

HOMEOWNERS 3 – SPECIAL FORM

AGREEMENT

In reliance on the information you have given us, 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. **"Actual cash value"** means the reasonable replacement cost at the time of loss less deduction for depreciation.

2. **"Aircraft Liability", "Drone Liability", "Hovercraft Liability", "Motor Vehicle", and "Watercraft Liability"**, subject to the provisions in **b.** below means 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.

(5) "Drone" means any unmanned aircraft or ship that can navigate autonomously without human control or beyond line of sight by way of GPS, remote control, or onboard computer.

3. **"Assignee"** means a person who is assigned post-loss benefits through an "assignment agreement".

4. **"Assignment agreement"** means any instrument by which post-loss benefits under this Policy are assigned or transferred, or acquired in any manner, in whole or in part, to or from a person providing services to protect, repair, restore or replace property or to mitigate against further damage to the property.

5. **"Bodily injury"** means bodily harm, sickness or disease, including required care, loss of services and death that results.

6. **"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 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".

7. **"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.

- 8. **"Collectibles"** means wine, sports cards, dolls, model trains and other private collections or rare, unique or novel items of personal interest including memorabilia.
- 9. **"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".
- 10. **"Fine Arts"**
"Fine Arts" means paintings, etchings, pictures, photographs, tapestries and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, manuscripts, porcelains and rare glass) of rarity, historical value or artistic merit.
- 11. **"Fungi"**
 - a. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, microbes, 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.
- 12. **"Hidden"** means something that a reasonable person would not be aware of because it is out of sight or not readily apparent only if there were no signs, evidence, occurrences, or issues that would lead a reasonable person to investigate further or hire an expert to inspect which would reveal the unknown circumstance.

13. "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.

14. "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".

15. "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.

16. "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.

17. "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".

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

19. "Primary Structural System" means an assemblage of "primary structural members".

20. "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.

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

22. "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.

23. "Residence premises" means:

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

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

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

24. "Sinkhole" means:

- a. A landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by ground water.
- b. A "sinkhole" forms by collapse into subterranean voids created by dissolution of limestone or dolostone or

by subsidence as these strata are dissolved.

25. **"Spalling"** means the disintegration of stone or concrete. It can be produced by a variety of mechanisms, including as a result of projectile impact, corrosion, weathering, cavitation, or excessive rolling pressure (as in a ball bearing).
26. **"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.
27. **"Tropical Storm Occurrence"** means a storm system that has been declared to be a tropical storm by the National Hurricane Center of the National Weather Service, with a duration that:
- a. Begins at the time a tropical storm watch or tropical storm 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 tropical storm conditions exist anywhere in Florida; and
- Ends 72 hours following the termination of the last tropical storm watch or tropical storm warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.
28. **"Unoccupied"** means the dwelling is not being inhabited as a residence.
29. **"Vacant"** means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy of the dwelling as a residence.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:
 - a. The dwelling on the "residence premises" used as your primary residence shown in the Declarations, including attached structures, other than fences, and attached wall-to-wall carpeting if damage to the dwelling is caused by a covered loss.
 - 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"; and
 - c. In-ground swimming pools including related permanently installed equipment such as pumps and filters.

This coverage is limited to the "principal building" for the peril of "catastrophic ground cover collapse".
2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

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

Special Limits of Liability**Cosmetic and Aesthetic Damage to Floors**

The total limit of liability for Coverages **A** and **B** combined is \$10,000 per policy term for cosmetic and aesthetic damages to floors resulting from a covered cause of loss.

1. Cosmetic or aesthetic damage includes, but is not limited to, chips, scratches, dents, or any other damage to less than 5% of the total floor surface area and does not prevent typical use of the floor.
2. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.
3. This limit does not increase the Coverage **A** or Coverage **B** limits of liability shown on the declaration page.
4. This limit does not apply to cosmetic or aesthetic damage to floors caused by a **Peril Insured Against** as named and described

for Coverage **C** – Personal Property.

C. Coverage C – Personal Property**1. Covered Property**

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

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

2. Limit For Property At Other 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 for 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".
- l. \$500 on all "collectibles" including but not limited to baseball cards, comic books, album covers and any other memorabilia. This limit applies regardless of the number of collections or "collectibles."
- m. \$2,500 for loss to "Fine Arts" or works of art, including but not limited to art glass windows, statuary, marbles, bronzes, porcelains, rare glass, and bric-a-brac.
- n. \$5000 for loss to tools.

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, or "drone", including any parts or accessories whether or not attached to the aircraft or "drone". We do cover model or hobby aircraft not used or designed to carry people or cargo.
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in **E.10. Landlord's Furnishings** under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;
- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages; or
- k. Water or steam.

D. Coverage D – Loss Of Use

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

1. Additional Living Expense

If a loss covered under Section I makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its

normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere. In either event, the payment(s) will be limited to (12) consecutive months from the date of the covered loss.

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. In either event, the payment(s) will be limited to (12) consecutive months from the date of the covered loss.

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

E. Additional Coverages

1. Debris Removal

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

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

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the

debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit is available for such expense.

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

- a. We will pay up to the greater of \$3,000 or 1% of your Coverage A limit of liability for the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage, when the damage or loss is caused by a Peril Insured Against.
- b. We will not pay more than the amount in a. above, unless we provide you approval within 48 hours of your request to us to exceed the limit in a. above. 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 48 hours of your request to us and the damage or loss is caused by a Peril Insured Against, you may exceed the amount in a. above only up to the cost

incurred by you for the reasonable emergency measures necessary to protect the covered property from further damage.

- c. If however, hurricane coverage is part of the Policy and a covered hurricane loss occurs, the amount we pay under this additional coverage is not limited to the amount in a. above.
 - d. A reasonable measure under this Additional Coverage E.2. may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.
 - e. This coverage does not:
 - (1) Increase the limit of liability that applies to covered property;
 - (2) Relieve you of your duties, in case of a loss to covered property, as set forth in **Section I – Condition C.**; or
 - (3) Pay for property not covered, or for repairs resulting from a peril not covered, or for loss excluded in this policy.
 - f. If you act under an urgent or emergency circumstance to protect property from damage and execute an "assignment agreement" to protect, repair, restore, or replace property or to mitigate against further damage to the property, the "assignee" may not receive an assignment of post-loss benefits in excess of \$3,000 or 1% of the Coverage A limit stated in the Declarations, whichever is greater. For purposes of this paragraph, the term "urgent or emergency circumstance" means a situation in which a loss to property, if not addressed immediately, will result in additional damage until measures are completed to prevent such damage.
- ## 3. Trees, Shrubs And Other Plants
- We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:
- a. Fire or Lightning;
 - b. Explosion;
 - c. Riot or Civil Commotion;
 - d. Aircraft;

- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

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

This coverage is additional insurance.

4. Fire Department Service Charge

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

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

5. Property Removed

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

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

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

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

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

- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

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

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

b. We do not cover:

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

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

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

7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the

type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:

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

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

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph 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 purposes 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 building or any part of a building that is standing even if it has separated from another part of the building;
 - (3) A building or any part of a building that is standing, even if it shows evidence of “spalling”, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion; or
 - (4) The plumbing system, or any part of

the plumbing system, whether above or below the ground, when the plumbing system or any part of the plumbing system is:

- (a) Collapsed;
- (b) In danger of collapsing or caving in; or
- (c) Separated from another part of the system;
 - due to:
 - (a) Age, obsolescence, wear, tear;
 - (b) Fading, oxidation, weathering;
 - (c) Deterioration, decay, marring, delamination, crumbling, settling, cracking;
 - (d) Shifting, bulging, racking, sagging, bowing, bending, leaning;
 - (e) Shrinkage, expansion, contraction, bellying, corrosion; or
 - (f) Any other age or maintenance related issue.

However, this Additional Coverage – Collapse will apply to that part of a building’s plumbing system damaged by an abrupt collapse of a covered building, or abrupt collapse of any part of a covered building.

- 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 in **Coverage C – Personal Property**;
 - (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.
 - However, **d.(2)** above does not provide coverage for a plumbing system or any part of a plumbing system resulting from decay as described in Additional Coverage **8.c.(4)** above;
 - (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 materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- e. Loss to a:
- (1) Fence, awning, patio, deck, pavement;
 - (2) Swimming pool, underground pipe, flue, drain, cesspool;
 - (3) Foundation, retaining wall, bulkhead, pier, wharf, dock; or
 - (4) Cistern, plumbing system, or any part of a plumbing system, or similar structure;

whether above or below the ground, is not included under items **d.(2)** through **(6)** above; unless the loss is a direct result of the collapse of a building or any part of the building.

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

For purposes of this Additional Coverage **E.8.**, a plumbing system includes a septic system.

9. Glass Or Safety Glazing Material

- a. We cover:
- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:

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

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

10. Landlord's Furnishings

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

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

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

11. Ordinance Or Law

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

building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
- c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

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

This coverage is additional insurance.

12. Grave Markers

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

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

13. "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.

SECTION I – PERILS INSURED AGAINST

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

- 1. We insure against sudden and accidental direct physical loss to property described in Coverage **A** and **B.**
- 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, whether above or below the ground:

- (1) An abrupt falling down or caving in;
- (2) Loss to structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any "spalling", crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above;

except as provided in **E.8. Collapse** under Section I – Property Coverages; or

c. Caused by:

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

- (a) Maintain heat in the building; or

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

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

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a

building or other structure; or

- (d) Pier, wharf or dock;

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

Theft or attempted theft and any ensuing loss caused by any intentional and wrongful act committed in the course of the theft or attempted theft, if the dwelling has been "vacant" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied";

- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been "vacant" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied"; or
- (5) Constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor that occurs over a period of 14 or more days, unless such seepage or leakage of water or steam 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 ceiling of a structure. In the event this exclusion applies, we will not pay for any damages sustained starting from the first day the constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor began.
- (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;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (g) Animals, birds, rodents, reptiles, insects and fish;
 - (h) Nesting or infestation, or discharge or release of waste products or secretions, by any of the above listed in (g).

Exception To c.(6)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies if the water or steam causes actual damage to a covered building on the "residence premises".

However, we do not cover loss:

- (a) To the system or appliance from which this water or steam escaped;
- (b) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises";
- (c) To a plumbing system, whether above or below the ground, caused by:
 - (i) Age, collapse, obsolescence, wear, tear;
 - (ii) Fading, oxidation, weathering;
 - (iii) Deterioration, decay, marring, delamination, crumbling, settling, cracking;
 - (iv) Shifting, bulging, racking, sagging, bowing, bending, leaning;
 - (v) Shrinkage, expansion, contraction, bellying, corrosion;
 - (vi) The unavailability or discontinuation of a part or component of the system; or
 - (vii) Any other age or maintenance related issue;
- (d) To a plumbing system, whether above or below the ground, caused by the impairment, state or condition of the system, which prohibits repair or replacement including access, necessary to connect the adjoining parts of appliances, pipes or system; or
- (e) Otherwise excluded or limited elsewhere in the Policy.

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.

- (7) Dropped objects to the interior of a building unless the roof or an outside wall of the building is first damaged by a dropped object. Damage to the dropped object itself is not covered.
- (8) Rain, snow, sleet, sand or dust to the interior of a building unless a covered

peril first damages the building causing an opening in a roof or outside wall, door or window and the rain, snow, sleet, sand or dust enters through the opening. This exclusion applies unless the damage is caused during a "hurricane occurrence" or "tropical storm occurrence."

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 **c.(5)** and **(6)** above.

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

Catastrophic Ground Cover Collapse.

1. We insure for direct physical loss to the "principal building" under Coverage **A** caused by the peril of "catastrophic ground cover collapse".

Damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute a loss resulting from a "catastrophic ground cover collapse".

2. Direct physical loss from "catastrophic ground cover collapse" does not apply to the costs to repair the depression or hole, or stabilize the land on the residence premises.

If we at our option repair the "principal building" under Coverage **A** for direct physical loss resulting from the peril of "catastrophic ground cover collapse", we will stabilize the "principal building's" land in accordance with our professional engineers recommended repairs.

3. This peril does not increase the limit of liability that applies to the damaged property.
4. This peril does not apply to property covered under Coverage **B** – Other Structures.

This Section I – Earth Movement exclusion does not apply to "catastrophic ground cover collapse".

B. Coverage C – Personal Property

We insure for sudden and accidental direct physical loss to the property described in Coverage **C** caused by any of the following perils

unless the loss is excluded under Section I – Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

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

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

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

This peril does not include losses caused by vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief if the dwelling has been "vacant" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied".

9. Theft

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

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

(1) Committed by an "insured";

(2) In or to a dwelling under

construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

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

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

(a) Trailers, semitrailers and campers;

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

(c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 90 days immediately before the loss.

c. This peril does not include loss caused by theft or attempted theft and any ensuing loss caused by any intentional and wrongful act committed in the course of the theft or attempted theft if the dwelling has been "vacant" or "unoccupied" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant" or "unoccupied".

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

12. Accidental Discharge Or Overflow Of Water Or Steam

a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or

automatic fire protective sprinkler system or from within a household appliance.

b. This peril does not include loss:

(1) To the system or appliance from which the water or steam escaped;

(2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;

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

(4) Constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor that occurs over a period of 14 or more days whether hidden or not. In the event this exclusion applies, we will not pay for any damages sustained starting from the first day the constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor began;

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

d. Section I – Exclusion A.3. Water, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

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

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

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

14. Freezing

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

(1) Maintain heat in the building; or

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

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

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that 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.

17. "Catastrophic Ground Cover Collapse"

Under **Section I – Perils Insured Against**, a plumbing system includes a septic system.

SECTION I – EXCLUSIONS

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

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

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

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

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

2. Earth Movement And Settlement

Earth movement and settlement 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";
- d. Clay shrinkage or other expansion or contraction of soils or organic materials;
- e. Decay of buried or organic materials;
- f. Settling, cracking or expansion of foundations;
- g. Any other earth movement, including earth sinking, rising or shifting; or
- h. Scouring

This Exclusion **2.** applies regardless of whether any of the above, in **2.a.** through **2.h.**, 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.h.**, is covered.

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

3. Water

Water means:

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

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

This Exclusion applies regardless whether the loss is caused by or resulting from human or animal forces or any act of nature.

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

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

4. Power Failure

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

5. Neglect

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

6. War

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

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

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

7. Nuclear Hazard

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in **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**, **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.

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 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.

11. Criminal or Illegal Activity

Criminal or Illegal Activity means any criminal or illegal act performed by, at the direction of, or with the prior knowledge of any "insured" that results in damage to the structure or personal property.

12. Existing Damage

Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date.

This exclusion does not apply in the event of a total loss by a Peril Insured Against.

13. Diminished Value

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

14. Hurricane Loss to:

- a. Outdoor radio equipment, television antennas, satellite dishes, aerials including their lead wiring, masts or

towers;

- b. Awnings, aluminum framed screened enclosures, aluminum framed carports, or aluminum sheds; or
- c. Solar panels, solar water heating systems including solar panels, pipes supplying and returning water to solar panels, and equipment or devices controlling solar water heating systems.

15. Accidental Discharge Or Overflow Of Water Or Steam from:

- a. Within a plumbing, heating, air conditioning or automatic fire protective sprinkler system;
- b. Within a household appliance for heating water; or
- c. Within a household appliance.

This exclusion **A.16.** applies only while the dwelling is "vacant" or "unoccupied" for more than 30 consecutive days or being constructed; unless you have used reasonable care to:

- a. Shut off the water supply; and
- b. Drain the system and appliances of water.

Systems and appliances do not include outdoor swimming pools or outdoor irrigation wells.

B. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

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

of part or all of any property whether on or off the "residence premises".

SECTION I – CONDITIONS

A. Insurable Interest And Limit Of Liability

This contract of insurance of property described in the Declarations, or of any interest in such property or arising from such property shall not be enforceable as to the insurance except for the benefit of persons having an insurable interest in the things insured at the time of the loss.

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, only the highest deductible amount will apply.
- 3. The applicable deductible shall be applied to each separate loss event regardless of how many losses occur in one policy period.

C. Duties After Loss

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

- 1. Give prompt notice to use or our agent.

Except for Reasonable Emergency Measures taken under Additional Coverages **2.**, there is no coverage for repairs that begin before the earlier of:

 - a. 72 hours after we are notified of the loss;
 - b. The time of loss inspection by us; or
 - c. The time of other approval by us;
- 2. To the degree reasonably possible:
 - a. Retain the damaged property; and

- b. Allow us to inspect, subject to **2.a.** above, all damaged property prior to its removal from the "residence premises";
3. Notify the police in case of loss by theft;
 4. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6.** Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I - Property Coverages;
 5. Protect the covered property from further damage. The following must be performed:
 - a. Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under Additional Coverage **E.2.** A reasonable emergency measure under **5.a.** above may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect; and
 - b. Keep an accurate record of repair expenses;
 6. Cooperate with us in the investigation of a claim;
 7. 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;
 8. As often as we reasonably require:
 - a. Show the damaged property to the degree reasonably possible;
 - b. Provide us with records and documents we request and permit us to make copies;
 - c. All "insureds" under this policy must:
 - (1) Submit to recorded statements; and
 - (2) In the County where the "residence premises" is located, submit to examinations under oath, while not in the presence of another "insured", and sign the same;
 - d. If you are an association, corporation or other entity; any members, officers, directors, partners or similar representatives of the association, corporation or other entity must:
 - (1) Submit to recorded statements; and
 - (2) In the County where the "residence premises" is located, submit to examinations under oath, while not in the presence of another "insured", and sign the same;
 9. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth:
 - 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 **7.** above;
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - h. Evidence or affidavit that supports a claim under **E.6.** Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages, stating the amount and cause of loss.
 10. A claim, supplemental claim, or reopened claim for loss or damage caused by the peril of windstorm or hurricane is barred unless notice of the claim, supplemental claim, or reopened claim is given to us in accordance with the terms of the policy within 3 years after the date the hurricane first made landfall in Florida or the windstorm caused the covered damage.

A supplement claim or reopened claim means any additional claim for recovery from us for losses from the same hurricane or windstorm which we have previously adjusted pursuant to the initial claim.

The duties above apply regardless of whether you, an "insured" seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this policy.

D. Loss Settlement

In this Condition D., the terms "cost to repair or replace" and "replacement cost" 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 **E.11. Ordinance Or Law under Section I – Property Coverages.**

Covered property losses, after the application of the deductible, are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings including, but not limited to, fences;
 - d. Grave markers, including mausoleums.

at "actual cash value" at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of

the building damaged with material of like kind and quality and for like use; or

- (3) The necessary amount actually spent to repair or replace the damaged building.

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

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
 - (1) The "actual cash value" of that part of the building damaged; or
 - (2) That proportion of the cost to repair or replace, without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
 - (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
 - (2) Those supports described in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (3) Underground flues, pipes, wiring and drains.
- d. We will initially pay the "actual cash value" of the loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform the actual repair or replacement as work is performed and expenses are incurred subject to **D.2.a** and **D.2.b**. If a total loss

occurs, we will pay the full replacement cost without reservation or holdback of any depreciation in value.

e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an "actual cash value" basis. You may then make claim for any additional liability according to the provisions of this Condition 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.

f. If the dwelling where loss or damage occurs has been "vacant" or "unoccupied" for more than 30 consecutive days before the loss or damage, we will:

(1) Not pay for any loss or damage caused by any of the following perils, even if they are a Peril Insured Against:

- (a) Vandalism;
- (b) Malicious mischief;
- (c) Dwelling glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

Dwellings under construction are not considered "vacant" or "unoccupied".

g. In the event of a "catastrophic ground cover collapse", any repairs must be made in accordance with the recommendations of our professional engineer.

If our professional engineer selected or approved by us determines that the repairs cannot be completed within the applicable limit of insurance, we at our option; either:

- (1) Complete the professional engineer's recommended repairs; or
- (2) Pay the policy limits without reduction for the repair expenses incurred

3. This policy does not provide coverage for diminution in value or stigma damages under any coverage regardless of the cause.

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. Mediation or Appraisal

1. If you and we are engaged in a dispute regarding a claim under this Policy, prior to filing suit, you must notify us of your disagreement in writing so that either party may request a mediation of the claim in accordance with the rules established by the Florida Department of Financial Services. For the purposes of mediation, the term "claim" refers to any dispute between an insurer and a policyholder relating to a material issue of fact other than a dispute:

- a. With respect to which the insurer has a reasonable basis to suspect fraud;
- b. Where, based on agreed-upon facts as to the cause of loss, there is no coverage under the policy;
- c. With respect to which the insurer has a reasonable basis to believe that the policyholder has intentionally made a material misrepresentation of fact which is relevant to the claim, and the entire request for payment of a loss has been denied on the basis of the material misrepresentation; or
- d. With respect to which the amount of controversy is less than \$500, unless the parties agree to mediate a dispute involving a lesser amount.

The settlement in the course of the mediation is binding only if both parties agree, in writing, on a settlement and, you have not rescinded the settlement within 3 business days after reaching settlement. You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you. We will pay the cost of conducting any mediation conference except when you fail to appear at a conference. That conference will then be rescheduled upon your payment of the costs for that rescheduled conference. However, if we fail to appear at a mediation conference, we will pay your actual cash expenses you incurred in attending the conference if our failure to attend was not due to a good cause acceptable to the

Department of Financial Services, and also pay the fee for a rescheduled conference.

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

Each party will:

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

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

H. Legal Action Against Us

1. No action can be brought against us, unless:
 - a. Notice of the loss has been given to us;
 - b. There has been full compliance with all of the terms of the Policy applicable to the "insured";
 - c. If you and we fail to agree on the settlement regarding the loss, prior to filing suit, you must notify us of your disagreement and intent to file suit in writing to allow us an opportunity to exercise our right to demand mediation; and

- d. The action is started within five (5) years after the date of the loss.

Condition H.1. above is not applicable to an "assignee".

2. Suit By an "Assignee"

- a. An "assignee" must provide us with a written notice of intent to initiate litigation before filing suit under this Policy.

- (1) Such notice must be served by certified mail, return receipt requested, or electronic delivery, at least ten (10) business days before filing suit, but may not be served before we have made a coverage determination and pay or deny your claim in accordance with CONDITIONS, Condition J. Loss Payment, paragraph J.3.

- (2) The notice must specify the damages in dispute, the amount claimed, and a presuit settlement demand.

- (3) Concurrent with any written notice of intent to initiate litigation, and as a precondition to filing suit, an "assignee" must provide us a detailed written invoice or estimate of services, including itemized information on equipment, materials, and supplies; the number of labor hours; and, in the case of work performed, proof that the work has been performed in accordance with accepted industry standards.

- b. As a condition precedent to filing a suit under the Policy, and if required by us, an "assignee" must submit to examinations under oath and recorded statements conducted by us or our representative that are reasonably necessary, at the location insured, or other reasonable location designated by us or our representative, while not in the presence of another employee of the "assignee", or any other "assignee", or any "insured".

- (1) Provide government issued photo identification. If you do not possess government issued photo identification, a signed sworn statement identifying who you are may be provided; and

- (2) Sign any transcript of the examinations under oath and recorded statements.

Such examinations and recorded statements must either be in-person or

utilize video and audio technology, or both, as determined by us; and

Examinations under oath and recorded statements must be based upon the scope of the work and complexity of the claim and limited to matters related to the services provided, the cost of the services and the "assignment agreement".

- c. No action can be brought against us unless the action is started within five (5) years after the date of the loss.

I. Our Option

At our option, in lieu of issuing any loss payment, if we choose to exercise our option:

1. For losses settled on an "actual cash value" basis, we may repair or replace any part of the damaged property with material or property of like kind and quality.
2. For losses covered under Coverage **A** – Dwelling, insured for Replacement Cost Loss Settlement as outlined in SECTION **I** – CONDITIONS, Loss Settlement, we may repair the damaged property with material of like kind and quality without deduction for depreciation.
3. For all other losses insured on a replacement cost basis other than personal property, we may elect to repair or replace any or all of the damaged property with like property without deduction for depreciation.
4. We will provide written notice to you no later than thirty (30) days after our inspection of the reported loss.
5. You must comply with the duties described in SECTION **I** – CONDITIONS, paragraphs **C.8.**
6. You must provide access to the property and execute any necessary municipal, county or other governmental documentation or permits for repairs to be undertaken.
7. You must execute all work authorizations to allow contractors and related parties entry to the property.
8. You must otherwise cooperate with repairs to the property.
9. You are responsible for payment of the deductible stated in your Declaration page.
10. Our right to repair or replace, and our decision to do so, is a material part of this contract and under no circumstances relieves

you or us of our mutual duties and obligations under this contract. Any contract entered into between you and any repairperson(s), "assignee", contractor, other person or company to perform repairs or services except reasonable emergency measures for any loss attributed to a covered peril shall not interfere with this right.

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 judgement; or
 - b. There is a filing of a mediation settlement with us.
3. Within 90 days of receiving notice of an initial, reopened, or supplemental property insurance claim from you, we shall pay or deny such claim or portions of such claim, unless there are circumstances beyond our control that would reasonably prevent such payment.

Our failure to comply with this paragraph shall not form the sole basis for an action against us.

In the event of your death, we will adjust all losses with your legal representative.

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** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay

the premium; and

- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs **F.** Appraisal, **H.** Legal Action 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.
6. We provide coverage to no mortgagee or its representatives under this policy if, whether before or after a loss, a mortgagee or its representatives has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made material false statements; relating to this insurance.

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, one or more "insureds" 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.

Such an act by one or more "insureds" will result in the denial of coverage and the cancellation or termination of the policy regardless of the existence of an innocent co-insured. However, we will not deny a claim or cancel or terminate the policy based on credit information available in public records, whether disclosed or undisclosed, if the policy has been in effect for more than 90 days.

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 only.

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

T. Assignment

The pre-loss assignment of any of the rights, interests, benefits and/or claims arising under the policy, will not be valid unless we give our written consent.

Pursuant to Florida law, if any or all of your post-loss Policy benefits are assigned to another party under an "assignment agreement", the following duties, in **E.1.** through **E.4.**, apply to the "assignee". We are not obligated to provide coverage under this policy to an "assignee" if the "assignee" fails to perform these duties. In a claim arising under an "assignment agreement", an "assignee" has the burden to demonstrate that we are not prejudiced by the "assignee's" failure to:

1. Maintain records of all services provided under the "assignment agreement".
2. Cooperate with us in the claim investigation.
3. Provide us with requested records and documents related to the services provided, and permit us to make copies of such records and documents.

This includes accurate and up-to-date revised estimates of the scope of work to be performed as supplemental or additional repairs are required.

4. Deliver a copy of the executed "assignment agreement" to us within 3 business days after executing the "assignment agreement" or the work has begun, whichever is earlier. The "assignee" may deliver a copy of the "assignment agreement" to <street/mail/hand deliver address> or <email or web deposit site>.

You have the right to rescind an "assignment agreement" without penalty or fee by submitting a written notice of rescission signed by you to the "assignee" within 14 days after the execution of the agreement, at least 30 days after the date work on the property is scheduled to commence if the "assignee" has not substantially performed, or at least 30 days after the execution of the agreement if the agreement does not contain a commencement date and the "assignee" has not begun substantial work on the property.

We will not be responsible for payment under Section I – Conditions to any assignee(s) or third parties for payments on losses that are not covered under this policy.

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"; or
 - (c) Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured".

SECTION II – EXCLUSIONS

This insurance will not provide coverage or payments for indemnity or expense costs under any part of the policy for any "occurrence" arising wholly or in part out of or in connection with the following activities excluded in paragraphs **A.** through **G.**

The following Section II – Exclusions should be interpreted as excluding negligence arising from or resulting in the excluded cause of loss, including but

not limited to:

The negligent hiring, employment, placement, training, supervision, investigation, reporting to the proper authorities, or failure to so report, retention of a person for whom any "insured" is or ever was legally responsible and whose conduct would be excluded by Paragraphs **A.** through **G.**

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;

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 the actual or threatened sexual molestation, corporal punishment or physical or mental abuse.

Abuse and molestation includes, but is not limited to, any verbal or nonverbal communication, behavior or conduct with sexual connotations, infliction of physical, emotional or psychological injury or harm whether for gratification, discrimination, intimidation, coercion or other purposes, regardless of whether such action or resulting injury is alleged to be intentionally or negligently caused;

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 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;

9. We will NOT pay for "bodily injury" or "property damage" caused by or arising out of the ownership, use, or supervision of use from any of the following:

- a. Trampolines;
- b. Ramps while being used for stunts;
- c. Bounce houses or similar apparatus;
- d. Zip lines;
- e. Pool slides;
- f. Diving boards; or
- g. Empty or unprotected swimming pool or spa:

Unprotected swimming pool is defined as a swimming pool that is not completely enclosed by a permanent barrier such as a wall, fence, or screen enclosure. Unprotected spa is defined as a spa that does not have a locking cover or a permanent barrier such as a wall, fence, or screen enclosure;

whether the "bodily injury" or "property damage" occurs on the "residence premises" or elsewhere;

10. Animals

"Bodily injury" or "property damage" caused by, resulting from or arising out of the conduct of any animal or animals owned or kept by any "insured" whether or not the "bodily injury" or "property damage" occurs on the "residence premises" or elsewhere.

11. "Drone Liability"

"Bodily injury" or "property damage" caused by or arising out of the ownership, use, or supervision of use, of a "drone" whether or not the "bodily injury" or "property damage" occurs on the "residence premises" or elsewhere;

12. Cyber Liability

We will not provide coverage or payments for indemnity or defense or expense costs for intentional injury or harm under any part of this policy for any "occurrence" arising wholly or in part out of or in connection with the following activities: Social media or electronic forum including but not limited to the use of:

- a. Chat Rooms, Bulletin Boards, Gripe Sites, Blogs, Email, Web Sites, Social Networking Sites, Instant Messaging;
- b. Any other Internet forums not mentioned

in **a.** above:

- (1) That an "insured" hosts or owns; or
- (2) Over which an "insured" has the control or operating authority of the operations of such internet forums; or

c. Text messages using a cellular device.

However, this exclusion does not apply to content posted or provided by an "insured" for posting by others to any of these Internet forums not under that insured's direct authority or control.

13. Pollution

"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.

- a.** "Bodily injury" or "property damage" which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- b.** Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any "insured" or others
 - (2) test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - (3) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability", "Drone 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

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 TRUE HO 06 624 is attached.

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".
7. Submit to examination under oath, while not in the presence of any other "insured" and sign same.

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 provide coverage to no "insureds" under this policy if, whether before or after a loss, one or more "insureds" 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.

Such an act by one or more "insureds" will result in the denial of coverage and the cancellation or termination of the policy regardless of the existence of an innocent co-insured. However, we will not deny a claim or cancel or terminate the policy based on credit information available in public records, whether disclosed or undisclosed, if the policy has been in effect for more than 90 days.

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. 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; or

- (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.

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; or
 - (b) On the basis of credit information available in public records.
- (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.

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; or

- e. On the basis of credit information available in public records.

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.

E. Assignment

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

F. Subrogation

All rights of recovery against any person or entity for the "insured's" damages are automatically transferred to us from the "insured" upon our payment to the "insured" under any coverage of this policy to the extent of our payment without need to obtain a written assignment or transfer of rights from the "insured". The "insured" must do nothing after loss to impair our recovery rights. Upon our request, the "insured" must sign and deliver all papers and cooperate with us in the prosecution of our subrogation claim.

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.

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. Adjustment to Property Coverage Limits

If your Policy is renewed with us, the limit of liability for Coverages **A**, **B**, **C** and **D** may be adjusted.

Any change in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity that:

1. These adjustments will keep pace with inflation; or
2. That the amounts of coverage are adequate to repair or rebuild any specific building or structure.

We will not reduce the limits of liability shown on the Declarations without your consent.

J. 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.

K. Change In Occupancy Or Usage Of "Residence Premises"

If we have not been notified by you within sixty (60) days of any change of ownership, title, use or owner occupancy of the "residence premises" including:

1. The rental of the "residence premises";
2. Vacancy or abandonment of the "residence premises"; or
3. The use of the "residence premises" for any purpose other than a residence.

any loss occurring from the 61st day after such change to the date proper notice is given will be excluded from coverage. If this occurs, premium would be refunded for the period during which the coverage is suspended.

If a change in title negates the insurable interest, there will not be coverage from the date of the loss of insurable interest