destruction"), this Policy also insures, within the Sum Insured, subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses;
 - (a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and
 - (b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.

- 2) In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph 1 above):
 - (a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of US\$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and
 - (b) the amount of such costs or expenses as limited in (a) above shall be added to:
 - (i) the amount of the Damage or Destruction; and
 - (ii) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and

the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.

TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01

NMA2920

Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA2962

06/02/2003

WAR AND CIVIL WAR EXCLUSION CLAUSE

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

1/1/38

N.M.A. 464