

SUNSHINE INSURANCE GROUP

Homeowners Insurance Policy

Policy Number: POL-2024-HO-001

Effective Date: January 1, 2024

Expiration Date: January 1, 2025

Named Insured: John Robert Smith

Property Address: 742 Evergreen Terrace, Springfield, IL 62704

Agent: Sarah M. Johnson, License #IL-4829371

DECLARATIONS PAGE

This policy is issued by Sunshine Insurance Group (hereinafter referred to as 'the Company') to the Named Insured identified above. This policy provides coverage subject to all terms, conditions, and exclusions stated herein. The premium for this policy period is \$2,847.00 annually, payable in monthly installments of \$237.25.

The dwelling described in this policy is a single-family residence, wood-frame construction, built in 1995, with 2,400 square feet of living space, attached two-car garage, and a finished basement of 800 square feet. The property is equipped with a central fire alarm system, deadbolt locks on all exterior doors, and a monitored security system, qualifying for applicable premium discounts.

SECTION I - PROPERTY COVERAGES

COVERAGE A - DWELLING

The Company will pay for direct physical loss to the dwelling on the residence premises shown in the Declarations, including structures attached to the dwelling. The Coverage A limit is \$450,000. This includes the cost of materials and labor to repair or replace damaged portions of the dwelling with materials of like kind and quality. The replacement cost provision applies, meaning depreciation will not be deducted provided repairs are completed within 180 days of the loss.

COVERAGE B - OTHER STRUCTURES

The Company will pay for direct physical loss to other structures on the residence premises that are separated from the dwelling by clear space, or connected only by a fence, utility line, or similar connection. The Coverage B limit is 10% of Coverage A, which equals \$45,000. This coverage includes detached garages, storage sheds, fences, swimming pools, and gazebos. Structures used for business purposes or rented to persons not occupying the dwelling are excluded.

COVERAGE C - PERSONAL PROPERTY

The Company will pay for direct physical loss to personal property owned or used by the insured while it is anywhere in the world. The Coverage C limit is 70% of Coverage A, which equals \$315,000. Special limits of liability apply to certain categories of property: cash and bank notes are limited to \$200; securities, accounts, deeds, and similar documents are limited to \$1,500; watercraft including trailers are limited to \$1,500; jewelry, watches, furs, and precious stones are limited to \$1,500 per item and \$5,000 total; firearms are limited to \$2,500; silverware and goldware are limited to \$2,500; business property on the residence premises is limited to \$2,500; and electronic data processing equipment is limited to \$5,000.

COVERAGE D - LOSS OF USE

If a covered loss makes the residence premises uninhabitable, the Company will pay the reasonable increase in living expenses necessary to maintain the household's normal standard of living. The

Coverage D limit is 30% of Coverage A, which equals \$135,000. This includes additional costs for temporary housing, meals, and transportation. The period of coverage is limited to the shortest time required to repair or replace the damaged premises, or for the household to permanently relocate, not to exceed 24 months.

SECTION II - COVERED PERILS

This policy covers direct physical loss caused by the following perils unless otherwise excluded: fire or lightning; windstorm or hail; explosion; riot or civil commotion; aircraft; vehicles; smoke; vandalism or malicious mischief; theft; falling objects; weight of ice, snow, or sleet; accidental discharge or overflow of water or steam; sudden and accidental tearing apart, cracking, burning, or bulging of a steam, hot water, air conditioning, or automatic fire protective sprinkler system; freezing of plumbing, heating, air conditioning, or automatic fire protective sprinkler system; sudden and accidental damage from artificially generated electrical current; and volcanic eruption.

DEDUCTIBLES

The standard deductible applicable to all covered perils under Section I is \$1,500 per occurrence. A separate wind/hail deductible of 2% of the Coverage A limit (\$9,000) applies to losses caused by windstorm or hail. The deductible for water damage from plumbing failures is \$2,500 per occurrence. These deductibles are applied before the Company's payment is calculated.

SECTION III - EXCLUSIONS

This policy does not cover loss resulting from: flood, surface water, waves, tidal water, or overflow of a body of water (separate flood insurance is available through the National Flood Insurance Program); earthquake or earth movement including landslide, mudflow, and sinkholes; war, including undeclared war and civil war; nuclear hazard; intentional loss caused by or at the direction of any insured; neglect, meaning the failure to use all reasonable means to save and preserve property during and after a covered loss; power failure originating away from the residence premises; ordinance or law requiring demolition or increased construction standards; and mold, fungus, or wet rot unless caused by a covered peril.

Additionally, this policy does not cover loss to property caused by: wear and tear; mechanical breakdown; rust, corrosion, or deterioration; smog; settling, shrinking, bulging, or expansion of foundations, walls, floors, or ceilings; infestation by birds, vermin, rodents, or insects; domestic animals; and gradual water damage occurring over a period of 14 or more days.

SECTION IV - LIABILITY COVERAGE

COVERAGE E - PERSONAL LIABILITY

The Company will pay up to \$300,000 per occurrence for damages for which the insured is legally liable due to bodily injury or property damage caused by an occurrence to which this coverage applies. The Company will also provide a legal defense at its expense using counsel of the Company's choice. The duty to defend ends when the applicable limit of liability has been exhausted.

COVERAGE F - MEDICAL PAYMENTS TO OTHERS

The Company will pay up to \$5,000 per person for necessary medical expenses incurred within three years from the date of an accident causing bodily injury to a person other than an insured. This coverage applies regardless of fault and is intended to cover minor injuries to guests and visitors on the insured premises. Medical payments do not apply to injuries sustained by regular residents of the household or to injuries arising from business activities.

SECTION V - CONDITIONS

DUTIES AFTER LOSS

In case of a loss to covered property, the insured must: give prompt notice to the Company or its agent; protect the property from further damage and make reasonable temporary repairs; cooperate with the Company in the investigation and settlement of the claim; prepare an inventory of damaged personal property showing quantity, description, actual cash value, and amount of loss; provide the Company with records and documents reasonably requested; and submit a signed, sworn proof of loss within 60 days after the Company's request.

CLAIMS SETTLEMENT

Covered losses will be settled at replacement cost without deduction for depreciation, provided the insured actually repairs or replaces the damaged property within 180 days of the loss. If the insured does not repair or replace within this period, the settlement will be based on the actual cash value at the time of loss. The Company reserves the right to repair or replace damaged property with material of like kind and quality rather than making a cash payment. Any disputes regarding the amount of loss may be resolved through the appraisal process described in this policy.

CANCELLATION

The insured may cancel this policy at any time by notifying the Company in writing. The Company may cancel the policy for nonpayment of premium by giving 10 days written notice to the insured. For all other reasons, the Company may cancel by giving 30 days written notice. If the Company cancels, the insured will receive a pro-rata refund of any unearned premium. If the insured cancels, the refund will be calculated on a short-rate basis.

MORTGAGE CLAUSE

Loss payable to the mortgage holder shown in the Declarations: First National Bank of Springfield, Loan Number FNB-20240115-7823. The mortgage holder's interest will not be invalidated by any act or neglect of the insured. The Company will give the mortgage holder 30 days written notice before cancellation of this policy.