



09/09/22

NICHOLAS NEIL HUERTA  
SGT ARNG  
5012 DARTMOOR RIDGE TRL  
HOUSTON TX 77066-1050

01265 52 01

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## IMPORTANT NOTICE

### Have a complaint or need help?

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

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

### Garrison Property and Casualty Insurance Company

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

**Call: 210-531-USAA (8722)**

**Toll-free: 1-800-531-USAA (8722)**

Online: [usaa.com](http://usaa.com)

Mail: 9800 Fredericksburg Road,  
San Antonio, Texas 78288

### The Texas Department of Insurance

To get help with an insurance question, learn about your rights, or file a complaint with the state:

Call: 1-800-252-3439

Online: [www.tdi.texas.gov](http://www.tdi.texas.gov)

E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

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

### INSURANCE WEBSITE NOTICE

#### To compare policies and prices

Visit **HelpInsure.com** to compare prices and coverages on home and auto insurance policies. The website is a service of the Texas Department of Insurance and the Office of Public Insurance Counsel.

## AVISO IMPORTANTE

### ¿Tiene una queja o necesita ayuda?

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

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

### Garrison Property and Casualty Insurance Company

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

**Llame: 210-531-USAA (8722)**

**Teléfono gratuito: 1-800-531-USAA (8722)**

En línea: [usaa.com](http://usaa.com)

Dirección postal: 9800 Fredericksburg Road  
San Antonio, TX 78288

### El Departamento de Seguros de Texas

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

Llame: 1-800-252-3439

En línea: [www.tdi.texas.gov](http://www.tdi.texas.gov)

Correo electrónico:

[ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

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

### AVISO DEL SITIO WEB DE SEGUROS

#### Para comparar pólizas y precios

Visite **HelpInsure.com** para comparar precios y coberturas en pólizas de seguro para el hogar y automóvil. El sitio web es un servicio del Departamento de Seguros de Texas y de la Oficina del Asesor Público de Seguros (Office of Public Insurance Counsel, por su nombre en inglés).



## HOMEOWNERS POLICY PACKET

EFFECTIVE: 10-01-22 TO: 10-01-23

NICHOLAS NEIL HUERTA  
SGT ARNG  
5012 DARTMOOR RIDGE TRL  
HOUSTON TX 77066-1050

GAR 01265 52 01 91A

### IMPORTANT MESSAGES

Refer to your Declarations Page and endorsements to verify that coverages, limits, deductibles and other policy details are correct and meet your insurance needs. Required information forms are also enclosed for your review.

- 1) USAA considers many factors when determining your premium. Maintaining your property to reduce the probability of loss is one of the most important steps you can take toward reducing premium increases. A history of claim activity will affect your policy premium.
- 2) Go to [usaa.com](https://usaa.com) to view policy coverages and home features.
- 3) The cost of your attached policy includes an assessment charge to reimburse USAA for funds paid to the Texas Volunteer Fire Department Assistance Fund. This assessment is imposed on USAA and other insurers in Texas to help volunteer fire departments with equipment and training expenses. The assessment charge is applied regardless of your location and whether a paid or volunteer fire department is your responding station. The assessment charge is shown on your policy Declarations page.
- 4) You have the right to sue your insurance company. You must do so before the earlier of: two years from the date the company accepts or rejects your claim; or three years from the date of loss that is the subject of the claim. See Suit Against Us in your policy for more information. You must file your claim within one year unless good cause is shown. See Your Duties After Loss in your policy for more information.
- 5) Your policy does not provide coverage for certain types of loss caused by pollutants. Please refer to the definition of pollutants, Losses We Do Not Cover and Liability Exclusions sections of your policy for more information.

(CONTINUED ON NEXT PAGE)

This is not a bill. Any premium charge or return for this policy will be reflected on your next regular monthly statement.

To receive this document and others electronically or view your policy summary online, go to [usaa.com](https://usaa.com).

For U.S. Calls: Policy Service (800) 531-8111. Claims (800) 531-8222.

HOCS1

49709-0406

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## HOMEOWNERS POLICY PACKET CONTINUED

- 6) Flood Insurance: You may also need to consider the purchase of flood insurance. Your insurance policy does not include coverage for damage resulting from a flood even if hurricane winds and rain caused the flood to occur. Without separate flood insurance coverage, you may have uncovered losses caused by a flood. Please discuss the need to purchase separate flood insurance coverage with your insurance agent or insurance company, or visit [www.floodsmart.gov](http://www.floodsmart.gov).



9800 Fredericksburg Road - San Antonio, Texas 78288  
HOMEOWNERS POLICY DECLARATIONS

Named Insured and Residence Premises

Policy Number

NICHOLAS NEIL HUERTA

GAR 01265 52 01 91A

21310 AVETT DR  
PORTER, MONTGOMERY, TX 77365-3484

Policy Period From: 10/01/22 To: 10/01/23  
(12:01 A.M. standard time at location of the residence premises)


<b>SECTION I - COVERAGES AND AMOUNTS OF INSURANCE</b>	
COVERAGE A - DWELLING PROTECTION	\$462,000
COVERAGE B - OTHER STRUCTURES PROTECTION	\$46,200
COVERAGE C - PERSONAL PROPERTY PROTECTION	\$231,000
COVERAGE D - LOSS OF USE PROTECTION (UP TO 12 MONTHS)	\$92,400
<b>SECTION II - COVERAGES AND LIMITS OF LIABILITY</b>	
Personal Liability - Each Occurrence	\$500,000
Medical Payments to Others	\$5,000
<b>DEDUCTIBLES (Applies to SECTION I Coverages ONLY)</b>	
We cover only that part of the loss over the deductible stated.	
WIND AND HAIL	\$9,240 (2%)
ALL OTHER PERILS	\$2,000
<b>POLICY PREMIUM for Section I and Section II Coverages Above</b>	\$2,677.93
<b>CREDITS AND DISCOUNTS</b> (Included in policy premium above.)	\$1,905.64 CR
Details on the following page. (If applicable)	
<b>OTHER COVERAGES AND ENDORSEMENTS</b>	
Forms and Endorsements are printed on the following page.	
<b>STATE SURCHARGES AND TAXES</b> (Shown below if applicable)	
SURCHARGES ARE PRINTED ON THE FOLLOWING PAGE.	\$1.34
<b>TOTAL POLICY PREMIUM</b>	
Including Credits, Discounts, Optional Coverages, Endorsements, State Surcharges and Taxes	
\$2,679.27	
PREMIUM DUE AT INCEPTION. THIS IS NOT A BILL. STATEMENT TO FOLLOW.	

**FIRST MORTGAGEE:**

TDECU  
ISAOA  
1001 FM 2004 RD  
LAKE JACKSON, TX 77566-4012

In witness whereof, this policy is signed on 09/09/22

  
Karen Morris, Secretary

  
James Syring, President

**REFER TO YOUR POLICY FOR OTHER COVERAGES, LIMITS AND EXCLUSIONS.**



## HOMEOWNERS POLICY DECLARATIONS

	<b>Policy Number</b>	<b>Policy Term:</b>	10/01/22	10/01/23
GAR	01265 52 01 91A	<b>Inception</b>		<b>Expiration</b>

POLICY AND ENDORSEMENTS THAT ARE PART OF YOUR CONTRACT WITH US.

QR3GARTX	(06-15)	QUICK REFERENCE-SPECIAL FORM
HO-3RTX	(07-08)	HOMEOWNERS SPECIAL FORM
HO-ACPTX	(07-12)	AMENDMENT TO CONTRACT PROVISIONS
HO-HSTX	(04-18)	SHARING ECONOMY ENDORSEMENT
HO-SLS3TX	(07-12)	SPECIAL LOSS SETTLEMENT
HO-TX	(08-16)	TEXAS SPECIAL PROVISIONS
HO-WDSM	(06-16)	WILDFIRE RESPONSE PROGRAM ENDORSEMENT
HO-208TX	(07-12)	WATER BACKUP OR SUMP PUMP OVERFLOW
HO-728TX	(07-12)	REPLACEMENT COST COVERAGE

YOUR PREMIUM HAS BEEN REDUCED BY THE FOLLOWING CREDITS AND DISCOUNTS:

AUTO AND HOME COMBINATION DISCOUNT	\$160.26 CR
MULTI-PRODUCT DISCOUNT OTHER P&C	\$102.62 CR
Renters	
VPP	
MULTI-PRODUCT DISCOUNT BANK	\$50.26 CR
LOYALTY DISCOUNT	\$76.17 CR
CLAIMS FREE DISCOUNT	\$273.65 CR
INSURANCE-TO-VALUE DISCOUNT	\$95.96 CR
HOME AGE DISCOUNT	\$930.57 CR
PROTECTIVE DEVICE CREDIT	\$5.16 CR
ROOF AGE DISCOUNT	\$210.99 CR

ADDITIONAL COVERAGE AS PART OF THE CONTRACT.

IDENTITY FRAUD EXPENSE	NO PREMIUM
DEDUCTIBLE \$100	

SPECIFICALLY LISTED BELOW ARE SURCHARGES.

TX VOLUNTEER FIRE FUND ASSESSMENT	\$1.34
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USAA  
9800 Fredericksburg Road  
San Antonio, Texas 78288

## SPECIAL FORM - HOMEOWNERS POLICY.

**\*\*READ YOUR POLICY CAREFULLY\*\***

This policy is a legal contract between you, the policyholder, and us, the insurer. And like other contracts, it contains certain duties and responsibilities of both parties to the contract. This contract consists of the Declarations page, the policy, and any applicable endorsements.

**Your policy provides the coverages and amounts of insurance shown in the Declarations with a premium.**

This cover sheet provides only a brief outline of some of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth, in detail, the rights and obligations of both you and your insurance company.

**IT IS THEREFORE IMPORTANT THAT YOU READ YOUR POLICY.**

### QUICK REFERENCE

	Page		Page
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<b>DEFINITIONS</b>	1	Military Uniforms	
<b>DEDUCTIBLE</b>	3	War	
<b>SECTION I</b>		Electronic Media	
<b>PROPERTY WE COVER</b>	3	<b>LOSSES WE COVER</b>	13
Dwelling Protection		Dwelling and Other Structures	
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Special Amounts		<b>CONDITIONS</b>	18
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Loss of Use Protection		<b>LIABILITY COVERAGES</b>	24
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Debris Removal		Medical Payments	
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Land			
Glass or Safety Glazing			
Landlord's Furnishings			
Building Ordinance or Law			

This policy is issued by Garrison Property and Casualty Insurance Company ("Garrison"), a subsidiary of USAA Casualty Insurance Company. Garrison is authorized to use the USAA logo, a registered trademark of United Services Automobile Association. This is a participating policy. You are entitled to dividends as may be declared by the Garrison Board of Directors.

Homeowners 3RTX  
Special Form  
(07-08)  
HO 2008 Program  
Texas

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## AGREEMENT

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In return for payment of premium and subject to all terms of this policy, we will provide the insurance described.

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## DEFINITIONS

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In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse when a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance. Certain words and phrases are defined and are printed in boldface and quotation marks when used.

1. **"Actual cash value"** is calculated as the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. **"Actual cash value"** applies to valuation of covered property regardless of whether that property has sustained partial loss, or total loss. The **"actual cash value"** of lost or damaged property may be significantly less than its replacement cost.
2. **"Aircraft"** means any conveyance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
3. **"Bodily injury"** means physical injury, sickness or disease, including required care, loss of services and death that results.  
  
**"Bodily injury"** does not include mental injuries such as: emotional distress, mental anguish, humiliation, mental distress, or any similar injury unless it arises out of physical injury to the person claiming a mental injury.
4. **"Business"** means any full or part-time activity arising out of or related to any trade, profession or occupation of any **"insured"**.
5. **"Business day"** means a day other than Saturday, Sunday or holiday recognized by the State of Texas.
6. **"Collapse"** means:
  - a. A sudden falling or caving in;
  - b. A sudden breaking apart or deformation such that the building or part of a building is in imminent peril of falling or caving in and is not fit for its intended use.

Damage consisting solely of settling, cracking, shrinking, bulging or expansion is not covered unless it is the direct result of **"collapse"**.
7. **"Damages"** means compensatory damages the **"insured"** is legally obligated to pay as a result of **"bodily injury"** or **"property damage"** covered by this insurance, but does not include punitive, exemplary or multiple damages.
8. **"Hovercraft"** means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles.
9. **"Insured"** means:
  - a. The **"member"**;
  - b. Spouse when a resident of the same household; and
  - c. Residents of your household who are:
    - (1) Your relatives; or

- (2) Other person under the age of 21 and in the care of any person named above.

Under SECTION II, **"insured"** also means:

- d. With respect to animals, **"watercraft"** or **"personal watercraft"** to which this policy applies, any person or organization legally responsible for these animals, **"watercraft"** or **"personal watercraft"** which are owned by you or any person included in 9.a., 9.b., or 9.c. above. A person or organization using or having custody of these animals, **"watercraft"** or **"personal watercraft"** without consent of the owner is not an **"insured"**.
- e. With respect to any vehicle or conveyance to which this policy applies:
- (1) **"Residence employees"** while engaged in your employ or that of any person included in 9.a., 9.b. or 9.c. above; or
- (2) Other persons using the vehicle on an **"insured location"** with your consent.

**10. "Insured location" means:**

- a. The **"residence premises"**;
- b. Any premises used by you in connection within 10.a. above;
- c. Any part of a premises:
- (1) Not owned by any **"insured"**; and
- (2) Where any **"insured"** is temporarily residing;
- d. Vacant land, other than farm land owned by or rented to any **"insured"**;
- e. Land owned by or rented to any **"insured"** on which a one or two family dwelling is being built as a residence for any **"insured"**;
- f. Individual or family cemetery plots or burial vaults of any **"insured"**; or

- g. Any part of a premises occasionally rented to an **"insured"** for other than **"business"** use.

- 11. "Member"** means the owner of the policy who is the person who meets all eligibility requirements for membership and whose membership number is shown in the Declarations of this policy.
- 12. "Motor vehicle(s)"** means any type of motorized land vehicle or conveyance, whether or not subject to motor vehicle registration.
- 13. "Named peril(s)"** means one or more of the perils listed under LOSSES WE COVER – PERSONAL PROPERTY PROTECTION.
- 14. "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"**.
- 15. "Personal watercraft"** means a conveyance, used or designed to be used on water that uses a jet pump powered by an internal combustion engine as the primary source of propulsion.
- 16. "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.
- 17. "Professional services"** means any type of service to the public that requires members rendering a service to obtain an advanced degree and/or obtain a license or other legal authorization to provide the service and includes, but is not limited to services rendered by dentists, naturopaths, chiropractors, physicians and surgeons, doctors of dentistry, physical therapists, occupational therapists, podiatrists, optometrists, nurses, nurse-midwives, veterinarians, pharmacists, architects,

landscape architects, engineers, accountants, land surveyors, psychologists, attorneys-at-law, therapists, counselors and social workers.

18. **"Property damage"** means physical damage to or destruction of tangible property, including loss of use of this property.
19. **"Residence employee"** means an employee of any **"insured"** whose primary duties are related to the maintenance or use of the **"residence premises"**, including household or domestic service.
20. **"Residence premises"** means:
  - a. The one family dwelling, other structures, and grounds; or
  - b. That part of any other building;

Where you reside and which is shown as the **"residence premises"** in the Declarations.

- "Residence premises"** also means a two family dwelling where you reside in at least one of the family units and which is shown as the **"residence premises"** in the Declarations.
21. **"Sudden and accidental"** means an abrupt, fortuitous event which is unintended from the perspective of a reasonable person.
  22. **"War"** means war whether declared or undeclared; civil war; insurrection; rebellion; revolution; any warlike act by friendly or enemy forces, destruction or seizure for a military purpose.
  23. **"Watercraft"** means a conveyance principally designed to be propelled on or in water by wind, current, paddles, oars, engine power or electric motor.

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## DEDUCTIBLE

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

Subject to the applicable amount of insurance that applies, we will pay only that part of the total of all loss payable under SECTION I – PROPERTY WE COVER that exceeds the deductible amount shown in the Declarations.

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## SECTION I PROPERTY WE COVER

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### COVERAGE A - Dwelling Protection

We cover:

1. The dwelling on the **"residence premises"** shown in the Declarations, including structures attached to the dwelling;
2. Materials and supplies located on or next to the **"residence premises"** used to construct, alter or repair the dwelling or other structures on the **"residence premises"**; and
3. Custom or permanently installed window treatments and permanently installed carpeting.

Except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Land, we do not cover land, including land on which the dwelling is located.

### COVERAGE B - Other Structures Protection

We cover:

1. Other structures on the **"residence premises"**:
  - a. We cover other structures on the **"residence premises"**:
    - (1) Set apart from the dwelling by clear space; and
    - (2) Sidewalks, driveways and fences; and

- (3) Structures connected to the dwelling by only a fence, utility line, or similar connection.

b. We do not cover:

- (1) Land, except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Land, including land on which the other structures are located;
- (2) Structures used in whole or part for **"business"** unless such use consists solely of use of office space for paperwork, computer work or use of a telephone, and consists solely of activities that are:
  - (a) Duties of any **"insured's"** employment by another; and
  - (b) Performed solely by an **"insured"**.

2. Other Structures away from the **"residence premises"**.

- a. We cover other structures owned by you and located away from the **"residence premises"**, if used by you in connection with the **"residence premises"**.

b. We do not cover:

- (1) Other structures located away from the **"residence premises"**:
  - (a) Being used as a dwelling; or
  - (b) Capable of being used as a dwelling; or
  - (c) Used in whole or part for **"business"**; or
- (2) Land, including land on which the other structure is located.

The amount of insurance for all structures will not be more than the amount of insurance shown in the Declarations for Other Structures Protection.

**COVERAGE C - Personal Property Protection**

We cover:

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

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

The amount of insurance for personal property usually located at any **"insured's"** residence, other than the **"residence premises"** is limited to 10% of the amount of insurance for Personal Property Protection, or \$1,000, whichever is greater.

Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

**Special Amounts of Insurance.** The special amounts set out below do not increase the Personal Property Protection amount of insurance. The special amount for each numbered category below is the total amount for each loss for all property in that category.

- 1. \$200 for money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards, smart cards and gift certificates including electronic gift certificates.
- 2. \$1,000 for securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, and tickets.

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

This limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

3. \$1,500 for **"watercraft"** or **"personal watercraft"**, including their trailers, furnishings, equipment and outboard motors.
4. \$1,500 for trailers not used with **"watercraft"** or **"personal watercraft"**.
5. \$10,000 for loss by theft of jewelry, watches, precious and semi-precious stones, fur garments, including any garment containing fur, which represents its principal value.
6. \$2,500 on stamps, trading cards and comic books, including any of these that are part of a collection.
7. \$10,000 for loss by theft of firearms.
8. \$10,000 for loss by theft of silverware, silver-platedware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This category includes but is not limited to flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
9. (a) \$10,000 for tangible **"business"** property at your residence.  
(b) \$1,000 for tangible **"business"** property away from your residence.
10. \$3,000 on motorized golf carts and their equipment and accessories. But if, at the time of loss, there is any other insurance covering physical loss to golf carts, then this policy does not apply.
11. \$3,000 for motorized vehicles designed or modified to operate at speeds not to exceed 15 miles per hour and for use off public roads. However, this limit does not apply to vehicles not subject to motor vehicle registration which are:
  - a. Used to service any **"insured's"** residence, or
  - b. Designed for assisting the handicapped.

#### Property We Do Not Cover.

1. Personal property separately described and specifically insured in this or other insurance.
2. Animals, birds or fish.
3. **"Motor vehicle(s)"**. This includes but is not limited to:
  - a. Equipment, accessories, and parts; or
  - b. Any device or instrument for the transmitting, recording, receiving or reproduction of data, sound or pictures which is permanently installed in a **"motor vehicle"**. We do not cover antennas, tapes, wires, discs or other media, for use with any such device or instrument, while in or upon the **"motor vehicle"**.

We do cover **"motor vehicle(s)"** or all other motorized land conveyances not subject to motor vehicle registration which are:

- a. Used to service any **"insured's"** residence; or
- b. Designed for assisting the handicapped.

We also cover:

- a. Motorized golf carts and their equipment and accessories; and
- b. Motorized vehicles designed or modified to operate at speeds not to exceed 15 miles per hours and for use off public roads

subject to the provisions under Special Amounts of Insurance.

4. **"Aircraft"** and parts.
5. **"Hovercraft"** and parts.
6. Personal property of roomers, roommates, boarders, or other tenants. This does not apply to property of roomers, roommates, boarders or tenants who qualify as **"insureds"**.

7. Personal property in an apartment regularly rented or held for rental to others by any **"insured"**, except as provided in ADDITIONAL COVERAGES, Landlord's Furnishings.
8. Personal property rented or held for rental to others off the **"residence premises"**.
9. **"Business"** data, records, recordings, images and photographs including such data stored in:
  - a. Books of account, drawings or other paper records; or,
  - b. Electronic storage media.

However, we do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market.

10. Personal data, records, recordings, images, and photographs, regardless of storage media. This includes songs, movies and other audio or video media which you purchase and download onto a computer or portable electronic media player, other than as provided in ADDITIONAL COVERAGES, Electronic Media. However, we do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market.
11. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in ADDITIONAL COVERAGES, Credit Card Coverage and Identity Fraud Expense Coverage.

#### COVERAGE D - Loss Of Use Protection

The amount of insurance for Loss of Use shown on the Declarations is the total limit for the coverages that follow.

1. **Additional Living Expense.** If a loss covered under Section - I - LOSSES WE COVER makes that part of the **"residence premises"** where you reside uninhabitable, we cover the reasonable and 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, not to exceed 12 months.

However, if a loss covered under Section I - LOSSES WE COVER results from an event which is assigned a Property Claims Service (PCS) catastrophe code, 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 not to exceed 24 months. This extension does not increase the amount of insurance provided under Loss of Use Protection.

2. **Fair Rental Value.** If a loss covered under Section I - LOSSES WE COVER makes that part of the **"residence premises"** rented to others or held for rental by you uninhabitable, we cover the fair rental value of that part of the **"residence premises"** rented to others or held for rental by you less any expenses that do not continue while the premises is uninhabitable.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental, but not to exceed 12 months.

3. **Prohibited Use.** If a loss covered under Section I - LOSSES WE COVER results in an order from a civil authority prohibiting you from use of the **"residence premises"** as a result of direct damage to neighboring premises by a loss covered under Section I - LOSSES WE COVER, we cover the Additional Living Expense or Fair Rental Value loss as provided under 1. and 2. above for not more than two weeks. A neighboring premise is defined as a premises that is adjacent to the **"residence premises"**.

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

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

No deductible applies to the coverage afforded under 1., 2., and 3. above.

## ADDITIONAL COVERAGES

Unless specifically addressed elsewhere in this policy, the coverages provided below are the only coverages provided for the following:

### 1. Debris Removal

- a. We will pay your reasonable expense for the removal of:
  - (1) Debris of covered property if loss to the damaged property is covered under SECTION I – LOSSES WE COVER; 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 amount of insurance that applies to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the amount of insurance for the damaged property, an additional 5% of that amount of insurance will be available to cover debris removal expense.

- b. We will also pay your reasonable expense, up to \$1,000 in the aggregate, for the removal from the **"residence premises"** of:
  - (1) Your tree(s) felled by the peril of windstorm or hail, or weight of ice, snow or sleet; or
  - (2) A neighbor's tree(s) felled by a loss under **"named peril(s)"**.

provided the tree(s)

  - (3) Damage(s) a covered structure; or
  - (4) Does not damage a covered structure, but:

- (a) Blocks 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) Blocks 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 reduces the amount of insurance that applies to the covered property.

The policy deductible applies.

- 2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable loss under Section I – LOSSES WE COVER, we will pay the reasonable expense incurred by you, for necessary measures taken solely to protect against further damage. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable loss under SECTION I – LOSSES WE COVER. This coverage reduces the amount of insurance that applies to the covered property and does not relieve you of your duties in case of a loss to covered property, as set forth in SECTION I – CONDITIONS 3.d.

The policy deductible applies.



### 3. Trees, Shrubs and Other Plants.

We cover trees, shrubs, plants, lawns, or landscaping on the **"residence premises"**; for loss caused by the following Losses We Cover: Fire or Lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the **"residence premises"**, Vandalism or malicious mischief or Theft.

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

This coverage is additional insurance and does not reduce the amount of insurance.

The policy deductible applies.

### 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 loss under SECTION I – LOSSES WE COVER.

This coverage is additional insurance and does not reduce the amount of 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 loss under SECTION I – LOSSES WE COVER and for no more than 30 days after the property has been removed. We will also pay for reasonable expenses incurred by you for the removal and return of the covered property.

This coverage reduces the amount of insurance that applies to the property being removed.

The policy deductible applies.

### 6. Credit Card Coverage and Identity Fraud Expense Coverage.

We will pay up to \$5,000 in the aggregate for all loss and defense costs resulting from **Credit Card Coverage** and **Identity Fraud Expense Coverage**.

For the purposes of **Credit Card Coverage** and **Identity Fraud Expense Coverage**, a series of acts committed by any one person in which any one person is concerned or implicated is considered to be one loss, even if a series of acts continues into a subsequent policy period.

a. **Credit Card Coverage** also includes, fund transfer cards, forgery and counterfeit money. Under **Credit Card Coverage**, we pay for all loss and defense costs resulting from:

- (1) The legal obligation of any **"insured"** to pay because of the theft or unauthorized use of credit cards issued to or registered in any **"insured's"** name;
- (2) Loss resulting from theft or unauthorized use of electronic fund transfer cards or access devices used for deposit, withdrawal or transfer of funds, issued to or registered in any **"insured's"** name;
- (3) Loss to any **"insured"** caused by forgery or alteration of any **"insured's"** check or negotiable instrument written on an **"insured's"** bank account. This does not include loss by the acceptance of a forged, altered or counterfeit check, or other negotiable instrument, by an **"insured"**.
- (4) Loss to any **"insured"** through acceptance in good faith of counterfeit United States or Canadian paper currency.

For losses covered by this additional insurance we will provide defense as follows:

- (1) We may investigate and settle any claim or suit as we deem to be appropriate. Any duty to defend a claim or suit ends when the amount we pay or tender for the loss equals the applicable amount of insurance.
- (2) If a suit is brought against any **"insured"** as a result of theft or unauthorized use of a credit card or fund transfer card, we will provide a defense at our expense by counsel of our choice. We have the option to defend at our expense any **"insured"** against any suit for the enforcement of payment under the forgery coverage.

This is additional insurance and does not reduce the amount of insurance.

No deductible applies to **Credit Card Coverage**.

- b. Under **Identity Fraud Expense Coverage**, we pay for **"expenses"** and defense costs incurred by any **"insured"** as the direct result of **"identity fraud"**.

With respect to the provisions of this coverage only, the following definitions are added:

**"Identity Fraud"** means the act of knowingly transferring or using, without lawful authority, a means of identification of any **"insured"** with the intent to commit, or aid or abet, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

**"Expenses"** means:

- (1) Costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized;
- (2) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;

- (3) Lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies, merchants, and/or legal counsel, or to complete fraud affidavits, not to exceed \$250 per day;
- (4) Loan application fees for re-applying for a loan or loans when original application is rejected solely because the lender received incorrect credit information resulting from **"identity fraud"**;
- (5) Reasonable attorney fees incurred, with our prior consent, for:
  - (a) Defense of lawsuits brought against the **"insured"** by merchants or their collection agencies; and
  - (b) The removal of any criminal or civil judgments wrongly entered against an **"insured"**.
- (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual **"identity fraud"**.
- (7) Research fees charged by merchants, financial institutions or similar credit grantors, or credit agencies resulting from **"identity fraud"**.

This coverage is additional insurance and does not reduce the amount of insurance.

A \$100 deductible applies to **Identity Fraud Expense Coverage**.

The following exclusions apply to **Credit Card Coverage** and **Identity Fraud Expense Coverage**:

- (1) We do not cover forgery, theft or use of a credit card, electronic fund transfer card or access device:
  - (a) By a resident of your household or any **"insured"**;

- (b) By a person who has been entrusted with the card(s) or device(s);
- (c) If any **"insured"** has not complied with all terms and conditions under which the cards or devices are issued.

(2) We do not cover loss arising out of **"business"** pursuits, dishonesty, fraud, or criminal activity of any **"insured"**.

**7. Loss Assessment.** We will pay up to \$10,000 for your share of loss assessment charged against you by a corporation or association of property owners, for an event that occurs during the policy period, when the assessment is made as a result of **"sudden and accidental"** direct physical loss to the property, owned by all members collectively, caused by a loss under Section I – LOSSES WE COVER for **DWELLING PROTECTION COVERAGE AND OTHER STRUCTURES PROTECTION COVERAGE**, subject to all provisions of the policy.

This coverage does not apply to assessments made as a result of damage caused by:

- a. Earthquake; or
- b. Land shock waves or tremors before, during or after a volcanic eruption.

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

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

The limit of \$10,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

This coverage is not limited by the expiration of this policy.

This coverage is additional insurance and does not reduce the amount of insurance.

No deductible applies to this coverage.

**8. "Collapse".** For an entire building or any part of a building covered by this insurance we insure for direct physical loss to covered property involving **"collapse"** of a building or any part of a building only when the **"collapse"** is caused by one or more of the following:

- a. **"Named peril(s)"** apply to covered buildings and personal property for loss insured by this additional coverage.
- b. Decay that is hidden from view, meaning damage that is unknown prior to **"collapse"** or that does not result from a failure to reasonably maintain the property;
- c. Insect or vermin damage that is hidden from view, meaning damage that is unknown prior to **"collapse"** or that does not result from a failure to reasonably maintain the property;
- d. Weight of contents, equipment, animals or people;
- e. Weight of rain which collects on a roof; or
- f. Use of defective material or methods in construction, remodeling or renovation if the **"collapse"** occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, water well, cistern flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e. and f. unless the loss is a direct result of the **"collapse"** of a building.

This coverage reduces the amount of insurance that applies to the damaged covered property.

The policy deductible applies.

**9. Lock Replacement.** When the dwelling door keys are stolen in a covered theft loss, we will pay the cost to:

- a. Change the combination in the lock hardware of the doors, or
- b. Change the lock hardware of the doors.

The most we will pay for Lock Replacement is \$250. No deductible applies to this coverage.

- 10. Refrigerated Products.** We will pay you up to \$500 for loss to the contents of a freezer or a refrigerator located on your "**residence premises**", as a consequence of power failure or mechanical breakdown. The \$500 limit is the most we will pay in any one loss regardless of the number of freezers or refrigerators.

The Power Failure exclusion under Section I – LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION does not apply to Refrigerated Products.

This coverage does not increase the Personal Property Protection amount of insurance.

No deductible applies to this coverage.

- 11. Land.** If a loss covered under Section I – LOSSES WE COVER damages a building on the "**residence premises**" insured under Dwelling Protection or Other Structures Protection and the same loss causes the land necessary to support the building insured under Dwelling Protection or Other Structures Protection to become unstable, we will pay up to \$10,000 for the cost required to replace, rebuild, stabilize or otherwise restore such land.

This coverage is an additional insurance and does not reduce the amount of insurance.

The policy deductible applies.

- 12. Glass or Safety Glazing Material.**

We cover:

- a. The breakage of glass or safety glazing material caused by a loss under Section I – LOSSES WE COVER, which is part of a covered building, storm door or storm window; and
- b. Damage to covered property by glass or safety glazing material which is part of a building storm door or storm window.

This coverage does not include loss on the "**residence premises**" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. An insured dwelling being constructed is not considered vacant.

This coverage reduces the amount of insurance that applies to the damaged property.

The policy deductible applies.

- 13. Landlord's Furnishings.** We will pay up to \$2,500 for your appliances, your carpeting and other household furnishings located in an apartment on the "**residence premises**" regularly rented or held for rental to others by any "**insured**", for loss caused by "**named peril(s)**", other than theft.

The \$2,500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishing involved in the loss.

This coverage reduces the Personal Property Protection amount of insurance.

The policy deductible applies.

- 14. Building Ordinance or Law.** For loss caused by a loss under Section I – LOSSES WE COVER to buildings under Dwelling Protection and Other Structures Protection, we will pay the increased costs which are required and you actually incur to comply with any ordinance or law governing the rebuilding, repair or demolition of the damaged property.

The limit for this coverage will not be more than 5% of the Coverage A – Dwelling Protection amount of insurance.

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

This coverage is additional insurance and does not reduce the Dwelling Protection amount of insurance.

The policy deductible applies.

- 15. Temporary Living Expenses.** We will pay up to \$2,000 for necessary increase in costs which you incur to maintain your normal standard of living when the **"residence premises"** is uninhabitable due to a loss caused by earthquake, volcanic eruption, landslide, or if a civil authority prohibits your use of the **"residence premises"** because an earthquake, volcanic eruption or landslide has occurred.

This coverage is additional insurance and does not reduce the Loss Of Use Protection amount of insurance.

No deductible applies to this coverage.

- 16. Military Uniforms and Equipment.** We will waive your deductible for loss to uniforms and military equipment, owned by you, including but not limited to clothing, insignia, flight cases, headsets, personal body armor and GPS devices for a loss caused by **"named peril(s)"** while you are on active or active reserve duty.

This coverage reduces the Personal Property Protection amount of insurance.

No deductible applies to this coverage.

- 17. War.** To the extent that coverage for **"war"** is provided here, item 1.f. under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY**

**PROTECTION** and the **"war"** exclusion in any endorsement attached to this policy do not apply.

We will pay up to \$10,000 for:

- Direct loss or damage to your personal property caused by **"war"**; or
- Abandonment as a consequence of **"war"** subject to these conditions.

subject to the following conditions:

This coverage applies only:

- To any **"insured"** who is subject to government reimbursement for loss to personal property under 31 USC 3721, commonly referred to as the Military Personnel and Civilian Employees Claims Act, as amended and supplemented, or any successor or replacement act; and
- To loss that occurs anywhere outside the Continental United States, Alaska and Hawaii.

In addition to compliance with the other provisions of **Your Duties After Loss**, you must:

- Report your claim to the U.S. Government, its affiliate or agency, and comply with its requirements;
- Send us, within 90 days after our request, copies of all actual documents which outline the basis of the government's reimbursement for your loss including the amount paid.

The **Loss Settlement** clause in this policy is changed for loss by **"war"** only to read:

**"War"** loss to personal property under this policy is not payable until the U.S. Government has made its final payment to you for the loss under 31 USC 3721 as amended and supplemented, or any successor or replacement act.

Subject to all policy provisions, our payment will be the total amount of your loss minus the U.S. government payment.

We will adjust all losses with you. We will pay you unless some other person is named in this policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss, and satisfactory evidence of the amount of the U.S. Government payment, or we reach an agreement with you.

This coverage reduces the Personal Property Protection amount of insurance.

No deductible applies to this coverage.

**18. Electronic Media**, meaning songs, movies and other audio or video media, which you purchased and downloaded onto a computer or portable electronic media player. We will pay up to \$250 for a loss covered under **"named peril(s)"**, provided that you maintain records to document the actual purchase of this media. This coverage does not include personal data or records.

This coverage is additional insurance and does not reduce the Personal Property Protection amount of insurance.

The policy deductible applies.

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## SECTION I - LOSSES WE COVER

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### COVERAGE A - DWELLING PROTECTION COVERAGE AND COVERAGE B - OTHER STRUCTURES PROTECTION COVERAGE

We insure against **"sudden and accidental"**, direct, physical loss to tangible property described in PROPERTY WE COVER – Coverages A and B unless excluded in Section I – LOSSES WE DO NOT COVER.

#### COVERAGE C – PERSONAL PROPERTY PROTECTION

We insure against **"sudden and accidental"**, direct physical loss to tangible property described in PROPERTY WE COVER – Coverage C caused by a peril listed below unless the loss is excluded in **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION.**

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

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the

building causing an opening in a roof or wall and the rain, snow, sleet, sand, or dust enters through this opening.

This peril includes loss to the **"watercraft"**, **"personal watercraft"**, and their trailers, furnishings, equipment and outboard motors, only while inside a fully enclosed building.

3. **Explosion.**
4. **Riot or civil commotion.**
5. **Aircraft**, including self-propelled missiles and spacecraft.
6. **Vehicles**, meaning damage caused by or resulting from an impact with a **"motor vehicle"**. This does not include damage to personal property being transported by a **"motor vehicle"** unless this vehicle is itself involved in a collision.
7. **Smoke**, meaning **"sudden and accidental"** damage from smoke.

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

**8. Vandalism or malicious mischief.**

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

This peril does not include loss caused by theft:

- a. Committed by any **"insured"** or any other person regularly residing on any part of the **"insured location"** for a period in excess of thirty consecutive days, if other permanent residency is established or claimed elsewhere;
- b. In or to a dwelling under construction, or materials and supplies for use in the construction until the dwelling is finished and occupied; or
- c. From that part of a **"residence premises"** rented by any **"insured"** to a person who does not qualify as an **"insured"**.

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

- a. Property while at any other residence owned by, rented to, or occupied by any **"insured"** unless the **"insured"** has stayed at the temporary residence at any time during the 60 days immediately before the loss;
- b. **"Watercraft"**, or **"personal watercraft"** including their furnishings, equipment and outboard motors; or
- c. Trailers and campers.

**10. Falling objects.**

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

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

- 12. 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. A plumbing system does not include a sump pump or sump well designed to drain subsurface water from the interior foundation area even if such overflow results from the mechanical breakdown of the sump pump.

This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped; or
- b. Caused by or resulting from freezing except as provided in the peril of Freezing below; or
- c. On the **"residence premises"** caused by discharge or overflow which occurs off the **"residence premises"**.

- 13. 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.

- 14. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the **"residence premises"** if you have failed to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

- 15. Damage from artificially generated electrical current.**

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

## SECTION I - LOSSES WE DO NOT COVER

### LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION.

1. Unless otherwise stated in 3. below we do not insure for damage consisting of or caused directly or indirectly by any of the following, regardless of:
  - (i) The cause of the excluded event or damage that; or
  - (ii) Other causes of the loss that; or
  - (iii) Whether the event or damage occurs, suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to; or
  - (iv) Whether other causes or events act concurrently or in any sequence with the excluded event to produce the loss.
  - a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion does not apply if you have:
    - (1) Maintained heat in the building; or
    - (2) Shut off the water supply and drained the system and appliances of water;
  - b. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
    - (1) Swimming pool, hot tub, or spa, including their filtration and circulation system; or
    - (2) Fence, pavement, patio; or
    - (3) Foundation, retaining wall or bulkhead; or
    - (4) Pier, wharf or dock.
  - c. Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
  - d. Vandalism and malicious mischief or breakage of glass and safety glazing materials, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 180 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
  - e. Constant or repeated seepage or leakage of water or steam over a period of 14 days or more from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
  - f. Wear and tear, marring, deterioration;
  - g. Mechanical breakdown, latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;
  - h. Smog, rust, electrolysis or other corrosion;
  - i. Smoke from agricultural smudging or industrial operations;
  - j. Discharge, dispersal, seepage, migration, release or escape of **"pollutants"** unless the discharge, dispersal, seepage, migration, release or escape is itself caused by **"named peril(s)"** of this policy.
  - k. Birds, rodents, insects;



- l. Animals owned or kept by any "insured".
  - m. Vermin meaning animals, other than (m.) above, that access real or personal property for foraging or shelter and by their presence cause damage to such property. Vermin include, but are not limited to armadillos, bats, beavers, coyotes, ferrets, opossums, porcupines, raccoons, skunks and squirrels.
  - n. Nesting, infestation, discharge or release of waste products or secretions, by any birds, rodents, insects, vermin, or animals owned or kept by an "insured".
  - o. Pressure from, or presence or intrusion of, tree, shrub or plant roots.
2. If items 1.f. through 1.o. above cause water damage which is not otherwise excluded, we cover the resulting water damage, including the cost of tearing out and replacing any part of a building necessary to repair a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance. We do not cover loss to the system or appliance from which this water escaped.
3. If any item in 1. above directly causes a "named peril(s)" to occur, the resulting damage produced by the "named peril(s)" is covered unless otherwise excluded or excepted elsewhere in this policy.

#### LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION

- 1. We do not insure for damage consisting of or caused directly or indirectly by any of the following regardless of:
  - (i) The cause of the excluded event or damage that; or
  - (ii) Other causes of the loss that; or
  - (iii) Whether the event or damage occurs, suddenly or gradually, involves isolated or widespread damage, or occurs as a result of any combination of these to; or

- (iv) Whether other causes or events act concurrently or in any sequence with the excluded event to

produce the loss.

- a. **Ordinance or Law**, meaning the increased cost of demolition repairs or rebuilding due to the enforcement or compliance with any ordinance or law regulating the construction, repair or demolition of a building or other structure other than as provided in ADDITIONAL COVERAGES, Building Ordinance or Law.
- b. **Earth Movement** arising from or caused by or resulting from human or animal forces or any act of nature, meaning:
  - (1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
  - (2) Landslide; mudslide or mudflow;
  - (3) Subsidence, sinkhole, erosion or movement resulting from improper compaction, site selection or any other external forces;
  - (4) Earth sinking, rising or shifting, expanding or contracting of earth, all whether combined with water or not;

unless direct loss by fire, theft, explosion, or breakage of glass or safety glazing material which is part of building, storm door or storm window results and then we will pay only for the resulting loss.

- c. **Water Damage** arising from, caused by or resulting from human or animal forces, any act of nature, or any other source. Water damage means damage caused by or consisting of:
  - (1) Flood, surface water, waves, tidal water, storm surge, tsunami, any overflow of a body of water, or spray from any of these, whether or not driven by wind; or

- (2) Any release, overflow, escape or rising of water otherwise held, contained, controlled or diverted by a dam, levee, dike or by any type of water containment, water diversion or flood control device; or
- (3) Water or water-borne material which backs up through sewers or drains or which overflows from a sump pump, sump well or similar device designed to drain water from the foundation area; or
- (4) Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps through a building, sidewalk, driveway, foundation, swimming pool or other structure;

unless direct loss by fire, explosion or theft results from water damage and then we will pay only for the resulting loss.

- d. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "**residence premises**" except as provided in ADDITIONAL COVERAGES, Refrigerated Products.

If damage caused by a loss insured under Section I – LOSSES WE COVER results on the "**residence premises**", we will pay only for that damage.

- e. **Neglect**, by or failure of any "**insured**" to use all reasonable means to save and preserve property at and after the time of a loss or damage or the event resulting in loss or damage.
- f. **"War"** and any consequence of "**war**", except as provided in ADDITIONAL COVERAGES, War. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- g. **Nuclear Hazard**, meaning

- (1) 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 Section I – LOSSES WE COVER.
- (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.

- h. **Intentional Loss**, meaning loss arising out of any act any "**insured**" commits or conspires to commit with the intent to cause a loss. Even "**insureds**" who did not commit or conspire to commit the act causing the loss are not entitled to coverage.

This exclusion does not apply to an "**insured**" who has not cooperated in or contributed to the creation of an intentional loss, if that "**insured**" has:

- (1) Filed a police report, and
- (2) Cooperated with law enforcement investigation or prosecution

relating to any other "**insured**", causing the intentional loss.:

Payment to an "**insured**", under this exception to exclusion 1.h. will be limited to the insurable interest of the "**insured**" in such property, less any payments made to a mortgagee or other party with a legal secured interest in the property and subject to the other terms and conditions of this policy.

As a condition of payment for intentional loss caused by another "**insured**" under this exception to exclusion 1.h., we may require an assignment of rights of recovery to the extent payment is made by us.

- i. **Microbial Organisms**, including but not limited to mold, mold spores, fungus, bacterium or parasitic microorganisms.
  - j. **"Collapse"**, other than as provided in ADDITIONAL COVERAGES, **"Collapse"**.
  - k. **Diminution in value**, meaning any reduction in value that would remain after damaged property is repaired or replaced.
  - l. **Wet rot, dry rot, or deterioration**.
  - m. **Settling, cracking, shrinking, bulging** or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
2. We do not insure for loss caused by any of the following. However, any ensuing loss to property described in Dwelling Protection and Other Structures Protection not precluded by any other provision in this policy is covered.
- a. **Weather Conditions** which includes but is not limited to heat, cold, humidity, rain, ice, snow, sleet, wind, hail, or drought. However, this exclusion only applies if weather conditions contribute in any way with a cause or event

excluded in LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION, item 1. above to produce the loss.

- b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
- c. **Faulty, negligent, inadequate or defective**;
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or maintenance.

This limitation applies to loss or damage to any property on or off the **"residence premises"**.

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## SECTION I - CONDITIONS

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### 1. **Insurable Interest and Amount of Insurance.**

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

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

whichever is less.

Each time there is a loss to any building insured under Coverage A – Dwelling Protection or Coverage B – Other Structures Protection, the amount of insurance applicable to that building for loss by fire will be reduced by the amount of the loss. As repairs are made, the amount of insurance will be reinstated up to that amount of insurance shown on the Declarations page.

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

## 2. Residential Community Property Clause.

This policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this policy until the expiration of the policy or until cancelled in accordance with the terms and conditions of this policy.

## 3. Your Duties After Loss. In case of a loss to which this insurance may apply you must see that the following are done:

- a. Promptly notify us or our agent about the loss. This policy will not provide any coverage for your loss if you fail to notify us about the loss within one year after the loss actually occurs;
- b. Notify the police in case of loss by theft, vandalism, or any other criminal act;
- c. Notify the credit card or fund transfer card company in case of loss under ADDITIONAL COVERAGES, Credit Card Coverage and Identity Fraud Expense Coverage;
- d. (1) Protect the property from further damage;
- (2) Make reasonable and necessary repairs to protect the property; and
- (3) Keep an accurate record of repair expenses;
- e. Cooperate with us in the investigation of a claim;
- f. At our request prepare an inventory of claimed personal property showing the quantity, description, age, replacement cost and amount of loss. Include with the inventory all bills, receipts and related documents that support the items listed and substantiate the figures shown in the inventory;

## g. As often as we reasonably require:

- (1) Show the damaged property;
- (2) Provide us with records and documents we request and permit us to make copies; and
- (3) Submit to and sign, while not in the presence of any other "insured":
  - (a) Statements; and
  - (b) Examinations under oath; and
- (4) Produce employees, members of your household or others for examinations under oath to the extent it is within your power to do so.

## h. Send to us, within 91 days after our request, your signed proof of loss which sets forth, to the best of your knowledge and belief:

- (1) The time and cause of loss;
- (2) The interest of the "insured" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimate;
- (6) The inventory of claimed personal property described in 2.f. above;
- (7) Receipts for Additional Living Expenses and Temporary Living Expenses incurred and records that support the Fair Rental Value loss; and
- (8) Evidence or affidavit stating the amount and cause of loss that supports a claim under ADDITIONAL COVERAGES, Credit Card Coverage, and receipts, bills or other records that support your claim for expenses under Identity Fraud Expense Coverage.

#### 4. Our Duties After Loss:

- a. Within 15 days after we receive your written notice of claim, we must:
- (1) Acknowledge receipt of the claim. If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment.
  - (2) Begin any investigation of the claim.
  - (3) Specify the information you must provide in accordance with **Your Duties After Loss** (item 3. above).

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

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

5. **Loss Settlement.** We will not pay more than the amount of insurance that applies to the damaged, destroyed or stolen property as stated on the Declarations page unless such amount is increased due to ADDITIONAL COVERAGES or the Home Protector Coverage. Subject to the amount of insurance covered losses are settled as follows:

- a. For the following property:

- (1) Personal property; and
- (2) Awnings, outdoor antennas, satellite dishes, and outdoor equipment, whether or not attached to the buildings; and
- (3) Structures that are not buildings; and
- (4) All covered structures whether or not they are buildings, if located away from the "**residence premises**".

We will pay the lesser of:

- (1) The "**actual cash value**"; or
- (2) Our cost to replace the property with property of like kind, quality, age and condition; or
- (3) Our cost to repair or our cost to restore the property to the condition it was in just before the loss.

- b. All items under Dwelling Protection and buildings on the "**residence premises**" under Other Structures Protection. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:

- (1) When our cost to repair or replace the damaged property is less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
- (2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the "**actual cash value**", not to exceed our cost to repair or our cost to replace the damaged part of the property.

- (a) To receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within one year after the date of loss, unless during this period you request in writing that this time limit be extended for an additional 180 days, and notify us within 30 days after the work has been completed.
- (b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property whichever is less.

**6. Loss or Damage to a Pair or Set.** In case of loss or damage to a pair or set we may elect to:

- a. Repair or replace any part to restore the pair or set to its value before the loss; or
- b. Pay the difference between "**actual cash value**" of the property before and after the loss.

**7. Matching of Undamaged Property.** In case of damage to property, we will not pay to repair or replace undamaged property due solely to:

- a. Mismatch of color between undamaged material and new material used to replace faded, weathered or oxidized damaged material; or
- b. Mismatch between undamaged material and new material used to repair or replace damaged material due to outdated, obsolete or discontinued products.

**8. Appraisal.** If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each

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

Each party will:

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

Any fees for expert witnesses or attorneys will be paid by the party who hires them. Neither the umpire nor the appraisers will have a financial interest that is conditioned on the outcome of the specific matter for which they are called to serve.

This is not a provision providing for or requiring arbitration. The appraisers and umpire are only authorized to determine the "**actual cash value**", replacement cost, or cost to repair the property that is the subject of the claim. They are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us. The appraisal award cannot be used by either you or us in any proceeding concerning coverage, exclusions, forfeiture provisions, conditions precedent, or other contractual issues. However, once contractual liability is admitted or determined, the appraisal award is binding upon you and us. This appraisal process and authority granted to the appraisers and the umpire can only be expanded and modified by written mutual consent signed by you and us.

- 9. Other Insurance.** Other insurance includes the coverage and any deductible required by such other insurance.

If a loss covered by this policy, other than a loss covered by the ADDITIONAL COVERAGE, Credit Card Coverage and Identity Fraud Expense Coverage or golf cart coverage, is also covered by other insurance, we will pay only the proportion of the loss that the amount of insurance that applies under this policy bears to the total amount of insurance covering the loss.

Coverage provided by the ADDITIONAL COVERAGE, Credit Card Coverage and Identity Fraud Expense Coverage is excess over other insurance that covers the same loss. This coverage is also excess over any other contractual conditions, rights or benefits that provide relief from or indemnification for your obligations to pay any amounts to any third party resulting from a loss covered by this coverage. In no event will we pay more than the applicable amount of insurance.

This policy does not apply to motorized golf carts and their equipment and accessories when any other insurance also applies.

- 10. Suit Against Us.** No action can be brought against us unless you have:

- a. Given us notice of the loss;
- b. Complied with all other policy provisions; and
- c. Started action

within two years and one day after the cause of action accrues.

- 11. Our Option.** If we give you written notice within 30 days after we receive your notice of loss, we may repair or replace any part of the damaged property with like property.

- 12. 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.

If we notify you that we will pay your claim, we must pay with 5 "**business days**" after we notify you. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within 5 "**business days**" after the date you perform the act.

- 13. Abandonment.** You may not abandon property to us for any reason.

- 14. Mortgage Clause.** The word "mortgagee" includes trustee.

- a. We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown on the Declarations page as interests appear.
- b. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building or structure.
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgagee has the right to receive loss payment if the mortgagee:
  - (1) At our request pays any premiums due under this policy, if you have failed to do so.
  - (2) Submits a signed, sworn statement of loss within 91 days after receiving notice from us of your failure to do so.
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgagee.

All of the terms of this policy will then apply directly to the mortgagee.

Failure of the mortgagee to comply with c. (1), c.(2) or c.(3) above shall void this policy as to the interest of the mortgagee.

- d. If we pay the mortgagee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with terms of this policy.

- (1) The mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay.
- (2) The mortgagee's rights to recover the full amount of the mortgagee's claim will not be impaired.

At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- e. If this policy is canceled, we will give the mortgagee specifically named on the Declarations page written notice of cancellation.

If we cancel the policy, we will give the mortgagee the same number of days notice of cancellation we give to you.

If you cancel the policy, we will give the mortgagee notice of cancellation to be effective on the date stated in the notice.

The date of cancellation cannot be before the 10th day after the date we mail the notice.

We will not give notice of cancellation to any successor or assignee of the mortgagee named in this policy.

- f. If the property described under Coverage A – Dwelling is foreclosed under the deed of trust, the mortgagee may cancel this policy of insurance and will be entitled to any unearned premiums from this policy.

The mortgagee must credit any unearned premium against any deficiency owed by the borrower and return any unearned premium not so

credited to the borrower. The unearned premium will be figured using the customary pro rata procedures.

- g. If we elect not to renew this policy, the mortgagee specifically named on the Declarations page will be given 30 days written notice of the nonrenewal.

**15. 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.

**16. Salvage and Recovered Property.**

- a. We have an interest in the salvage value of any property for which we have made a payment under the Loss Settlement Condition. At our option, property that we have paid for or replaced becomes our property.
- b. 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 may be retained by you. If you retain the property, the loss payment, or any lesser amount to which we agree, must be refunded to us.

**17. Concealment, Misrepresentation or Fraud.** If you or any other "insured", whether before or after an "occurrence" or loss under this policy has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements which, if known by us, would have caused us not to:
  - (1) Issue the policy;
  - (2) Issue the policy in as large an amount;
  - (3) Provide coverage for the hazard resulting in the loss; or



- (4) Issue the policy for the same amount of premium or at the same rate

relating to the issuance of this policy or in the presentation of a claim, we may deny coverage or declare the entire policy void as to the interest of all **"insureds"** and refund the unearned premium as of the date of the conduct described in a., b., or c. above. Any unearned premium refund will be offset by any amounts paid to any **"insured"** under the policy after the date of the conduct described in a., b., or c. above.

We reserve all rights to seek recovery of the amount we pay from any person committing concealment, misrepresentation or fraud for all payments made and cost incurred.

- 18. Duties to Determine and Maintain Policy Limits.** It is your responsibility to determine and maintain adequate amounts of insurance to totally replace or repair your dwelling, other structures and personal property.
- 19. Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.
- 20. Catastrophe Claims.** If a claim results from a weather related catastrophe or a major natural disaster, each claim handling deadline shown under the **Your Duties After Loss, Our Duties After Loss** and **Loss Payment** provisions is extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- Is declared a disaster under the Texas Disaster Act of 1975; or
- Is determined to be a catastrophe by the Texas Department of Insurance.

- 21. Adjustment to Building Cost.** The amount of insurance for Section I, Dwelling Protection, shown in the Declarations of this policy, will be revised at each policy renewal to reflect the rate of change in the replacement cost of your dwelling. The resulting limit will be rounded to the next \$1,000.

Section I, Other Structures Protection, Personal Property and Loss of Use, will also be adjusted. The rules then in use by us will determine the new amounts for these coverages.

These amounts will not be reduced without your consent.

You have the right to refuse any resulting change in amount. You must do so before the effective date of such change.

We have the right to change to another replacement cost calculation tool as of any renewal date. We will give you at least 30 days prior written notice if we do this. Such change must apply to all similar policies issued by us.

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## SECTION II - LIABILITY COVERAGES

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### COVERAGE E - Personal Liability

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

- Pay up to our limit of liability for the **"damages"** for which the **"insured"** is legally liable; and

- Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for **"damages"** resulting from the **"occurrence"** equals our limit of liability. This coverage does not provide defense to any **"insured"** for criminal prosecution or proceedings.

## 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 expenses. 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 any **"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 any **"insured"**;
  - c. Is caused by a **"residence employee"** in the course of the **"residence employee's"** employment by any **"insured"**; or
  - d. Is caused by an animal owned by or in the care of any **insured**.

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## SECTION II - EXCLUSIONS

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

- a. Which is reasonably expected or intended by any **"insured"** even if the resulting **"bodily injury"** or **"property damage"**:

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

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

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

This exclusion does not apply to **"bodily injury"** resulting from the use of lawful reasonable force by any **"insured"** to protect persons or property.

- b. (1) Arising out of or in connection with a **"business"** engaged in by any **"insured"**. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the **"business"**.
- (2) Arising out of the rental or holding for rental of any part of any premises by any **"insured"**. This exclusion does not apply to the rental or holding for rental of any **"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.
- c. Arising out of the rendering or failure to render **"professional services"**;

- d. Arising out of a premises:
- (1) Owned by any **"insured"**; or
  - (2) Rented to any **"insured"**; or
  - (3) Rented to others by any **"insured"**;
- that is not an **"insured location"**;

- e. Arising out of:
- (1) The ownership, maintenance, use, loading or unloading of **"motor vehicles"** including trailers, owned or operated by or rented or loaned to any **"insured"**; or
  - (2) The entrustment by any **"insured"** of a **"motor vehicle"** to any person; or
  - (3) Vicarious liability, whether or not statutorily imposed, for the actions of anyone using a **"motor vehicle"** excluded in paragraph (1) or (2) above.

This exclusion does not apply to the permissive use, loading or unloading of:

- (1) A trailer not towed by or carried on a **"motor vehicle"**;
- (2) A **"motor vehicle"** designed for recreational use off public roads, not subject to motor vehicle registration and:
  - (a) Not owned by an **"insured"**; or
  - (b) Owned by any **"insured"** provided the **"occurrence"** takes place on any **"insured location"**; or
  - (c) Owned by any **"insured"** and designed or modified to operate at speeds not to exceed 15 miles per hour.
- (3) A motorized golf cart that is designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an **"occurrence"**, is within the legal boundaries of:

- (a) A golfing facility and is parked or stored there, or being used by any **"insured"** to:
  - (i) Play the game of golf or for other recreational or leisure activity allowed by the facility; or
  - (ii) Travel to and from an area where **"motor vehicles"** or golf carts are parked or stored; or
  - (iii) Cross public roads at designated points to access other parts of the golfing facility.
- (b) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an **"insured's"** residence.
- (4) A **"motor vehicle"** not subject to motor vehicle registration which is:
  - (a) Used to service any **"insured's"** residence; or
  - (b) Designed for assisting the handicapped; or
  - (c) In dead storage on an **"insured location"**.

- f. Arising out of:
- (1) The ownership, maintenance, use, loading or unloading of; or
  - (2) The entrustment by any **"insured"** to any person of; or
  - (3) Vicarious liability, whether or not statutorily imposed, for the actions of anyone using:

a **"watercraft"** or **"personal watercraft"**.

This exclusion does not apply to any **"watercraft"** owned or borrowed by, or rented to any **"insured"**:

- (1) With inboard, outboard or inboard-outdrive motor power of up to 50 horsepower; or
- (2) That is a sailing vessel, with or without auxiliary power, which is up to 35 feet in length.

This exclusion does not apply to any **"personal watercraft"** or **"watercraft"** that is being stored.

g. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of; or
- (2) The entrustment by any **"insured"** to any person; or
- (3) Vicarious liability, whether or not statutorily imposed, for the actions of anyone using:

an **"aircraft"** or **"hovercraft"**.

- h. Caused directly or indirectly by **"war"** including any consequence of **"war"**. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- i. Arising out of the transmission of a communicable disease by any **"insured"** through sexual contact.
- j. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a controlled substance(s). Controlled substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.
- k. Arising out of or caused by the commission of, attempting to flee from, or avoiding apprehension for a criminal act for which intent is a necessary element.

- l. Arising out of your failure, intentionally or unintentionally, to disclose information regarding the sale or transfer of real or personal property.

m. Arising out of any actual, alleged or threatened:

- (1) Sexual misconduct; or
- (2) Sexual harassment; or
- (3) Sexual molestation.

- n. Arising out of any actual, alleged or threatened physical or mental abuse. For purposes of this policy abuse means an act that is committed with the intent to cause harm.

Exclusions d., e., f., and g. do not apply to **"bodily injury"** to a **"residence employee"** arising out of and in the course of the **"residence employee's"** employment by any **"insured"**.

2. **Coverage E - Personal Liability** does not apply to:

a. Liability:

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

unless excluded in (1) above or elsewhere in this policy;

- b. **"Property damage"** to property owned by the **"insured"**.

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

d. **"Bodily injury"** to any person eligible to receive any benefits:

- (1) Voluntarily provided; or
- (2) Required to be provided, whether or not actually provided;

by any **"insured"** under any:

- (1) Workers' compensation law;
- (2) Non-occupational disability law; or
- (3) Occupational disease law.

e. **"Bodily injury"** or **"property damage"** for which any **"insured"** under this policy.

- (1) Is also an **"insured"** under a nuclear energy liability policy; or
- (2) Would be an **"insured"** under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

- (1) Nuclear Energy Liability Insurance Association;
- (2) Mutual Atomic Energy Liability Underwriters;
- (3) Nuclear Insurance Association of Canada; or any of their successors'.

f. **"Bodily injury"** to you or any **"insured"** within the meaning of part a., b., or c. of **"insured"** as defined.

g. **"Property damage"** arising out of the actual, alleged, or threatened discharge, dispersal, release, escape, seepage or migration of **"pollutants"** however caused and whenever occurring unless resulting from the peril of fire. Any loss cost or expense arising out of any:

- (1) Request, demand or order that any **"insured"** or others test for, monitor, clean up, remove, contain, treat, detoxify, or assess the effects of **"pollutants"**; or
- (2) 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 assess the effects of **"pollutants"**.

### 3. Coverage F - Medical Payments to Others does not apply to **"bodily injury"**:

a. To a **"residence employee"** if the **"bodily injury"**:

- (1) Occurs off the **"insured location"**; and
- (2) Does not arise out of or in the course of the **"residence employee's"** employment by an **"insured"**.

b. To any person eligible to receive benefits:

- (1) Voluntarily provided; or
- (2) Required to be provided;

under any:

- (1) Workers' compensation law; or
- (2) Non-occupational disability law; or
- (3) Occupational disease law.

c. From any:

- (1) Nuclear reaction; or
- (2) Nuclear radiation; or
- (3) Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

- (4) Any consequence of any of these.

- d. To any person, other than a **"residence employee"** of any **"insured"**, regularly residing on any part of the **"insured location"** or residing on any part of the **"insured location"** for a period in excess of thirty consecutive days prior to the date of loss, unless other permanent residency is established or claimed elsewhere.

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## SECTION II - ADDITIONAL COVERAGES

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Unless specifically addressed elsewhere in this policy, the coverages provided below are the only coverages provided for the following and do not reduce the limit of liability:

### 1. Claim Expenses. We pay:

- a. Expenses we incur and costs taxed against any **"insured"** in any suit we defend;
- b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. We need not apply for or furnish any bond;
- c. Reasonable expenses incurred by any **"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;
- d. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies;
- e. Prejudgment interest awarded against the **"insured"** on that part of the judgment we pay. If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.

2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by any **"insured"** for **"bodily injury"** covered under this policy. We will not pay for first aid to you or any other **"insured"**.

3. **Damage to Property of Others.** We will pay, at replacement cost, up to \$1,000 per **"occurrence"** for **"property damage"** to property of others caused by any **"insured"**.

We will not pay for **"property damage"**:

- a. To the extent of any amount recoverable under SECTION I of this policy;
- b. Caused intentionally by any **"insured"** who is 13 years of age or older.

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

- (1) Filed a police report; and
- (2) Cooperated with law enforcement investigation or prosecution relating to any other **"insured"** causing the intentional loss.
- c. To property owned by any **"insured"**;
- d. To property owned by or rented to a tenant of any **"insured"** or a resident in your household; or
- e. Arising out of:

- (1) A **"business"** engaged in by any **"insured"**;
- (2) Any act or omission in connection with a premises owned, rented or controlled by any **"insured"**, other than the **"insured location"**; or
- (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of **"aircraft"**, **"hovercraft"**, **"watercraft"**, **"personal watercraft"** or **"motor vehicle"**. 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 any **"insured"**; and
  - (c) At the time and place 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.

4. **Loss Assessment.** We will pay up to \$10,000 for your share of loss assessment charged against you by a corporation or association of property owners, when the assessment is made as a result of:

- a. **"Bodily injury"** or **"property damage"** caused by an **"occurrence"** not excluded under SECTION II of this policy; or
- b. Liability for an act committed by a director, officer or trustee during the policy period in the capacity as a director, officer or trustee, provided:

- (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
- (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

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

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

Regardless of the number of assessments, the limit of \$10,000 is the most we will pay for loss arising out of:

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

SECTION II, Coverage E – Personal Liability Exclusion 2.a.(1) does not apply to this coverage.

This coverage is not limited by the expiration of this policy.

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## SECTION II - CONDITIONS

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1. **Limit of Liability.** The Coverage E limit is shown in the Declarations. This is our limit for all damages from each **"occurrence"** regardless of the number of **"insureds"**, claims made or persons injured. All **"bodily injury"** and **"property damage"** resulting from any one accident or from continuous or repeated exposure to substantially the

same general harmful conditions shall be considered to be the result of one **"occurrence"**.

The Coverage F limit is shown in the Declarations. This is our limit for all medical expenses payable for **"bodily injury"** to one person as the result of one accident.

2. **Severability of Insurance.** This insurance applies separately to each "**insured**". This condition does not increase our limit of liability for any one "**occurrence**".

3. **Concealment, Misrepresentation or Fraud.** If you or any other "**insured**", whether before or after an "**occurrence**" or loss under this policy has:

- a. Concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements which if known by us, would have caused us not to:
  - (1) Issue the policy;
  - (2) Issue the policy in as large an amount;
  - (3) Provide coverage for the hazard resulting in the loss; or
  - (4) Issue the policy for the same amount of premium or at the same rate

relating to the issuance of this policy or in the presentation of a claim we may deny coverage as to the interest of all "**insureds**".

We reserve all rights to seek recovery from any person committing concealment, misrepresentation or fraud for all payments made and cost incurred.

4. **Duties After Loss.** In case of an accident or "**occurrence**", the "**insured**" will perform the following duties that apply. You will help us by seeing that these duties are performed:

- a. Give written notice to us or our agent as soon as is practical, which sets forth:
  - (1) The identity of the policy and "**insured**";
  - (2) Reasonably available information on the time, place and circumstances of the accident or "**occurrence**"; and

(3) Names and addresses of any claimants and witnesses.

- b. Cooperate with us in the investigation, settlement or defense of any claim or suit.
- c. Promptly forward to us every notice, demand, summons or other process relating to the accident or "**occurrence**".
- d. At our request, help us:
  - (1) To make settlement;
  - (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to any "**insured**";
  - (3) With the conduct of suits and attend hearings and trials;
  - (4) To secure and give evidence and obtain the attendance of witnesses;
- e. Under Damage to Property of Others, if we request, submit to us within 60 days after notice of the loss, a sworn statement of loss and show the damaged property, if in the "**insured's**" control.
- f. The "**insured**" will not, except at the "**insured's**" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "**bodily injury**".

5. **Duties of an Injured Person - Coverage F - Medical Payments to Others.** The injured person or someone acting for the injured person will:

- a. Give us written proof of claim, under oath if required, as soon as is practical; and
- b. Authorize us to obtain copies of medical reports and records.

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



- 6. Payment of Claim - Coverage F - Medical Payment to Others.** Payment under this coverage is not an admission of liability by any **"insured"** or us.
- 7. Suit Against Us.** No action can be brought against us unless there has been compliance with the policy provisions.
- No one will have the right to join us as a party to any action against any **"insured"**. Also, no action with respect to Coverage E can be brought against us until the obligation of the **"insured"** has been determined by final judgment or agreement signed by us.
- 8. Bankruptcy of any Insured.** Bankruptcy or insolvency of any **"insured"** will not relieve us of our obligations under this policy.

- 9. Other Insurance - Coverage E - Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
- 10. Notice of Settlement of Liability Claim.** We will notify the **"insured"** in writing of any initial offer to compromise or settle a claim against the **"insured"** under the liability section of this policy. We will give the **"insured"** notice within 10 days after the date the offer is made.
- We will notify the **"insured"** in writing of any settlement of a claim against the **"insured"** under the liability section of this policy. We will give the **"insured"** notice within 30 days after the date of the settlement.

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## SECTIONS I AND II - CONDITIONS

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- 1. Policy Period.** This policy applies only to loss in SECTION I or **"bodily injury"** or **"property damage"** in SECTION II, which occurs during the policy period.
- 2. 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:
- A subsequent edition of this policy; or
  - An amendatory endorsement.
- 3. 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.
- 4. Cancellation.**
- You may cancel this policy at any time by notifying us of the date cancellation is to take effect. We will send you any refund due when the policy is returned to us.
  - If this policy has been in effect for less than 60 days and is not a renewal policy we may cancel this policy if:
    - (1) We identify a condition that:
      - Creates an increased risk of hazard;
      - Was not disclosed in the application for insurance coverage and
      - Is not the subject of a prior claim; or

(2) Before the effective date of the policy, we have not accepted a copy of a required inspection report that:

- (a) Was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and
- (b) Is dated not earlier than the 90th day before the effective date of the policy.

An inspection report is deemed accepted, unless we reject it before the 11th day after the date we receive it.

c. We may also cancel this policy at any time for any of the following reasons

- (1) You do not pay the premium or any portion of the premium when due.
- (2) The Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
- (3) You submit a fraudulent claim.
- (4) There is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.

d. The effective date of cancellation cannot be before the 10th day after we mail the notice if we cancel for any of the reasons in c. or the 30th day after we mail notice if we cancel for any other reason. Our notice of cancellation must state the reason for cancellation.

This cancellation notice may be delivered to you, mailed to you by postal mail at your mailing address shown in the Declarations or electronically if we have your consent and agreement on file to receive documents electronically.

Proof of mailing, whether by postal mail or by electronic media or communication channel, will be sufficient proof of notice. Electronic notice will be provided upon placing it on our website pursuant to an electronic transaction agreement, or upon directing it to an electronic mailbox or voice channel that you designate for the purpose of receiving mail.

- e. If we cancel, our notice to you will state that if the refund is not included with the notice, it will be returned on demand.
- f. We may not cancel this policy solely because you are an elected official.

**5. Nonrenewal.** We may elect not to renew this policy. We may do so by letting you and any mortgagee named on the Declarations page, know in writing 30 days before policy termination. This nonrenewal notice may be delivered to you, or mailed to you by postal mail at your last known address shown in the Declarations or provided to you electronically if we have your consent and agreement on file to receive documents electronically.

Proof of mailing, whether by postal mail or by electronic media or communication channel, will be sufficient proof of notice. Electronic notice will be provided upon placing it on our website pursuant to an electronic transaction agreement, or upon directing it to an electronic mailbox or voice channel that you designate for the purpose of receiving mail.

If we fail to give you proper notice of our decision not to renew, you may require us to renew this policy.

- a. We may not refuse to renew this policy because of claims for losses resulting from natural causes.
- b. We may not refuse to renew this policy because you are an elected official.

- c. We may refuse to renew this policy if you have filed three or more claims under the policy in any three year period that do not result from natural causes.

If you have filed two claims in a period of less than three years, we may notify you in writing, that if you file a third claim during the three-year period, we may refuse to renew this policy by providing you proper notice of our refusal to renew as provided above. If we do not notify you after the second claim, we may not refuse to renew this policy because of losses.

A claim does not include a claim that is filed but is not paid or payable under the policy.

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

If an assignment is sought, an **"insured"** must:

- a. Sign and deliver all related papers;
- b. Cooperate with us in a reasonable manner; and
- c. Do nothing after a loss to prejudice such rights.

7. **Spouse Access.** The **"member"** and we agree that the **"member"** and resident spouse are customers and applicants for purposes of state and federal privacy and insurance laws. The resident spouse will have access to the same information available to the **"member"** and may conduct the same transactions as the **"member"** including making coverage changes, signing regulatory forms, terminating the policy, and selecting delivery preferences for policy documents.

The **"member"** may notify us that he/she no longer wants the resident spouse to have access or transaction authority on his/her policy, and we will not permit the resident spouse to access policy information or conduct transactions on this policy.

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

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

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

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HO-ACPTX (07-12)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**Amendment to Contract Provisions**

Texas

(Applies to HO-3RTX & HO-6RTX unless otherwise noted)

**DEFINITIONS**

5. **"Collapse"** is deleted and replaced by the following:

5. **"Collapse"** means:

- a. A sudden falling or caving in; or
- b. A sudden breaking apart or deformation such that the building or part of a building is in imminent peril of falling or caving in and is not fit for its intended use.

a. Used solely to service any residence; or

b. Designed for assisting the handicapped.

Subject to the provisions under Special Amounts of Insurance we also cover:

- a. Motorized golf carts and their equipment and accessories; and
- b. Motorized vehicles designed or modified to operate at speeds not to exceed 15 miles per hour and for use off public roads.

**SECTION I**

**SECTION I - PROPERTY WE COVER**

**COVERAGE C - Personal Property Protection**

**Under Property We Do Not Cover:**

Item 1. is deleted.

Item 3. is deleted and replaced by the following:

3. **"Motor vehicle(s)".** This includes but is not limited to the following while in or upon a **"motor vehicle"**.

- a. Equipment, accessories, and parts; or
- b. Any device or instrument for the transmitting, recording, receiving or reproduction of data, sound or pictures which is permanently installed in a **"motor vehicle"**. We do not cover antennas, tapes, wire, discs or other media, for use with any such device or instrument.

We do cover **"motor vehicle(s)"** or all other motorized land conveyances not subject to motor vehicle registration which are:

The following is added to **Property We Do Not Cover:**

Controlled substances included on Schedule I as defined by 21 United States Code Section 812, and as changed, updated, and republished by 21 Code of Federal Regulations Part 1308 at the time of loss. This exclusion applies whether or not state law allows use of the substance.

**Under COVERAGE D - Loss of Use Protection:**

The lead-in paragraph is deleted and replaced by the following:

The SECTION I – LOSSES WE DO NOT COVER apply to the coverage provided under Loss of Use below. The amount of insurance for Loss of Use shown in the Declarations is the total limit for the coverages that follow.

Item 3. **Prohibited Use** is deleted and replaced by the following:

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3. **Prohibited Use.** If a loss covered under SECTION I – LOSSES WE COVER results in an order from a civil authority prohibiting you from the use of the **"residence premises"** as a result of direct damage to neighboring premises by a loss covered under SECTION I – LOSSES WE COVER, we cover the Additional Living Expense or Fair Rental Value loss as provided under 1. and 2. above for not more than two weeks.

#### ADDITIONAL COVERAGES

The lead-in paragraph is deleted and replaced by the following:

Unless specifically addressed elsewhere in this policy, the coverages provided below are the only coverages provided for the following. The SECTION I – LOSSES WE DO NOT COVER apply to these coverages unless otherwise stated.

HO-3RTX only:

Under **12. Glass or Safety Glazing Material** the third paragraph is deleted and replaced by the following:

This coverage does not include loss on the **"residence premises"** if the dwelling has been vacant for more than 180 consecutive days immediately before the loss. An insured dwelling being constructed is not considered vacant.

HO-6RTX only:

Under **11. Glass or Safety Glazing Material** the third paragraph is deleted and replaced by the following:

This coverage does not include loss on the **"residence premises"** if the building containing the **"residence premises"** has been vacant for more than 180 consecutive days immediately before the loss. An insured dwelling being constructed is not considered vacant.

HO-3RTX only:

Under **17. War**, item b. is deleted and replaced by the following:

- b. Abandonment as a consequence of **"war"**;

#### SECTION I - LOSSES WE COVER

##### COVERAGE C - PERSONAL PROPERTY PROTECTION

Under **9. Theft**, item a. is deleted and replaced by the following:

- a. Committed by any **"insured"** or any other person regularly residing on any part of the **"insured location"** for a period in excess of thirty consecutive days, even if other permanent residency is established or claimed elsewhere.

Under **14. Freezing** is deleted and replaced by the following:

- 14. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the **"residence premises"** while the dwelling is unoccupied, if you have failed to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

#### SECTION I - LOSSES WE DO NOT COVER

HO-3RTX

##### LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION

Item 1.a. is deleted and replaced by the following:

- a. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed and then, only if you have failed to:

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

## SECTION I - CONDITIONS

Item 9. **Other Insurance** is deleted and replaced by the following:

- 9. **Other insurance.** Other insurance includes the coverage and any deductible required by such other insurance.

If a loss covered by this policy is also covered by other insurance, we will pay as follows:

- a. Coverage provided by the ADDITIONAL COVERAGE, Credit Card Coverage and Identity Fraud Expense Coverage is excess over other insurance that covers the same loss. This coverage is also excess over any other contractual conditions, rights or benefits that provide relief from or indemnification for your obligations to pay any amounts to any third party resulting from a loss covered by this coverage. In no event will we pay more than the applicable amount of insurance; or
- b. For a loss to personal property that is separately described and specifically insured by other insurance, whether or not that policy is primary or excess, we will be excess over that insurance for a loss that is also covered under this policy; or

- c. For all other coverage we will pay only the proportion of the loss that the amount of insurance that applies under this policy bears to the total amount of insurance covering the loss; or
- d. This policy does not apply to motorized golf carts and their equipment and accessories when any other insurance also applies.

The following condition is added:

### Reducing The Risk Of Loss

We may occasionally provide you with products or services that assist you in preventing or reducing the risk of loss, and may provide an incentive for your use of these items.

## SECTION II - EXCLUSIONS

- 1. **Coverage E - Personal Liability and Coverage F - Medical Payments to Others**, in item e.:

This exclusion does not apply to the permissive use, loading or unloading of:

is deleted and replaced by the following:

This exclusion does not apply to the ownership, maintenance, permissive use, loading or unloading of:

## SECTION I and II - CONDITIONS

- 6. **Subrogation** is changed in the HO-3RTX only:

Under item 6. **Subrogation**, the first paragraph is deleted and replaced by the following:

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

Item **8. Assignment** is deleted and replaced by the following:

- 8. Assignment.** Assignment of any claim or this policy will not be valid unless we give our written consent.

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**HO-SLS3TX**  
(07-12)

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**  
**SPECIAL LOSS SETTLEMENT**  
**(HO-3RTX only)**

**Coverage D - Loss of Use Protection , 1.**  
**Additional Living Expense** is deleted and replaced by the following:

1. **Additional Living Expense.** If a loss covered under Section I – LOSSES WE COVER makes that part of the **"residence premises"** where you reside uninhabitable, we cover the reasonable and necessary increase in living expenses 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, not to exceed 12 months.

However, if a loss covered under Section I – LOSSES WE COVER results from an event which is assigned a Property Claims Service (PCS) catastrophe code, 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 not to exceed 24 months. This extension does not increase the amount of insurance provided under Loss of Use Protection.

**TOTAL LOSS - LOSS SETTLEMENT**

**Coverage A - Dwelling Protection**

In the event that your dwelling is completely destroyed solely by Fire or Windstorm to the extent that it has lost its identity and specific character as a building, for Coverage A – Dwelling Protection only, SECTION I – Conditions, 5. Loss Settlement, item b. is deleted and replaced by the following:

- b. Under Coverage A – Dwelling Protection: We will pay you the total amount of insurance for **Coverage A - Dwelling Protection** shown in the Declarations.

To receive any additional Coverage A – Dwelling Protection payments for loss to your dwelling under any endorsement or other provisions of this policy, you must complete the actual repair or replacement of the dwelling. The replacement or repair must be completed within two years of the date of loss, unless during this period you request in writing that this time limit be extended for an additional 180 days. You must then notify us within 30 days after the work has been completed.

When repair or replacement is actually completed, we will pay the lesser of:

- (1) The covered additional amount you actually and necessarily spend; or the amount it would cost us to repair or replace the dwelling,
- (2) In no event will we pay more than the applicable coverage limits stated in the policy or endorsements.

**Coverage C - Personal Property Protection**

In the event that your dwelling is completely destroyed solely by Fire or Windstorm to the extent that it has lost its identity and specific character as a building, and your personal property is destroyed to the extent the property cannot be repaired to its condition prior to the loss we will pay your claim under the following terms:

Items a., b. and c. of the LOSS SETTLEMENT provision of the REPLACEMENT COST COVERAGE – PERSONAL PROPERTY endorsement is deleted and replaced by the following:



We will pay 75% of the amount of insurance for Coverage C – Personal Property Protection as shown in the Declarations, if this is your primary residence and all of your personal property is located in your dwelling located on the **"residence premises"** at the time of loss.

However, if part of your personal property covered by this endorsement is at another location, or in an undamaged structure on the **"residence premises"** at the time of the loss, payment will be 75% of the Coverage C – Personal Property Protection limit less the covered replacement cost of the personal property not destroyed.

To receive additional payment which exceeds 75% of Coverage C – Personal Property Protection limit, the provisions and terms of the REPLACEMENT COST COVERAGE – PERSONAL PROPERTY endorsement will apply. However, Item b. of the LOSS SETTLEMENT provision is deleted and replaced by:

- b. We will pay no more than **"actual cash value"** until repair or replacement of the damaged property is completed.

In no event will we pay more than the applicable coverage limits stated in the policy or endorsements.

**Liberalization Clause.**

The provisions of this endorsement will automatically apply to your insurance as of the date we implement this change in your state.

Unless specifically modified by this endorsement all other provisions of the policy to which this endorsement is attached shall apply.

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

**TEXAS SPECIAL PROVISIONS**

**DEFINITIONS**

Item 1. **"Actual cash value"** is deleted and replaced by the following:

1. **"Actual cash value"** is calculated as the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for obsolescence and a **"deduction for depreciation"**.

The **"deduction for depreciation"** will be determined as follows:

For property covered under Coverage A – Dwelling Protection or Coverage B – Other Structures Protection, the deduction will be based on the age and condition of the materials making up the damaged property and will apply to materials, labor, sales tax, and overhead and profit that are included in the cost to repair or replace the damaged property.

For property covered under Coverage C – Personal Property Protection, the deduction will be based on the age and condition of the damaged item and will apply to the cost of the item and any sales tax that is included in the cost to repair or replace the damaged item.

**"Actual cash value"** applies to valuation of covered property regardless of whether that property has sustained a partial or total loss. The **"actual cash value"** of lost or damaged property may be significantly less than its replacement cost.

Item 4. **"Business"** is deleted and replaced by the following:

4. **"Business"** means:

Any full or part-time activity arising out of or related to any trade, profession or occupation of any **"insured"**.

**"Business"** does not include:

- a. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
- b. Home day care services for which no compensation is received, other than the mutual exchange of such services;
- c. The rendering of home day care services to a relative of an **"insured"**; or
- d. **"Home exchange"** or **"home-sharing host activities"**.

Item 16. **"Pollutants"** is deleted and replaced by the following:

16. **"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.

**"Pollutants"** does not include:

- a. **"Pollutants"** that escape from heating and air conditioning systems and appliances; or
- b. Common household chemicals used to maintain the **"residence premises"**.

## ADDITIONAL COVERAGES

Item 7. **Loss Assessment** is deleted in its entirety and replaced by the following:

7. **Loss Assessment.** We will pay up to \$50,000 for your share of loss assessment charged against you by a corporation or association of property owners. This coverage applies for an event that occurs during the policy period, when the assessment is made as a result of "**sudden and accidental**" direct physical loss to the property owned by all members collectively. This loss must be caused by a loss under Section I – **LOSSES WE COVER for DWELLING PROTECTION** coverage and **OTHER STRUCTURES PROTECTION** coverage, subject to all provisions of the policy.

This coverage does not apply to assessments made as a result of damage caused by:

- a. Earthquake; or
- b. Land shock waves or tremors before, during or after a volcanic eruption.

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

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

The limit of \$50,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

This coverage is not limited by the expiration of this policy.

This coverage is an additional insurance and does not reduce the amount of insurance.

No deductible applies to this coverage.

## SECTION I - LOSSES WE DO NOT COVER

For form HO-3RTX under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION** item 1. m is deleted and replaced by the following:

- 1.m. Vermin meaning animals, other than l. above, that access real or personal property for foraging or shelter and by their presence cause damage to such property. Vermin include, but are not limited to armadillos, bats, beavers, coyotes, ferrets, opossums, porcupines, raccoons, skunks and squirrels;

Under item 1 the following is added:

- 1.p. Lifting or unsealing of any type of roofing shingle unless there is damage to the lifted or unsealed shingle consisting of creasing, tearing or ripping.

For form HO-3RTX under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION** and in form HO-6RTX under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND PERSONAL PROPERTY PROTECTION**, item 1.i. **Microbial Organisms** is deleted and replaced by the following:

- 1.i. **Microbial Organisms**, including but not limited to mold, mold spores, fungus, bacterium or parasitic microorganisms. However, we will repair or tear out and replace "**property damage**" resulting from a covered loss even if microbial organisms are present.

For form HO-3RTX under **LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION**:

Item 2.a. is deleted and replaced by the following:

**2.a. Weather Conditions** which includes but is not limited to heat, cold, humidity, rain, ice, snow, sleet, wind, hail or drought. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION item 1. above to produce the loss.

## SECTION I - CONDITIONS

Under **3. Your Duties After Loss**, items 3.a. and 3.g. are deleted and replaced by the following:

- a. Promptly notify us or our agent about the loss. This policy will not provide any coverage for your loss if you fail to notify us about the loss within one year after the loss actually occurs unless good cause can be shown by you or the person filing the claim ;
  - g. As often as we reasonably require:
    - (1) Show the damaged property:
    - (2) Provide us with records and documents we request and permit us to make copies; and
    - (3) Submit to and sign, while not in the presence of any other **"insured"** other than a minor, who must have a parent or guardian present
      - (a) Statements; and
      - (b) Examinations under oath;
- and
- (4) Produce employees, members of your household or others for examinations under oath to the extent it is within your power to do so.

For form HO-3RTX under **5. Loss Settlement**, item b. is deleted and replaced by the following:

- b. All items under Dwelling Protection and buildings on the **"residence premises"** under Other Structures Protection. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:
  - (1) When our cost to repair or replace the damaged property is equal to or less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
  - (2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the **"actual cash value"**, not to exceed our cost to repair or our cost to replace the damaged part of the property.
    - (a) To receive any additional payments on a replacement cost basis, you must notify us as soon as practical after the work has been completed but not later than 60 days.
      - (i) You must complete the actual repair or replacement of the damaged part of the property within one year after the date we tender payment of **"actual cash value"**, unless during this period you request in writing that this time limit be extended for an additional 180 days; or
      - (ii) For a loss which results from an event assigned a Property Claims Service (PCS) catastrophe code, you must complete the actual repair or replacement of the damaged part of the property within 18 months after the date we tender payment of **"actual cash value"**, unless during this period you request in writing that this time limit be extended for an additional 180 days.

- (b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property, whichever is less.

repair or replacement of the damaged part of the property within 18 months after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days.

For form HO-6RTX under **5. Loss Settlement**, item b. is deleted and replaced by the following:

- b. All items under **Coverage A - Dwelling Protection**. We will pay our cost to repair or our cost to replace the damaged property with similar construction and for the same use on the premises shown in the Declarations, subject to the following:

- (1) When our cost to repair or replace the damaged property is equal to or less than \$5,000 we will pay you the full replacement cost amount without deduction for depreciation.
- (2) When our cost to repair or our cost to replace the damaged property is greater than \$5,000, and until actual repair or replacement is completed, we will pay only the "**actual cash value**", not to exceed our cost to repair or our cost to replace the damaged part of the property.
  - (a) To receive any additional payments on a replacement cost basis, you must notify us as soon as practical after the work has been completed but not later than 60 days.
    - (i) You must complete the actual repair or replacement of the damaged part of the property within one year after the date we tender payment of "**actual cash value**", unless during this period you request in writing that this time limit be extended for an additional 180 days; or
    - (ii) For a loss which results from an event assigned a Property Claims Service (PCS) catastrophe code, you must complete the actual

- (b) When repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or our cost to repair or replace the damaged part of the property, whichever is less.

Item **10. Suit Against Us** is deleted and replaced by the following:

**10. Suit Against Us.** No action can be brought against us unless you have:

- a. Given us notice of the loss;
- b. Complied with all other policy provisions; and
- c. Started action before the earlier of:
  - (1) two years from the date we accept or reject the claim; or
  - (2) three years from the date of loss that is the subject of the claim.

Item **17. Concealment, Misrepresentation or Fraud** is deleted and replaced by the following:

**17. Concealment, Misrepresentation or Fraud.** To the extent permitted by Texas Insurance Code, sections 705.003 and 705.004, if you or any other "**insured**", whether before or after an "**occurrence**" or loss under this policy has:

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct;

c. Made material false statements which, if known to us, would have caused us not to:

- (1) Issue the policy;
- (2) Issue the policy in as large an amount;
- (3) Provide coverage for the hazard resulting in the loss; or
- (4) Issue the policy for the same amount of premium or at the same rate

relating to the issuance of this policy or in the presentation of a claim, we may deny coverage or declare the entire policy void as to the interests of all **"insureds"** and refund the unearned premium as of the date of the conduct described in a., b., or c. above.

We reserve all rights to seek recovery of the amount we pay from any person committing concealment, misrepresentation or fraud for all payments made and cost incurred.

## SECTION II - EXCLUSIONS

Under **1. Coverage E - Personal Liability and Coverage F - Medical Payments to Others** do not apply to **"bodily injury"** or **"property damage"**, item 2. g. is deleted and replaced by the following:

**2.g. "Property damage"** arising out of the actual, alleged, or threatened discharge, dispersal, release, escape, seepage or migration of **"pollutants"** however caused and whenever occurring. This includes any loss cost or expense arising out of any:

- (1) Request, demand or order that any **"insured"** or others test for, monitor, clean up, remove, contain, treat, detoxify, or assess the effects of **"pollutants"**; or

- (2) 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 assess the effects of **"pollutants"**.

This exclusion does not apply to **"property damage"** caused by heat, smoke, fumes or soot from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

This exclusion does not apply to liability resulting from the use of products normally used in the cleaning or maintenance of the household or **"residence premises"**.

## SECTION II - ADDITIONAL COVERAGES

Item **4. Loss Assessment** is deleted in its entirety and replaced by the following:

**4. Loss Assessment.** We will pay up to \$50,000 for your share of loss assessment charged against you by a corporation or association of property owners, when the assessment is made as a result of:

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

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

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

Regardless of the number of assessments, the limit of \$50,000 is the most we will pay for loss arising out of:

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

SECTION II, Coverage E – Personal Liability Exclusion 2.a.(1) does not apply to this coverage.

This coverage is not limited by the expiration of this policy.

## SECTION II - CONDITIONS

Item 3. **Concealment, Misrepresentation or Fraud** is deleted in its entirety and replaced by the following:

**3. Concealment, Misrepresentation or Fraud.** To the extent permitted by Texas Insurance Code, sections 705.003 and 705.004, if you or any other **"insured"**, whether before or after an **"occurrence"** or loss under this policy has:

- a. concealed or misrepresented any material fact or circumstance;

b. Engaged in fraudulent conduct or made material false statements which may cause us to waive or lose a valid defense; or

c. Made material false statements which if known by us, would have caused us not to:

- (1) Issue the policy;
- (2) Issue the policy in as large an amount;
- (3) Provide coverage for the hazard resulting in the loss; or
- (4) Issue the policy for the same amount of premium or at the same rate

relating to the issuance of this policy or in the presentation of a claim we may deny coverage as to the interest of all **"insureds"**.

We reserve all rights to seek recovery from any person committing concealment, misrepresentation or fraud for all payments made and cost incurred.

## SECTIONS I AND II - CONDITIONS

Under 4. **Cancellation** item 4. e. is deleted and replaced by the following:

4.e. If we cancel, our notice to you will state that if the refund is not included with the notice, it will be returned on demand or not later than the 15th business day after the date of cancellation.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.



HO-WDSM (06-16)

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

**WILDFIRE RESPONSE PROGRAM**

(HO-3 and HO-9 only)

**SECTION I - DEFINITIONS**

With respect to the coverage provided by this endorsement, the following definitions are added:

**"Wildfire"** means an uncontrolled, rapidly spreading fire through woodland, brush or residential areas.

**"Wildfire response supplier"** means a supplier we have contracted with to perform wildfire suppression and structural protection services. The **"wildfire"** response supplier determines what wildfire activity has the potential to threaten your **"residence premises"** and determines the most appropriate methods to mitigate fire loss.

**SECTION I - CONDITIONS**

The following condition is added:

If an active **"wildfire"**:

- a. is within 3 miles of your **"residence premises"**; or
- b. causes a civil authority to prohibit you from use of the **"residence premises"**;

you authorize our **"wildfire response supplier's"** certified firefighters to access your **"residence premises"** to perform nondestructive **"wildfire"** suppression and structural protection services, including but not limited to:

- a. debris removal;
- b. fuel source mitigation; and
- c. closing structure openings.

This Condition is not a promise that **"Wildfire"** services will be provided or will prevent damage.

The wildfire response program may be discontinued at any time without further notice.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

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HO-WDSM (06-16)

130770-0416\_\_01  
Page 1 of 1



HO-HSTX (04-18)

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

**SHARING ECONOMY ENDORSEMENT**

**Texas**

(Applies to HO-3RTX and HO-6RTX unless otherwise noted.)

**DEFINITIONS**

The following definitions are added:

**"Home-sharing host activities"** means the rental or holding for rental of the **"residence premises,"** in whole or in part, by any **"insured"** to a **"home-sharing occupant"**. **"Home-sharing host activities"** include **"home exchange,"** but do not include a full-time bed and breakfast, hostel, or boarding house. **"Home-sharing host activities"** also do not include any group home, assisted living, nursing, or hospice care facility.

**"Home-sharing occupant"** means a person other than an **"insured"**, who has entered into an agreement or arrangement to compensate an **"insured"** for **"home-sharing host activities"** for a period of not more than thirty consecutive days. **"Home-sharing occupant"** also includes someone who is accompanying a person who has entered into such an agreement or arrangement.

**"Home exchange"** occurs when you and another person agree to exchange homes temporarily, either simultaneously or not, with or without monetary compensation. **"Home exchange"** applies only to the **"residence premises"**.

**SECTION I - PROPERTY WE COVER**

For form HO-6RTX, under COVERAGE A – Dwelling Protection, We Do Not Cover, item 2 is deleted and replaced by:

2. Structures rented or held for rental to any person not a tenant of the **"residence premises"**, unless used solely as a private

garage. This exclusion does not apply to structures rented to, or held for rental to a **"home-sharing occupant"**.

For forms HO-3RTX and HO-6RTX under **Property We Do Not Cover** items 6. and 7. are deleted and replaced by the following:

6. Personal property of roomers, roommates, boarders, other tenants, **"home exchange"** participant other than an insured, or **"home-sharing occupants."** This does not apply to property of roomers, roommates, boarders or other tenants who qualify as **"insureds"**.
7. Personal property in an apartment regularly rented or held for rental to others by any **"insured"**, except as used for **"home-sharing host activities"** or as provided in ADDITIONAL COVERAGES, Landlord's Furnishings.

**ADDITIONAL COVERAGES**

For form HO-3RTX, item 13. **Landlord's Furnishings** is deleted and replaced by the following:

13. **Landlord's Furnishings.** We will pay up to \$10,000 for your appliances, your carpeting, and other household furnishings located in an apartment, room, or guest quarters on the **"residence premises"** regularly rented or held for rental to others by an **"insured"**, for loss caused by **"named peril(s)"**.

The \$10,000 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 reduces the Personal Property Protection amount of insurance.

The policy deductible applies.

## SECTION I - LOSSES WE COVER

Under **COVERAGE C - PERSONAL PROPERTY PROTECTION**, item 9. **Theft** is deleted in its entirety and replaced by the following:

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

This peril does not include loss caused by theft:

- a. Committed by any **"insured"**; or
- b. Committed by any other person regularly residing on any part of the **"insured location"** for a period in excess of thirty consecutive days, even if other permanent residency is established or claimed elsewhere; or
- c. In or to a dwelling under construction, or materials and supplies for use in the construction until the dwelling is finished and occupied; or

Theft of personal property committed by a **"home exchange"** participant other than an **"insured"**, or **"home-sharing occupant"** is covered up to \$10,000 subject to **Special Amounts of Insurance**.

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

- a. Property while at any other residence owned by, rented to, or occupied by any **"insured"** unless the **"insured"** has stayed at the temporary residence at any time during the 60 days immediately before the loss;

- b. **"Watercraft"**, or **"personal watercraft"** including their furnishings, equipment and outboard motors; or
- c. Trailers and campers.

## SECTION II - EXCLUSIONS

Under **Coverage E - Personal Liability and Coverage F - Medical Payments to Others** item 1.b. is deleted and replaced by the following:

- 1.b. (1) Arising out of or in connection with a **"business"** conducted from an **"insured location"** or engaged in by any **"insured"**, whether or not the **"business"** is owned or operated by an **"insured"** or employs an **"insured"**. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the **"business"**.
- (2) Arising out of the rental or holding for rental of any part of any premises by any **"insured"**, except for:
- (a) **"Home-sharing host activities"**;
  - (b) **"Home exchange"**; or
  - (c) An **"insured location"**, used in part, as an office, studio, or private garage.

## SECTION II - ADDITIONAL COVERAGES

Item 3. **Damage to Property of Others** is deleted in its entirety and replaced by the following:

3. **Damage to Property of Others**. We will pay, at replacement cost, up to \$1,000 per **"occurrence"** for **"property damage"** to property of others caused by any **"insured"**.

We will not pay for **"property damage"**:

- a. To the extent of any amount recoverable under SECTION I of this policy;
- b. Caused intentionally by any **"insured"** who is 13 years of age or older.  
  
However, this exclusion does not apply to an **"insured"** who did not cooperate in or contribute to the creation of the loss if that **"insured"** has:
  - (1) Filed a police report; and
  - (2) Cooperated with law enforcement investigation or prosecution relating to any other **"insured"** causing the intentional loss.
- c. To property owned by any **"insured"**;
- d. To property owned by or rented to a tenant, roomer, boarder, or **"home exchange"** participant other than an **"insured"**, if residing on any part of the **"insured location"** for a period in excess of thirty consecutive days prior to the date of loss; or

e. Arising out of:

- (1) A **"business"** engaged in by any **"insured"**;
- (2) Any act or omission in connection with a premises owned, rented or controlled by any **"insured"**, other than the **"insured location"**; or
- (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of **"aircraft"**, **"hovercraft"**, **"watercraft"**, **"personal watercraft"** or **"motor vehicle"**. 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 any **"insured"**; and
  - (c) At the time and place 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.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

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HO-208TX (07-12)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WATER BACKUP OR SUMP PUMP OVERFLOW**  
Texas

**SECTION I**

This endorsement applies to **PROPERTY WE COVER - Dwelling Protection, Other Structures Protection, Personal Property Protection and Loss of Use Protection**.

The following additional coverage is added:

We insure for direct, physical loss caused by:

1. Water or water-borne material which flows into the plumbing system of your dwelling or other structures through sewers or drains located off the "**residence premises**"; or
2. Water which overflows from a sump pump or sump well with a sump pump designed to drain subsurface water from the foundation area even if such overflow results from the mechanical breakdown of the sump pump or a disruption in power. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This coverage does not apply to loss caused directly or indirectly by any of the following, regardless of whether any other causes or events act concurrently or in any sequence with the excluded event to produce the loss:

1. A general condition of flooding meaning a temporary condition of complete inundation of:
  - a. two or more acres of normally dry land area; or
  - b. two or more propertiesthat includes the inundation of the part of the "**residence premises**" where the "**insured's**" dwelling is located. This applies even if there is a mechanical breakdown or a disruption of power; or

2. the negligence of any "**insured**".

**AMOUNT OF INSURANCE**

\$10,000 is the most we will pay for any one loss whether resulting from a single condition or series of related conditions.

**SECTION I - LOSSES WE DO NOT COVER**

For loss covered by this endorsement, if your policy is the:

HO-3RTX:

LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND OTHER STRUCTURES PROTECTION, item 1.g. is deleted and replaced by the following:

- g. latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;

HO-6RTX:

If your policy includes the **Unit-Owners Coverage A - Special Dwelling Protection** endorsement, LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, item 1.g. is deleted and replaced by the following:

- g. latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;

If the policy includes the **Special Personal Property Coverage** endorsement, under LOSSES WE DO NOT COVER, item r. is deleted and replaced by the following:

- r. latent defect, inherent vice, or any quality of the property that causes it to damage or destroy itself;

Except to the extent of additional coverage provided by the terms of this endorsement **Water Damage** is excluded as provided in HO-3RTX:

LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION, OTHER STRUCTURES PROTECTION AND PERSONAL PROPERTY PROTECTION **1.c. Water Damage**.

Exclusion **1.d. Power Failure** is deleted and replaced by the following:

- d. Power Failure**, meaning the failure of power or other utility service if the failure takes place off the residence premises except as provided in ADDITIONAL COVERAGES, Refrigerated Products and Water Backup or Sump Pump Overflow.

Except to the extent of additional coverage provided by this endorsement, **Water Damage** is excluded as provided in HO-6RTX:

LOSSES WE DO NOT COVER UNDER DWELLING PROTECTION AND PERSONAL PROPERTY PROTECTION **1.c. Water Damage**.

Exclusion **1.d. Power Failure** is deleted and replaced by the following:

- d. Power Failure**, meaning the failure of power or other utility service if the failure takes place off the residence premises except as provided in ADDITIONAL COVERAGES, Refrigerated Products and Water Backup or Sump Pump Overflow.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

**Term Premium** NO CHARGE

HO-728TX (07-12)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPLACEMENT COST COVERAGE - PERSONAL PROPERTY**

Texas

We will settle losses to covered property at full replacement cost without deduction for depreciation, subject to the following:

**REPLACEMENT COST COVERAGE DEFINED**

Replacement Cost means the cost, at the time of loss, of a new item identical to the one damaged, destroyed or stolen. If an identical item is no longer manufactured or cannot be obtained, replacement cost will be the cost of a new item which is:

- a. Similar to the insured article; and
- b. Of like quality and usefulness.

**DEDUCTIBLE**

The deductible shown on the Declarations Page applies.

**PROPERTY COVERED**

- a. Personal property covered in Property We Cover – Personal Property Protection, except personal property stated in Property Not Eligible below;
- b. If covered in this policy; awnings, carpeting, and household appliances, whether or not attached to buildings.

**PROPERTY NOT ELIGIBLE**

Replacement cost coverage does not apply to:

- a. Items of rarity or antiquity that cannot be replaced;
- b. Articles whose age or history contributes substantially to their value. These include, but are not limited to, memorabilia, souvenirs and collectors' items;

- c. Motorized golf carts and their equipment and accessories;
- d. Articles not maintained in good or workable condition;
- e. Property that is either obsolete or useless to the "insured" at the time of loss;
- f. Property that you do not intend to repair, replace, or restore.

**LOSS SETTLEMENT**

SECTION I – CONDITIONS, Item 5.a. **Loss Settlement** does not apply to property covered by this endorsement. Instead the following loss settlement applies:

- a. For property that is eligible for replacement cost coverage it is our option to:
  - (1) Replace, or pay you our cost to replace the property with new property of like kind and quality without deduction for depreciation, or
  - (2) Pay you the cost to repair or restore the property to the condition it was in just before the loss, or
  - (3) Pay you the necessary amount actually spent to repair or replace the damaged property.
- b. We will pay no more than "**actual cash value**" until repair or replacement of the damaged property is completed, unless the entire loss is less than \$5,000.
- c. You may make a claim for loss on an "**actual cash value**" basis and then make claim within one year after the loss for any additional liability under the terms of this provision.

- d. For property that is not eligible for replacement cost coverage, it is our option to:

- (1) pay you the "**actual cash value**"; or
- (2) replace, or to pay you our cost to replace the property with property of like kind, age, quality and condition ; or
- (3) pay you the cost to repair or restore the property to the condition it was in just before the loss.

- e. We will not pay more than the Amount of Insurance that applies to Personal Property Protection. Nor will we pay more than any Special Amounts of Insurance that apply as stated in the policy to which this endorsement is attached.

Except as specifically modified in this endorsement, all provisions of the policy to which this endorsement is attached also apply to this endorsement.

**Term Premium** NO CHARGE

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## USE OF CREDIT INFORMATION DISCLOSURE

Insurer's Name	GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY
Address	9800 FREDERICKSBURG ROAD SAN ANTONIO, TX 78288
Telephone Number (toll free if available)	(800) 531-USAA (8722)
<p>We <input checked="" type="checkbox"/> <b>will</b> <input type="checkbox"/> <b>will not</b> (choose one) obtain and use credit information on you or any other member(s) of your household as a part of the insurance credit scoring process.</p> <p>If you have questions regarding this disclosure, contact the insurer at the above address or phone number. For information or other questions, contact the Texas Department of Insurance at 1-800-578-4677 or PO Box 149104, MC 104-PC, Austin, Texas 78714.</p>	

*Section 559.053 of the Texas Insurance Code requires an insurer or its agents to disclose to its customers whether credit information will be obtained on the applicant or insured or on any other member(s) of the applicant's or insured's household and used as part of the insurance credit scoring process.*

*If credit information is obtained or used on the applicant or insured, or on any member of the applicant's or insured's household, the insurer shall disclose to the applicant the name of each person on whom credit information was obtained or used and how each person's credit information was used to underwrite or rate the policy. An insurer may provide this information with this disclosure or in a separate notice.*

*Adverse effect means an action taken by an insurer in connection with the underwriting of insurance for a consumer that results in the denial of coverage, the cancellation or nonrenewal of coverage, or the offer to and acceptance by a consumer of a policy form, premium rate, or deductible other than the policy form, premium rate, or deductible for which the consumer specifically applied.*

*Credit information is any credit related information derived from a credit report itself, or provided in an application for personal insurance. The term does not include information that is not credit-related, regardless of whether the information is contained in a credit report or in an application for insurance coverage or is used to compute a credit score.*

*Credit score or insurance score is a number or rating derived from a mathematical formula, computer application, model, or other process that is based on credit information and used to predict the future insurance loss exposure of a consumer.*



## SUMMARY OF CONSUMER PROTECTIONS IN CHAPTER 559

### **PROHIBITED USE OF CREDIT INFORMATION.** *An insurer may not:*

- (1) use a credit score that is computed using factors that constitute unfair discrimination;*
- (2) deny, cancel, or nonrenew a policy of personal insurance solely on the basis of credit information without consideration of any other applicable underwriting factor independent of credit information; or*
- (3) take an action that results in an adverse effect against a consumer because the consumer does not have a credit card account without consideration of any other applicable factor independent of credit information.*

*An insurer may not consider an absence of credit information or an inability to determine credit information for an applicant for insurance coverage or insured as a factor in underwriting or rating an insurance policy unless the insurer:*

- (1) has statistical, actuarial, or reasonable underwriting information that: (A) is reasonably related to actual or anticipated loss experience; and (B) shows that the absence of credit information could result in actual or anticipated loss differences;*
- (2) treats the consumer as if the applicant for insurance coverage or insured had neutral credit information, as defined by the insurer; or*
- (3) excludes the use of credit information as a factor in underwriting and uses only other underwriting criteria.*

**NEGATIVE FACTORS.** *An insurer may not use any of the following as a negative factor in any credit scoring methodology or in reviewing credit information to underwrite or rate a policy of personal insurance:*

- (1) a credit inquiry that is not initiated by the consumer;*
- (2) an inquiry relating to insurance coverage, if so identified on a consumer's credit report; or*
- (3) a collection account with a medical industry code, if so identified on the consumer's credit report.*

*Multiple lender inquiries made within 30 days of a prior inquiry, if coded by the consumer reporting agency on the consumer's credit report as from the home mortgage or motor vehicle lending industry, shall be considered by an insurer as only one inquiry.*

**EFFECT OF EXTRAORDINARY EVENTS.** *An insurer shall, on written request from an applicant for insurance coverage or an insured, provide reasonable exceptions to the insurer's rates, rating classifications, or underwriting rules for a consumer whose credit information has been directly influenced by a catastrophic illness or injury, by the death of a spouse, child, or parent, by temporary loss of employment, by divorce, or by identity theft. In such a case, the insurer may consider only credit information not affected by the event or shall assign a neutral credit score.*

*An insurer may require reasonable written and independently verifiable documentation of the event and the effect of the event on the person's credit before granting an exception. An insurer is not required to consider repeated events or events the insurer reconsidered previously as an extraordinary event.*

*An insurer may also consider granting an exception to an applicant for insurance coverage or an insured for an extraordinary event not listed in this section. An insurer is not out of compliance with any law or rule relating to underwriting, rating, or rate filing as a result of granting an exception under this article.*

**NOTICE OF ACTION RESULTING IN ADVERSE EFFECT.** *If an insurer takes an action resulting in an adverse effect with respect to an applicant for insurance coverage or insured based in whole or in part on information contained in a credit report, the insurer must provide to the applicant or insured within 30 days certain information regarding how an applicant or insured may verify and dispute information contained in a credit report.*

**DISPUTE RESOLUTION; ERROR CORRECTION.** *If it is determined through the dispute resolution process established under Section 611(a)(5), Fair Credit Reporting Act (15 U.S.C. Section 1681i), as amended, that the credit information of a current insured was inaccurate or incomplete or could not be verified and the insurer receives notice of that determination from the consumer reporting agency or from the insured, the insurer shall re-underwrite and re-rate the insured not later than the 30th day after the date of receipt of the notice.*

*After re-underwriting or re-rating the insured, the insurer shall make any adjustments necessary within 30 days, consistent with the insurer's underwriting and rating guidelines. If an insurer determines that the insured has overpaid premium, the insurer shall credit the amount of overpayment. The insurer shall compute the overpayment back to the shorter of the last 12 months of coverage; or the actual policy period.*



## Texas Deductible Program

### About your deductibles

- The deductible amount is the amount your loss must exceed in order for your policy to begin paying for covered losses.
- If the amount of a loss is less than the deductible, we will not pay any portion of the loss.
- A deductible can be either a fixed dollar-amount or a percentage. A percentage deductible is based on the Coverage A Dwelling limit. If you choose a percentage deductible, the Declaration page lists both the percentage and the corresponding dollar-amount of your deductibles.
- If you have a percentage deductible, the dollar-amount will increase when your Coverage A Dwelling limit is increased. The Coverage A Dwelling limit increases due to inflation protection and if you make improvements. You may also request a change to your Coverage A Dwelling limit.

### Coverages to which your deductibles apply

- Coverage A – Dwelling
- Coverage B – Other Structures
- Coverage C – Personal Property

**The deductibles apply to the entire loss, not to each coverage separately.**

**Although a percentage deductible is based on the Coverage A dwelling limit, it applies to losses under Coverage B and Coverage C.**

The following are examples of how percentage and fixed dollar deductibles work in the event of a loss:

#### Percentage Deductibles

Coverage A – Dwelling limit                      \$300,000  
Deductible – 2% ( $2\% \times \$300,000 = \$6,000$ )

#### Scenario 1 – Hail Damage Loss

Total covered damage	\$30,000
Deductible (your out-of-pocket loss)	<u>\$6,000</u>
Amount recovered from insurance	\$24,000

#### Fixed Dollar Deductibles

Coverage A – Dwelling limit                      \$300,000  
Deductible –                      \$1,000

#### Scenario 2 – Fire Loss

Total covered damage	\$3,500
Deductible (your out-of-pocket loss)	<u>\$1,000</u>
Amount recovered from insurance	\$2,500

**The coverage descriptions and explanations in this flier are brief.**

**Please read your policy for specific terms, conditions, exclusion, limitations, and provisions.**

**Your policy does not cover storm surge or flood. You may be able to purchase a separate policy that covers storm surge and flood by contacting us at 1-800-531-8444.**

## Texas Coverage Options

Optional coverage for mold, slab and water damage were made available to you at the time your policy was issued. You can verify whether you have already purchased these coverage options by referring to the HO-D2 page of the enclosed Declarations. After this initial offering, these coverage options will only be available at your annual renewal date. If you have not purchased coverage, but would like to, please contact us immediately at (800) 531-USAA (8722).

### Microbial Organism Coverage (Mold)

Your policy does not provide coverage for damage caused by or consisting of microbial organisms, which include but are not limited to mold, mold spores, fungus, bacterium, or parasitic microorganisms. Your policy provides coverage for water-damaged property resulting from a covered water loss. Microbial organisms present on water-damaged property may be removed or repaired in the process of repairing the water-damaged property.

Your policy does not provide coverage for mold testing, treating, containing or removing mold damage, or repairing, replacing, or restoring property damaged by mold. Loss of use of your property due to the presence of mold is not covered.

### Optional Microbial Organism Coverage (Mold)

For an additional premium, you may purchase this coverage. Coverage options of: \$25,000, \$50,000, \$75,000 and 100 percent of your Dwelling Limit are available.

### Water Damage Coverage

Your policy does not provide coverage for damage caused by constant or repeated water seepage from household appliances, heating, and air conditioning systems, plumbing, or fire protective sprinkler systems. A typical example of this type of loss is a dripping drainpipe under the sink.

### Slab or Other Foundation Coverage

Your policy does not include coverage for damage to a slab or foundation that is the result of settling, cracking, shrinking, bulging or expansion due to accidental discharge or leakage of water or steam from plumbing, heating or air conditioning systems. The available coverage limit is \$15,000.

**IMPORTANT NOTE: All endorsements are subject to the policy's deductibles. Prices may vary over time.**

## **CONSUMER BILL OF RIGHTS**

### **Homeowners, Dwelling, and Renters Insurance**

#### **What is the Bill of Rights?**

It is a basic outline of important rights you have under Texas law. Insurance companies must give you this Bill of Rights with your policy. It is important to read and understand your policy.

#### **The Bill of Rights is not:**

- A complete list of all your rights,
- Part of your policy, or
- A list of everything that you are responsible for.

#### **Questions about these rights?**

- If you are not sure about anything in your policy, ask your agent or insurance company.
- If you have questions or a complaint, contact the Texas Department of Insurance (TDI) at:

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

**Email with a question:** [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

**File a complaint through the website:**

[www.tdi.texas.gov/consumer/get-help-with-an-insurance-complaint.html](http://www.tdi.texas.gov/consumer/get-help-with-an-insurance-complaint.html)

**File a complaint by mail:** Consumer Protection MC 111-1A

P.O. Box 12030

Austin, TX 78711-2030

- To learn more about insurance, visit [www.opic.texas.gov](http://www.opic.texas.gov) or call the Office of Public Insurance Counsel (OPIC) at 1-877-611-6742.

**AVISO:** Este documento es un resumen de sus derechos como asegurado. Tiene derecho a llamar a su compañía de seguros y obtener una copia de estos derechos en español. Además, puede ser que su compañía de seguros tenga disponible una versión de su póliza en español.

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## **Where to Get Information**

1. **Your insurance company.** When you get a copy of your policy you will also get an "Important Notice" from the company. The notice explains how to contact your company and how to file a complaint. You may request a complete copy of your policy from your company at any time.
2. **Your declarations page.** The declarations page, also called the "dec page," shows: (a) the name and address of your insurance company, (b) the location of the insured property, (c) the dates your policy is in effect, and (d) the amounts and types of coverage.  
  
Your company must list the exact dollar amount of each deductible in your policy. The declarations page, or a separate page, must also list any part of your policy that changes any deductible amount.
3. **The Texas Department of Insurance (TDI).** You have the right to call TDI for free at 1-800-252-3439 for information and help with a complaint against an insurer. You can also find information on the TDI website at [www.tdi.texas.gov](http://www.tdi.texas.gov).
4. **Resources for shopping for insurance.** The Office of Public Insurance Counsel (OPIC) and TDI developed [www.HelpInsure.com](http://www.HelpInsure.com) to help you compare rates and coverages for different insurance companies. OPIC also has an online tool to help you compare policies. You can find this policy comparison tool at [www.opic.texas.gov](http://www.opic.texas.gov).

## **What You Should Know When You File a Claim**

5. **Deadlines for processing claims and payments.** You should file your claim with your insurance company as soon as possible. When you file a claim on your own policy, the insurance company must meet these deadlines:
  - **Within 15 days after you file a claim:** The company must let you know they received your claim. The company must also start their investigation and ask you for any other information they need.
  - **Within 15 business days after they get all the information they need:** The company must approve or deny your claim in writing. They can extend this deadline up to **45 days** from the date they: (a) let you know they need more time and (b) tell you why.
  - **Within 5 business days after they let you know your claim is approved:** The company must pay the claim.

Note: TDI can extend these deadlines by 15 more days if there is a weather-related catastrophe.

If your company fails to meet these deadlines, you may be able to collect the claim amount, interest, and attorney's fees.

6. **Written explanation of claim denial.** Your insurance company must tell you in writing why your claim or part of your claim was denied.
7. **Reasonable investigation.** Your insurance company cannot refuse to pay your claim without a reasonable investigation of the claim. You should keep records of all claim communications (including notes from phone calls) and other claim documentation (including damage estimates and receipts).
8. **Information not required for processing your claim.** Your insurance company can only ask for information reasonably needed for their claim investigation. However, they cannot ask for your federal income tax returns unless: (a) they get a court order or (b) your claim involves a fire loss, loss of profits, or lost income.

**9. Release of claim payments from lenders.** Often an insurance company will make a claim payment to you and your lender. If your lender gets the payment:

- **No later than 10 days after receiving it they must:** (a) notify you and (b) tell you what you must do so the money can be released.
- **No later than 10 days after you ask for the money, they must:** (a) send the money to you, or (b) tell you how to get the money released.

If your lender does not: (a) provide the notices mentioned above or (b) pay the money after all the requirements have been met, the lender must pay you interest on the money.

**10. Notice of liability claim settlement.** Liability means you are responsible for other people's injuries or damage to their property. Your insurance company must let you know in writing:

- About the first offer to settle a claim against you within **10 days** after the offer is made.
- About any claim settled against you within **30 days** after the date of the settlement.

### **Who to Contact for Claim Disagreements**

**11. Claim disagreements.** You can dispute the amount of your claim payment or what is covered under your policy. You can:

- Contact your insurance company.
- Contact an attorney to advise you of your rights under the law. The State Bar of Texas can help you find an attorney.
- Pay a licensed public adjuster to review the damage and handle the claim.
- File a complaint with TDI.

### **What You Should Know about Renewal, Cancellation and Nonrenewal**

**Renewal** means that your insurance company is extending your policy for another term.

**Cancellation** means that, **before the end of the policy period**, the insurance company:

- Terminates the policy;
- Gives you less coverage or limits your coverage; or
- Refuses to give additional coverage that you are entitled to under the policy.

**"Refusal to renew"** and **"nonrenewal"** are terms that mean your coverage ends **at the end of the policy period**. The policy period is shown on the declarations page of your policy.

**12. Notice of premium increase.** If your insurance company plans to increase your premium by 10 percent or more on renewal, your company must send you notice of the rate increase at least **30 days** before your renewal date.

**13. Insurance company cancellation of homeowners policies.** If your homeowners policy has been in effect for **60 days or more**, your company can only cancel your policy if:

- You don't pay your premium when it is due;
- You file a fraudulent claim;



- There is an increase in the risk covered by the policy that is: (a) within your control and (b) would make your premium go up; or
- TDI decides that keeping the policy violates the law.

If your policy has been in effect for **less than 60 days**, your company can only cancel your policy if:

- One of the reasons listed above applies;
- They reject a required inspection report within **10 days** after getting the report. The report must be done by a licensed or authorized inspector and cannot be more than 90 days old; or
- They find something that creates an increase in risk that you did not include in your application and is not related to a prior claim.

**14. Insurance company cancellation of other residential property policies.** After your policy has been in effect for **90 days**, your company can only cancel your policy if:

- You don't pay your premium when it is due;
- You file a fraudulent claim;
- There is an increase in the risk covered by the policy that is: (a) within your control and (b) would make your premium go up; or
- TDI decides that keeping the policy violates the law.

**15. Notice of cancellation.** If your insurance company cancels your policy, they must let you know by mail at least **10 days** before the effective date of the cancellation. Check your policy because your company may give you more than 10 days' notice.

**16. Your right to cancel.** You can cancel your policy at any time and get a refund of the unused premium.

**17. Refund of premium.** If you or your insurance company cancel your policy, the company must refund any unused premium within 15 business days from:

- the date the company receives notice of the cancellation or
- the date of cancellation, whichever is later.

You must let your company know you want the refund sent to you. If not, they may refund the remaining premium by giving you a premium credit on the same policy.

**18. Limits on using claims history for nonrenewal.** Your insurance company cannot refuse to renew your policy based on claims for damage from natural causes, including weather-related damage; or claims that are filed but not paid or payable under the policy.

**Appliance-related water damage claims.** Your insurance company cannot refuse to renew your policy based on an appliance-related water damage claim if:

- The damage has been properly repaired or remediated; and
- The repair or remediation was inspected and certified.

**However, your insurance company may refuse to renew your policy based on appliance-related water damage claims if:**

- Three or more claims were filed and paid (including a claim filed by a prior owner on your property); or
- You: (a) file 2 claims within a three-year period; and (b) after the second claim, your company gives you written notice that filing a third appliance-related claim could result in your policy not being renewed; and
- You file a third claim.

**Claims other than appliance-related water damage claims.** Your insurance company cannot refuse to renew your policy based on other claims unless:

- You: (a) file 2 claims within a three-year period; and (b) after the second claim, your company gives you written notice that filing a third claim could result in your policy not being renewed; and
- You file a third claim.

**19. Limits on using claims history to increase premium.** Your insurance company cannot increase your premium based on claims for damage from natural causes, including weather-related damage; or claims that are filed but not paid or payable under your policy.

**Appliance-related water damage claims.** Your company cannot increase your premium based on a prior appliance-related water damage claim if:

- The damage has been properly repaired or remediated; and
- The repair or remediation was inspected and certified.

**However, your insurance company may increase your premium based on prior appliance-related water damage claims if:**

- Three or more claims were filed and paid (including a claim filed by a prior owner on your property)

**Claims other than appliance-related water damage claims.** Your insurance company cannot increase your premium based on other claims unless:

- You file 2 or more claims within a three-year period.

**20. Right to ask questions.** You can ask your insurance company a question about your policy. They cannot use your questions to deny, nonrenew, or cancel your coverage. Your questions also cannot be used to determine your premium.

For example, you may ask:

- General questions about your policy;
- Questions about the company's claims filing process; and
- Questions about whether the policy will cover a loss, unless the question is about damage: (a) that occurred and (b) that results in an investigation or claim.

- 21. Limit on using credit information to nonrenew your policy.** An insurance company cannot refuse to renew your policy solely because of your credit.
- 22. Protections from discrimination.** An insurance company cannot refuse to insure you; limit the coverage you buy; refuse to renew your policy; or charge you a different rate based on your race, color, creed, country of origin, or religion.
- 23. Protection for low-value property.** An insurance company cannot refuse to renew your policy because the property value is low.
- 24. Protection for older houses.** An insurance company cannot refuse to renew your policy based on the age of your property. However, they can refuse to renew your policy based on the condition of your property, including your plumbing, heating, air conditioning, wiring, or roof.
- 25. Notice of nonrenewal.** Your insurance company must send you a notice that they are not renewing your policy. They must let you know at least **30 days** before your policy expires, or you can require them to renew your policy.
- 26. Notice of a "material change" to your policy.** If your insurance company does not want to cancel or nonrenew your policy, but wants to make certain material changes, then they must explain the changes in writing at least **30 days** before the renewal date. Material changes include:
- Giving you less coverage;
  - Changing a condition of coverage; or
  - Changing what you are required to do.

Instead of a notice of "material change" a company may choose to not renew your existing policy. If so, the company has to send a nonrenewal letter, but may still offer you a different policy.

Note: A company cannot reduce coverage during the policy period unless you ask for the change. If you ask for the change, the company does not have to send you a notice.

- 27. Written explanation of cancellation or nonrenewal.** You can ask your insurance company to tell you in writing the reasons for their decision to cancel or not renew your policy. The company must explain in detail why they cancelled or nonrenewed your policy.

## CHARACTERISTICS OF YOUR HOME

Our mission at USAA is to help protect your financial security. One way we do this is by helping you determine if you're adequately covered in the event of a loss. We can calculate the minimum rebuilding cost of your home based on your home characteristics, but only you can decide if this is enough coverage. Our estimates are based on average construction costs and labor costs for geographic areas and may not reflect the unique features of your home or the area you live in.

On the back of this page, you'll find your home characteristics. If any of the information is incorrect, the rebuilding cost may be affected, so please revise any inaccuracies by:

- Logging on to [usaa.com](http://usaa.com), selecting your policy and then Home Characteristics, or
- Calling us at 210-531-USAA (8722), our mobile shortcut #8722 or 800-531-8722.

### **Should I adjust the coverage on my flood or wind policy?**

If you have a separate flood or wind policy for this property, please call your agent or insurer to confirm that your coverage is adequate. For flood or wind policies serviced by the USAA Insurance Agency, please call us at the numbers listed above. Wind coverage is available in Alabama, Florida, North Carolina, South Carolina, Texas and Mississippi.

## CHARACTERISTICS OF YOUR HOME

YEAR BUILT: 2013  
\*TOTAL SQUARE FOOTAGE: 2737  
NUMBER OF STORIES: 2.0  
\*Total Square Footage:  
Includes: Additions and Finished Attic Space  
Excludes: Basements and Built-in or Attached Garages  
GENERAL SHAPE AND STYLE: STANDARD  
EXTERIOR FINISHES & FEATURES: STANDARD  
INTERIOR FINISHES & FEATURES: STANDARD  
KITCHENS AND BATHS: STANDARD  
EXTERIOR WALL CONSTRUCTION: BRICK VENEER  
FOUNDATION TYPE: CONCRETE SLAB  
ROOF TYPE: COMPOSITION - ARCHITECTURAL SHINGLE  
YEAR ROOF INSTALLED/REPLACED: 2013  
GARAGE OR CARPORT TYPE/STYLE: ATTACHED/BUILT-IN - 2 CAR  
FLOOR COVERING MATERIALS: CARPET, TILE - UNKNOWN TYPE  
KITCHEN COUNTERS: PLASTIC LAMINATE COUNTERTOP  
NUMBER OF BATHROOMS: FULL 3  
FIREPLACES: 1