



P.O. Box 5300
Binghamton, NY 13902-9953

Progressive Home Advantage

Underwritten by:
HOMESITE INSURANCE COMPANY OF THE MIDWEST

Tel: 1-866-960-8609 Fax: 1-877-273-2984

***New Business For Policy Number
36806593***

Samuel Koch
7333 SUN DANCE DR
FORT MILL, SC 29707-6938

February 8, 2020

Dear Samuel Koch,

Welcome to the Progressive Home Advantage. We appreciate your business and are pleased to issue your homeowners insurance policy, which is underwritten by HOMESITE INSURANCE COMPANY OF THE MIDWEST.

In this Welcome Package, you'll find the following materials:

- Your policy declarations page, which outlines the coverage limits, endorsements and special features of your policy

We relied on the information you provided to underwrite and issue your insurance policy. Making sure the information we have about you is correct and up-to-date will ensure your home is adequately protected. Please review your "New Business Declarations" page and check the description of your dwelling, occupancy, deductibles, coverages, and contracts and amendments. If any of this information needs to be corrected, you must advise us within 30 days of receipt.

If you have any questions, please call us at 1-866-960-8609, from 8 a.m. - 9 p.m. EST Monday - Friday and from 9 a.m. - 6 p.m. EST Saturday.

Thanks,

Customer Care Department
Progressive Home Advantage

Progressive is not affiliated with Homesite. Insurance policies purchased through Progressive Home Advantage are underwritten by member companies of the Homesite Group Incorporated, a leading provider of homeowners, renters and condominium insurance. Homesite provides the coverage for, and pays the claims associated with, these insurance policies. Progressive is not responsible for the insurance claims or any other obligations of Homesite. Certain Progressive companies may be compensated as licensed agencies for performing services on behalf of Homesite.

Policies are underwritten and issued by member companies of the Homesite Insurance Group. Member companies include: Homesite Insurance Company of California (CA Certificate of Authority #4620-1), Homesite Indemnity Company, Homesite Insurance Company of Illinois, Homesite Insurance Company of Florida, Homesite Insurance Company of the Midwest (CA Certificate of Authority #5045-0), Homesite Insurance Company of New York, Homesite Insurance Company of Georgia, Homesite Lloyd's of Texas, and Homesite Insurance Company.

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New Business Declarations For Policy Number 36806593

Policy Period This policy covers the listed
location(s)
From 12:01 AM February 5, 2020
Through 12:01 AM February 5, 2021 (local time)

Samuel Koch
7333 SUN DANCE DR
FORT MILL, SC 29707-6938

**Issued by Homesite Insurance
Company of the Midwest**

Tier 007

Insured Location

7333 SUN DANCE DR FORT MILL SC 29707-6938 County: Lancaster

Description of Dwelling

Primary residence, Apartment - 2 units.

Deductible \$500

In case of loss under Section I, we cover only that
part of the loss over the deductible stated.

Coverage	Limit	Premium
Section I - Property Coverage C - Personal Property Coverage D - Loss of Use	\$30,000 \$6,000	\$99.00 Included
Section II - Liability Coverage E - Personal Liability Coverage F - Medical Payments to Others	\$300,000 \$3,000	\$30.00 \$5.00
Additional Coverages See Additional Coverages on reverse side for details		\$133.00
Surcharges See Surcharges on reverse side for details		\$24.00
Discounts See Discounts on reverse side for details		-\$29.00
Total		\$262.00

South Carolina valuation clause amount \$30,000

Authorized Representative



Additional Coverages**\$133.00**

		Limit	Premium
HH 80 25 0612	Water Back-Up and Sump Overflow	\$5,000	\$45.00
HH 80 99 0605	Identity Fraud Expense Coverage		\$35.00
HO 04 14 0491	Special Computer Coverage		\$12.00
HO 04 90 0491	Personal Property Replacement Cost		\$24.00
HO 24 82 0491	Personal Injury		\$17.00

Surcharges**\$24.00**

		Limit	Premium
HD-084 0608	Number of Units		\$24.00

Discounts**-\$29.00**

		Limit	Premium
HD-063 1101	Drive Home Discount		-\$29.00

Contracts and Amendments

HO 00 04 0491 Contents Broad Form (HO 00 04 0491)
HH 01 39 0217 Special Provisions - South Carolina
HO 04 31 0402 Limited Fungi, Wet or Dry Rot, or Bacteria Coverage
HO 04 96 0491 No Section II Coverage - Home Day Care Business

Total Wind Premium**\$11****Total Non-Wind Premium****\$251**

Important Messages

Member companies of the Homesite Insurance Group include the following: Homesite Insurance Company, Homesite Indemnity Company, Homesite Insurance Company of California, Homesite Insurance Company of Florida, Homesite Insurance Company of Illinois, Homesite Insurance Company of the Midwest, Homesite Insurance Company of New York, Homesite Insurance Company of Georgia, and Homesite Lloyd's of Texas.

These Declarations are not the entire insurance policy. All information contained in the Declarations regarding the insured, covered property, coverage limits, deductibles, and premium charges is subject to the specific terms and conditions of the policy contract. Please read your policy contract and amendments carefully.

We relied on the information you provided to underwrite and issue your insurance policy. Making sure the information we have about you is correct and up-to-date will ensure your home is adequately protected. Please review your "Declarations" page and check the description of your dwelling, occupancy, deductibles, coverages, and contracts and amendments. If any of this information needs to be corrected, you must advise us within 30 days of receipt.

You stated that:

- you occupy the insured property and do not rent out to more than two (2) roomers/boarders
- no business with more than two (2) visitors per week is conducted on the premises
- no commercial or retail farming is conducted on the premises
- you do not have a dog

As an Auto policyholder of one of our affinity partners, you are eligible for a discount on the base premium of your Homeowners policy. This discount is shown in the Discounts section of our declaration pages as Drive Home Discount. You are entitled to this discount as long as you remain with your current Auto Insurance carrier. If at any time that policy is cancelled and you no longer have auto insurance with this affinity partner, you will no longer be eligible for this discount.

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Samuel Koch
7333 SUN DANCE DR
FORT MILL SC 29707-6938

Summary of Consumer Protections

Samuel Koch
Policy # 36806593

If your credit information has been adversely impacted by an extraordinary life circumstance, you may request in writing that we consider this when using your credit information. These extraordinary life circumstances may include:

:

- * Catastrophic event, as declared by the federal or any state government or the Commissioner of Insurance
- * Serious or catastrophic illness or injury to the consumer or the consumer's immediate family
- * Death of a spouse, child or parent of the consumer
- * Divorce or dissolution of marriage
- * Identity theft
- * Temporary loss of employment for a period of three or more consecutive months
- * Military deployment overseas
- * Involuntary interruption of legally owed alimony or support payments
- * Identity theft

If you believe any of these apply to you and has impacted your credit, you may request in writing that this be taken into consideration. We will require you to provide specific documentation of this circumstance and demonstrate how it has negatively affected your credit.

Please **return this form only by regular mail** as a cover page with all the specific documentation pertaining to your extraordinary life circumstances to:

**P.O. Box 5300
Binghamton, NY 13902-9953**

Menu of Optional Endorsements

A complete list of your policy's coverage limits can be found on your declarations summary. In addition to these coverages, we offer a wide range of optional endorsements that can be added to your policy to enhance the protection of your home and personal property, as well as extend additional protections for liability and related risks. We also have a number of discounts and credits that may reduce your premium.

We urge you to review these coverage and premium options. Please note, if coverages do not appear on your declarations summary, they are not included in your policy. If there are other coverages that you would like to add, or if you have any questions, you can check out more information online at www.homesite.com or you can contact Customer Service at 1-866-960-8609 to discuss any changes to your policy.

Optional Endorsements and Coverages

Below we have outlined a list of our most common endorsements as well as a few more ways Homesite can help protect your home and your peace of mind.

Dwelling Coverages

Extended Replacement Cost on Dwelling

Description of Coverage

This endorsement provides additional coverage of up to 25% or 50% of your Dwelling Coverage if the amount to replace your home exceeds the amount of coverage provided by your policy.

Increased Limits on Other Structures

To protect structures other than your home you can purchase this endorsement. It provides an additional limit for specified structures on the residence premises covered under Coverage B.

Personal Property Coverages

Replacement Cost on Personal Property

When you purchase this endorsement, you can replace stolen or destroyed personal property with items of like kind and quality without deduction for depreciation.

Increased Limits on Personal Property

This endorsement offers you the ability to increase certain personal property coverages from the standard homeowner's limit. For example, the base homeowner's policy covers the theft of valuable silverware for up to \$2,500. With this endorsement you can choose to increase that coverage to \$10,000.

Increased Limits on Business Property

For an additional premium, this endorsement increases your coverage for "business" property on and off the "residence premises".

Scheduled Personal Property

This endorsement allows us to offer open perils coverage for your valuable items such as jewelry, furs, cameras, musical instruments, silverware, fine arts, and golfer's equipment. Losses on scheduled items are not subject to a deductible and these items would be covered up to their insured value.

Special Computer Coverage

We know your computers are important, that's why we offer this endorsement. It broadens the coverage for your computer due to direct physical loss. For example, if you accidentally spill a glass of water on the computer, the resulting damage would be covered.

Identity Theft

Recovering from identity theft can be time-consuming and costly. In the event your identity is stolen, this endorsement covers up to \$15,000 of expenses you incur as a direct result of identity theft. This coverage is only subject to a deductible ranging from \$250-\$500.

Liability Coverages

Loss Assessment Coverage

This endorsement provides additional protection for assessments made by your homeowners or condominium owners association resulting from loss to association property or from a claim for bodily injury or property damage arising out of the property.

Personal Injury

With this endorsement, you can extend the limit of Personal Liability on your homeowner's policy to cover you against libel, slander, and invasion of privacy.

Other Coverage Options

Earthquake

You may add this endorsement to cover your property against loss caused by an earthquake. This coverage is subject to a separate deductible. In California, this coverage is offered through the California Earthquake Authority (CEA).

Water Back up and Sump Overflow

Provides coverage for direct physical loss due to water backing up through sewers or drains and water that overflows from a sump. This is not flood coverage, which requires a separate policy.

Discounts and Credits

Check out our discounts and other ways to save.

Discounts

Welcome Home / Home Purchase Discount

As our way of congratulating you on your new home purchase, you could receive a discount when you buy a new home.

Moving In Discount

Moving from an apartment or condo into a new home? Congratulations! You could receive a discount just for staying with Homesite. We appreciate your continued business and will always be there for you as your needs change.

Drive Home / Affinity Discount

We're happy to help with all of your insurance needs. If you bundle your home and auto policies together, you could receive a 10% discount.

Roof it Over / Age of Roof Discount

When your roof is less than 10 years old or you decide to purchase a new roof make sure to let us know, you may qualify for a discount on your homeowners insurance premium.

New Construction / Age of Home Discount

New homes have the benefit of advances in building technology and are less likely to have a claim. We understand this and offer a discount based on the age of your home.

Safety First / Premises Alarm or Fire Protection System Discount

We like that you value home safety as much as we do. If you have either central monitored or direct-line fire or burglar alarms, or if you have sprinklers in every room of your home, you could receive a discount.

Better Together

Now you can save on those endorsements that you would have purchased anyway. Homesite offers two endorsement package options that cost less than if you bought the endorsements by themselves.

Gets Better with Age / Retired Occupant Discount

If you're above a certain age or retired, you could receive a discount. Eligibility may vary depending on your area and availability. Check with us to see if you qualify.

Other Ways to Save

Increased Deductibles

By increasing your deductible(s) you can lower the cost of your annual insurance premium. For instance, increasing your regular deductible to \$2,500 may decrease your premium significantly.

*****Availability and eligibility requirements vary by state, policy type, policy terms and underwriting company. Discounts will be automatically applied based on your eligibility. Additional endorsements and credits are subject to availability and qualification.*****

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Property Loss Report

Customers with prior property claims may have an increased premium. **HOMESITE INSURANCE COMPANY OF THE MIDWEST** uses company records as well as data obtained from A-PLUS to determine claims history.

To determine if your claims history has impacted your premium, please call:

Progressive Home Advantage Customer Service
Telephone: **1-866-960-8609**

Under Section 612 of the Fair Credit Reporting Act you have the right to obtain a free copy of your property loss report within 60 days by request to:

A-PLUS Consumer Inquiry Center
545 Washington Boulevard 22nd Floor
Jersey City, NJ 07310 - 1686
Telephone: 800-709-8842

Under Section 611 of the Fair Credit Reporting Act you also have the right to dispute the accuracy or completeness of any information A-PLUS furnished in this report, by notifying them directly of the dispute.

Please note that A-PLUS does not participate in determining your premium, and cannot give the specific information on our rates.

Consumer Report Information

The premium for your policy was based in part on a consumer report provided by Trans Union Corporation.

There are many factors which are used in producing the consumer credit report. According to Trans Union, the following criteria had the largest impact in determining your insurance score:

Oldest bankcard account was opened within past 96 months. Optimum value is 216 months; score will improve as months increase to between 97 and 215 months.

The consumer has made no bank credit card applications in the previous 12 months but 1 or more in the previous 24 months. Optimum value is 0 in the previous 24 months.

Most recent credit application was 6 months ago. Optimum value is 25 months or more; score will improve as months since last application increases.

Homesite Insurance uses your insurance score as one factor to determine your overall premium level. One or more of the reasons shown above has led to a premium other than the lowest premium level. In many cases, customers who have above average credit pay less than those with average or below average credit, but may not qualify for the absolute lowest premium.

Consumer Report Information, continued

Under Section 612 of the Fair Credit Reporting Act you have the right to obtain a free copy of this report from Trans Union upon request within 60 days to:

Trans Union Corporation
Consumer Relations - East
2 Baldwin Place
P.O. Box 1000
Chester, PA 19022
1-800-916-8800
1-800-645-1938 (automated)

Under Section 611 of the Fair Credit Reporting Act you also have the right to dispute the accuracy or completeness of any information Trans Union furnished in this report, by notifying them directly of the dispute.

Please note that Trans Union does not participate in determining your premium, and cannot give the specific information on our rates.

Property Inspection

As a reminder, a contracted property inspector may be out to complete an inspection of the property. If an appointment is necessary due to an interior inspection or woodstove supplement, our inspection company will contact you prior to an inspection.

This insurance policy may be cancelled within 119 days of the effective date for any reason that is not unfairly discriminatory or prohibited by law, if the property is determined to be an unacceptable risk to the insurer.

IMPORTANT INFORMATION REQUIRED BY
THE SOUTH CAROLINA DEPARTMENT OF INSURANCE

Policy Coverages and Limitations Summary

THIS NOTICE CONTAINS A SUMMARY OF YOUR COVERAGE AND DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGES OR ANY OTHER PROVISIONS CONTAINED IN YOUR POLICY. THE LANGUAGE IN YOUR POLICY CONTROLS YOUR LEGAL RIGHTS AND OBLIGATIONS. THIS DISCLOSURE IS NOT ADMISSIBLE IN ANY ACTION CONCERNING THIS POLICY EXCEPT FOR THE SOLE PURPOSE OF SHOWING THAT THE NOTICE WAS OR WAS NOT PROVIDED PURSUANT TO SOUTH CAROLINA LAW.

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

DEDUCTIBLES

A deductible is the amount of money you have to pay out-of-pocket for expenses before your insurance kicks in should you have a covered loss. The deductible applies to coverage for your home and personal property. The deductible applies to each claim.

You may be able to reduce your premium by increasing your deductible. For example, a policy with a \$1,000 deductible will have a lower premium than the same policy with a \$500 deductible. Having a higher deductible can be a good way to save money on your insurance premium, but be sure you can afford to pay the out-of-pocket costs in the event of a covered loss. Your current deductible is listed on your policy Declarations. Contact your agent or insurance company for more information about the deductible options available to you.

In some cases, there may be a separate deductible that applies in case of damage from a specified peril, such as a windstorm. This deductible may be specified as a fixed-dollar amount or as a percentage of insured property (Dwelling limit under Coverage A).

**NOTICE: This policy includes a separate deductible for covered losses caused by wind/hail
as defined in the policy.**

Fixed Dollar Deductible

If you have a standard fixed-dollar deductible for wind/hail, the total amount of loss is reduced by the deductible amount. For example, if you have a \$5,000 fixed-dollar wind/hail deductible and you have \$30,000 in covered losses as a result of wind/hail, your claim would be paid as follows:

Total amount of insured losses:	\$30,000
<u>Minus the \$5,000 wind/hail deductible</u>	(\$5,000)
Net payment from your insurance company:	\$25,000

Percentage Deductible

Unlike your standard deductible, this separate deductible may be based on the home's insured value rather than a fixed-dollar amount. So if your home is insured for \$100,000 (Dwelling limit under Coverage A) and you have a 2% wind/hail deductible, then your deductible in the event of a covered loss resulting from wind/hail would be calculated as follows: $\$100,000 \times 2\% = \$2,000$. If you have \$30,000 in covered losses as a result of wind/hail, your claim would be paid as follows:

Total amount of insured losses:	\$30,000
<u>Minus the 2% wind/hail deductible</u>	<u>(\$2,000)</u>
Net payment from your insurance company:	\$28,000

Your insurance company is required by law to provide an illustration of how this deductible functions along with a clear explanation of the event that will trigger this deductible. They must also include a statement on the Declarations page notifying you of this separate deductible.

CATASTROPHE SAVINGS ACCOUNTS

Establishing a Catastrophe Savings Account can help you pay for your deductible and other out-of-pocket costs. Similar to health savings accounts, the money can be set aside state income tax-free and used in the future to pay for qualified catastrophe expenses that result from a hurricane, flood, or windstorm event that has been declared an emergency by the Governor. For more information about Catastrophe Savings Accounts, visit the South Carolina Department of Insurance website, www.doi.sc.gov (search for "catastrophe savings accounts"), or call the Department's Office of Consumer Services (1-800-768-3467).

LIMITATIONS OR EXCLUSIONS UNDER THIS POLICY

Flood – Flood damage is not covered under your policy.

The National Flood Insurance Program (NFIP) writes most flood insurance policies, although some private insurance companies also offer this coverage. You may contact the NFIP by calling 1-888-379-9531 or go online to www.floodsmart.gov. If you need more coverage than is available through the NFIP, you may be able to purchase excess flood protection through a private insurance company. For more information, contact your insurance agent, insurance company, or the NFIP.

Mold – Limited mold damage is covered under your policy.

Earthquake – Earthquake damage is not covered under your policy.

Your insurance company may offer earthquake insurance as an endorsement to your current policy. For an additional premium, this coverage will protect you in case your home is damaged as a result of an earthquake.

Replacement Cost and Actual Cash Value

You may have the option to insure your home and its contents for either replacement cost or actual cash value. *Actual cash value* is the amount needed to repair or replace the damage minus a deduction for depreciation. *Replacement cost* is the cost to rebuild your home or repair damages using materials of similar kind and quality, without deducting for depreciation. Read your insurance policy carefully for the complete terms and conditions regarding replacement cost coverage.

Please refer to your policy for complete details and information regarding all other limitations and exclusions

YOUR RESPONSIBILITIES IN THE EVENT OF A CLAIM

Contact Your Agent or Company Immediately – Insurance policies typically place a time limit on the filing of a claim.

Time Limitations May Apply – Once the company knows you've had a claim, they are required to send you any necessary forms (commonly referred to as “proof of loss”) within 20 days. These forms detail written proof of what caused the loss as well as the character and extent of the loss for which the claim has been made. Read your policy carefully as it may require you to return the completed forms within a specified amount of time. If you have replacement cost coverage, there may also be time limitations for repairing and replacing damaged property that, if not met, could cause the claim to be settled on an actual cash value basis.

Additional Duties Are Outlined in Your Policy – In the event of a loss, you and your insurance company are each expected to follow certain procedures as outlined in your policy. Your responsibilities include, for example, reporting any crime to the police and making temporary repairs to protect your property from further damage. Your duties after a loss are outlined fully in your insurance policy.

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Notice of Insurance Information Practices

Issued by HOMESITE INSURANCE COMPANY OF THE MIDWEST

The Homesite Insurance Companies ("Homesite") use information from many sources. This assists us to fairly determine eligibility for our programs and ensure accurate rates for all policies. Using this information also speeds the application process.

How we may collect, use and disclose this information is regulated by law, and we would like you to be aware of our practices and how they may affect your privacy.

Following is a description of the kinds of information we may collect, how we may collect it, and what is done with the information once it has been collected. We also describe how you can find out what information we have about you in our records or files, and how you can correct inaccurate information. We follow these practices with your information whether you are a policyholder, claimant, former policyholder, or just an inquiring consumer.

What kind of information do we collect about you?

Most of our information comes directly from you. The information you provide when you call us, complete an application, make a policy change or report a claim gives us most of the information we need to know. This information, of course, includes identifying information such as name and address, as well as your type of home and claims history.

We may also obtain information such as credit reports, claims history, and investigative reports from other sources. We may send someone to inspect your property.

The information we obtain about you may come from other insurance companies, insurance support organizations, or sources such as credit bureaus and property data collection services.

What do we do with the information collected about you?

We may, as permitted by law, disclose information about you in our records or files to certain persons or organizations without your prior permission. These include:

- * Other insurance institutions, financial institutions, agents, or insurance support organizations.
- * Persons who perform a business, professional, or insurance function for us.
- * Businesses that conduct actuarial or research studies.
- * Insurance regulatory authorities.
- * Law enforcement or other governmental authorities.
- * Our affiliated companies who assist our insurance business activities.

Contd.

Your information may be provided to others in the following circumstances, as permitted by law, for them to:

- * Perform a business, professional, or insurance function for us.
- * Provide information to us in order to
 - a. Determine your eligibility for an insurance benefit or payment, or
 - b. Detect or prevent criminal activity, fraud, material misrepresentation or material nondisclosure in connection with an insurance transaction.
- * Perform a function in connection with an insurance transaction involving you.
- * Conduct an audit of our operations or services.
- * Conduct a joint marketing program with Homesite pursuant to a joint marketing agreement.

The information we obtain about you from a report prepared by an insurance support organization may be retained by the insurance support organization and disclosed to other sources.

We may consider your claims history and future losses in determining whether to decline, cancel, nonrenew, or surcharge your policy. Claims incurred will also be reported to an insurance support organization.

How confidential and secure is the information we have about you?

Homesite protects the confidentiality of the information that we have about you by restricting access to those employees who need to know that information to provide our products and services to you. We maintain physical electronic and procedural safeguards that comply with federal and state regulations to guard your information.

How can you find out what information we have about you?

You have the right to know what information we have about you in our insurance records or files. To obtain this information, provide to us in writing an identification of yourself and a reasonable explanation of the information you desire. If the information can be reasonably located and obtained, we will inform you of its nature and substance within thirty (30) business days from the day we receive the request. You may personally see and obtain the information, or if you prefer, we will mail the information to you. We will also inform you who has received this information within the last two (2) years, or, if not recorded, to whom such information is normally disclosed.

What can you do if you disagree with the information we have about you?

You have the right to make a written request that we correct, delete, or change any recorded information we have about you in our records or files.

If we agree to comply with your request, we will notify you within thirty (30) business days of receiving your request. We will then furnish the amended information to any person you designate, who may have received the information within the past two (2) years, as well as to any person or organization who either supplied us with the information or to whom we disclosed it.

If we are unable to comply with your request, we will notify you within thirty (30) business days of receiving your written request with the reasons for our decision. If you disagree with the reasons for our decision, you have the right to file a concise statement of what you think is correct, relevant or fair information. Your statement will be filed with the disputed information and will be furnished to any person, insurance institution, agent or insurance support organization who either supplied us with information or to whom we disclosed it. Your statement will also be furnished to anyone reviewing the disputed information.

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Policy Contract Pack***Important Information about your Progressive Home Advantage policy***

Thank you for choosing Progressive Home Advantage

***You have selected Homeowners Contents Broad
Form.***

The following State Amendatory Endorsements may modify your contract.
Please review the information in this package carefully.

If you have any questions regarding the information contained in this package, please
call us at 1-866-960-8609.

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR NAMED STORM OR WIND/HAIL
LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU. THE
ENCLOSED EXAMPLE ILLUSTRATES HOW THE DEDUCTIBLE MIGHT AFFECT YOU.

HOMEOWNERS 4
CONTENTS BROAD FORM

AGREEMENT

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

DEFINITIONS

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. "Business" includes trade, profession or occupation.
3. "Insured" means you and residents of your household who are:
 - a. Your relatives; or
 - b. Other persons under the age of 21 and in the care of any person named above.

Under Section II, "insured" also means:

- c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **3.a.** or **3.b.** above. A person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner is not an "insured";
- d. With respect to any vehicle to which this policy applies:
 - (1) Persons while engaged in your employ or that of any person included in **3.a.** or **3.b.** above; or
 - (2) Other persons using the vehicle on an "insured location" with your consent.
4. "Insured location" means:
 - a. The "residence premises";
 - b. The part of other premises, other structures

and grounds used by you as a residence and:

- (1) Which is shown in the Declarations; or
- (2) Which is acquired by you during the policy period for your use as a residence;
- c. Any premises used by you in connection with a premises in **4.a.** and **4.b.** above;
- d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";
- f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or
- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
5. "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."
6. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
7. "Residence employee" means:
 - a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured."

8. "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.

SECTION I - PROPERTY COVERAGES

COVERAGE C - Personal Property

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

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

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or \$1000, 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 Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

- 1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
- 2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- 3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard engines or motors.
- 4. \$1000 on trailers not used with watercraft.
- 5. \$1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
- 6. \$2000 for loss by theft of firearms.
- 7. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.

8. \$2500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.

9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits 10. and 11. below.

10. \$1000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

- a. Accessories or antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus.

11. \$1000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:

- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
- b. Is away from the "residence premises"; and
- c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories or antennas; or
- b. Tapes, wires, records, discs or other media;

for use with any electronic apparatus.

Property Not Covered. We do not cover:

- 1. Articles separately described and specifically insured in this or other insurance;
- 2. Animals, birds or fish;
- 3. Motor vehicles or all other motorized land conveyances. This includes:
 - a. Their equipment and accessories; or
 - b. Electronic apparatus that is designed to be

operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:

- (1) Accessories or antennas; or
- (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus.

The exclusion of property described in **3.a.** and **3.b.** above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or
 - b. Designed for assisting the handicapped;
 4. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
 5. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
 6. Property in an apartment regularly rented or held for rental to others by an "insured";
 7. Property rented or held for rental to others off the "residence premises";
 8. "Business" data, including such data stored in:
 - a. Books of account, drawings or other paper records; or
 - b. Electronic data processing tapes, wires, records, discs or other software media.
- However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market; or
9. Credit cards or fund transfer cards except as provided in Additional Coverages 6.

COVERAGE D - Loss Of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss by a Peril Insured Against under this policy to covered property or the building containing the property makes the "residence premises" not fit to live in, we cover, at your choice, either of the following. However, if the "residence premises" is not your principal place of residence, we will not provide the option under paragraph b. below.
 - a. Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
 - b. Fair Rental Value, meaning the fair rental value of that part of the "residence premises" where you reside less any expenses that do not continue while the premises is not fit to live in.

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

2. If a loss covered under this Section makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the:

Fair Rental Value, meaning 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 not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

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

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.

ADDITIONAL COVERAGES

1. **Debris Removal.** We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or

- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

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

We will also pay your reasonable expense, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

2. **Reasonable Repairs.** In the event that covered property is damaged by an applicable Peril Insured

Against, we will pay the reasonable cost 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 Peril Insured Against.

This coverage:

a. Does not increase the limit of liability that applies to the covered property;

b. Does not relieve you of your duties, in case of a loss to covered property, as set forth in SECTION I - CONDITION 2.d.

3. Trees, Shrubs and Other Plants. We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: 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 10% of the limit of liability that applies to Coverage C for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

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

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

5. Property Removed. We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.

We will pay up to \$500 for:

a. The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;

b. Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;

c. Loss to an "insured" caused by forgery or

alteration of any check or negotiable instrument; and

d. Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

a. By a resident of your household;

b. By a person who has been entrusted with either type of card; or

c. If an "insured" has not complied with all terms and conditions under which the cards are issued.

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

We do not cover loss arising out of "business" use or dishonesty of an "insured."

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

Defense:

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

b. If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.

c. We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under the Forgery coverage.

7. Loss Assessment. We will pay up to \$1000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE C - PERSONAL PROPERTY, other than earthquake or 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 governmental body.

The limit of \$1000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Condition 1. Policy Period, under SECTIONS I AND II - CONDITIONS, does not apply to this coverage.

8. Collapse. We insure for direct physical loss to

covered property involving collapse of a building or any part of a building caused only by one or more of the following:

a. Perils Insured Against in COVERAGE C - PERSONAL PROPERTY. These perils apply to covered buildings and personal property for loss insured by this additional coverage;

b. Hidden decay;

c. Hidden insect or vermin damage;

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, 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.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

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

9. Glass or Safety Glazing Material.

We cover:

a. The breakage of glass or safety glazing material which is part of a building, storm door or storm window, and covered as Building Additions and Alterations; 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.

Loss for damage to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

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

10. Building Additions and Alterations. We cover under Coverage C the building improvements or installations, made or acquired at your expense, to that part of the "residence premises" used exclusively by you. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage C.

This coverage is additional insurance.

SECTION I - PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in SECTION I - EXCLUSIONS.

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 watercraft and their trailers, furnishings, equipment, and outboard engines or 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.

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7. Smoke, meaning sudden and accidental damage from smoke.

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

8. Vandalism or malicious mischief.

This peril does not include loss to property on the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

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 an "insured";

b. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied; or

c. From that part of a "residence premises" rented by an "insured" to other than an "insured."

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

a. Property while at any other residence owned by, rented to, or occupied by an "insured," except while an "insured" is temporarily living there. Property of a student who is an "insured" is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;

b. Watercraft, and their furnishings, equipment and outboard engines or motors; or

c. Trailers and campers.

10. Falling objects.

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

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

12. **Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

a. To the system or appliance from which the water or steam escaped;

b. Caused by or resulting from freezing except as provided in the peril of freezing below; or

c. On the "residence premises" caused by accidental discharge or overflow which occurs away from the building where the "residence premises" is located.

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

13. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss caused by or resulting from freezing except as provided in the peril of freezing below.

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 unoccupied, unless you have used reasonable care to:

a. Maintain heat in the building; or

b. Shut off the water supply and drain the system and appliances of water.

15. **Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

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

SECTION I - EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.

2. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mine subsidence; mudflow; earth sinking, rising or shifting; unless direct loss by:

a. Fire;

b. Explosion; or

c. Breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

3. **Water Damage**, meaning:

a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

b. Water which backs up through sewers or drains or which overflows from a sump; or

c. Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

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

4. **Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises." But, if a Peril Insured Against ensues on the "residence premises," we will pay only for that ensuing loss.

5. **Neglect**, meaning neglect of the "insured" to use

all reasonable means to save and preserve property at and after the time of a loss.

6. War, including the following and any consequence of any of the following:

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

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

7. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of SECTION I - CONDITIONS.

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

- a. By or at the direction of an "insured"; and
- b. With the intent to cause a loss.

SECTION I - CONDITIONS

1. Insurable Interest and Limit of Liability. Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- 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 limit of liability.

2. Your Duties After Loss. In case of a loss to covered property, you must see that the following are done:

- a. Give prompt notice to us or our agent;
- b. Notify the police in case of loss by theft;
- c. Notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
- d. Protect the property from further damage. If repairs to the property are required, you must:

(1) Make reasonable and necessary repairs to protect the property; and

(2) Keep an accurate record of repair expenses;

e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

f. As often as we reasonably require:

(1) Show the damaged property;

(2) Provide us with records and documents we request and permit us to make copies; and

(3) Submit to examination under oath, while not in the presence of any other "insured," and sign the same;

g. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to

the best of your knowledge and belief:

(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 estimates;

(6) The inventory of damaged personal property described in 2.e. above;

(7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and

(8) Evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

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

4. Loss to a Pair or Set. In case of loss 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.

5. Glass Replacement. Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

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

Each party will:

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

7. Other Insurance. If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

8. Suit Against Us. No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.

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

10. Loss Payment. We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. Reach an agreement with you;
- b. There is an entry of a final judgment; or
- c. There is a filing of an appraisal award with

us.

11. Abandonment of Property. We need not accept any property abandoned by an "insured."

12. 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.

13. Nuclear Hazard Clause.

a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against

in Section I.

c. 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.

14. Recovered Property. If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

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

SECTION II - LIABILITY COVERAGES

COVERAGE E - Personal Liability

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

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

COVERAGE F - Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily

injury." Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees." As to others, this coverage applies only:

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

SECTION II - EXCLUSIONS

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

a. Which is expected or intended by the "insured";

b. Arising out of or in connection with a "business" engaged in by 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";

c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":

(1) On an occasional basis if used only as a residence;

(2) 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

(3) In part, as an office, school, studio or

private garage;

d. Arising out of the rendering of or failure to render professional services;

e. Arising out of a premises:

(1) Owned by an "insured";

(2) Rented to an "insured"; or

(3) Rented to others by an "insured";

that is not an "insured location";

f. Arising out of:

(1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";

(2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or

(3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

This exclusion does not apply to:

(1) A trailer not towed by or carried on a motorized land conveyance.

(2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:

(a) Not owned by an "insured"; or

(b) Owned by an "insured" and on an "insured location";

(3) A motorized golf cart when used to play golf on a golf course;

(4) A vehicle or conveyance not subject to motor vehicle registration which is:

(a) Used to service an "insured's" residence;

(b) Designed for assisting the handicapped; or

(c) In dead storage on an "insured location";

g. Arising out of:

(1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;

(2) The entrustment by an "insured" of an excluded watercraft described below to any person; or

(3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

(1) That are not sailing vessels and are powered by:

(a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";

(b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";

(c) One or more outboard engines or motors with 25 total horsepower or less;

(d) One or more outboard engines or motors with more than 25 total horsepower if the outboard engine or motor is not owned by an "insured";

(e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:

(i) You acquire them prior to the policy period; and:

(a) You declare them at policy inception; or

(b) Your intention to insure is reported

to us in writing within 45 days after you acquire the outboard engines or motors.

(ii) You acquire them during the policy period.

This coverage applies for the policy period.

(2) That are sailing vessels, with or without auxiliary power:

(a) Less than 26 feet in overall length;

(b) 26 feet or more in overall length, not owned by or rented to an "insured."

(3) That are stored;

h. Arising out of:

(1) The ownership, maintenance, use, loading or unloading of an aircraft;

(2) The entrustment by an "insured" of an aircraft to any person; or

(3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;

i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

(1) Undeclared war, civil war, insurrection, rebellion or revolution;

(2) Warlike act by a military force or military personnel; or

(3) Destruction, seizure or use for a military purpose.

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

j. Which arises out of the transmission of a communicable disease by an "insured";

k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or

l. Arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

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

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;

(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 an "insured location"; or

(b) Where the liability of others is assumed by the "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 the "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;

by the "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 an "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) American Nuclear Insurers;

(2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada;

or any of their successors; or

f. "Bodily injury" to you or an "insured" within the meaning of part a. or b. of "insured" as defined.

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;
- (2) Non-occupational disability law; or
- (3) Occupational disease law;

c. From any:

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

all whether controlled or uncontrolled or however caused; or

(4) Any consequence of any of these; or

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

SECTION II - ADDITIONAL COVERAGES

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

1. Claim Expenses. We pay:

a. Expenses we incur and costs taxed against an "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 an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of

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a claim or suit; and

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.

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

3. Damage to Property of Others. We will pay, at replacement cost, up to \$500 per "occurrence" for "property damage" to property of others caused by an "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 an "insured" who is 13 years of age or older;

c. To property owned by an "insured";

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

e. Arising out of:

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

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

(3) The ownership, maintenance, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an "insured."

4. Loss Assessment. We will pay up to \$1000 for your share of loss assessment charged during the policy period 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" not excluded under Section II of this policy; or

b. Liability for an act of a director, officer or

trustee 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 \$1000 is the most we will pay for loss arising out of:

a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or

b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following do not apply to this coverage:

1. Section II - Coverage E - Personal Liability Exclusion 2.a.(1);

2. Condition 1. Policy Period, under SECTIONS I AND II - CONDITIONS.

SECTION II - CONDITIONS

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

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

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

3. 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. Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";

c. 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 an "insured";

(3) With the conduct of suits and attend hearings and trials; and

(4) To secure and give evidence and obtain the attendance of witnesses;

d. Under the coverage - Damage to Property of Others - submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;

e. 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."

4. 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.

5. Payment of Claim - Coverage F - Medical Payments to Others. Payment under this coverage is not an admission of liability by an "insured" or us.

6. 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 an "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.

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

8. 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.

SECTIONS I AND II - CONDITIONS

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. Concealment or Fraud. The entire policy will be void if, whether before or after a loss, an "insured" has:

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

b. Engaged in fraudulent conduct; or

c. Made false statements;

relating to this insurance.

3. 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 through introduction of a subsequent edition of our policy.

4. 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.

5. Cancellation.

a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.

b. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations.

Proof of mailing will be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

(2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.

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

(a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or

(b) If the risk has changed substantially since the policy was issued.

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

(4) When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

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

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

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

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

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

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. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – SOUTH CAROLINA

Throughout this policy, the following is added to any provision which uses the term actual cash value:

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. Depreciation is applicable to the cost of labor unless specifically prohibited by law. Actual cash value applies to valuation of covered property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

DEFINITIONS

Item 2. "Business" is deleted and replaced by the following:

2. "Business" means:

- a. A trade, profession, occupation, or enterprise engaged in on a full-time, part-time or occasional basis;
- b. The lease of land, buildings, structures or personal property; or
- c. Any other activity engaged in for money, expectation of remuneration or monetary gain, or other compensation, financial or otherwise, except the following:
 - (1) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (2) Providing home day care services for which no compensation is received, other than mutual exchange of such services; or
 - (3) The rendering of home day care services to a relative of an "insured".

SECTION I - PROPERTY COVERAGES

COVERAGE C - PERSONAL PROPERTY

SPECIAL LIMITS OF LIABILITY

Items 10. and 11. are deleted and replaced by the following:

10. \$1,000 for loss to electronic apparatus, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance

while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

- a. Accessories or antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 10.

11. \$1,000 for loss to electronic apparatus, while not in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus:

- a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
- b. Is away from the "residence premises"; and
- c. Is used at any time or in any manner for any "business" purpose.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this Item 11.

PROPERTY NOT COVERED

Item 3. is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:

- a. Their equipment and accessories; or
- b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:

- (1) Accessories or antennas; or
- (2) Tapes, wires, records, discs or other media;

for use with any electronic apparatus described in this Item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. Used to service an "insured's" residence; or

- b. Designed for assisting the handicapped;

COVERAGE D - LOSS OF USE

For all forms other than **HO 00 04** and **HO 00 06**, Item 1. is deleted and replaced by the following:

1. If a loss covered under this Section makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

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

For Forms **HO 00 04** and **HO 00 06**, Item 1. is deleted and replaced by the following:

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

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

ADDITIONAL COVERAGES

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

8. Collapse

- a. With respect to this Additional Coverage:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
- (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
- (4) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- b. We insure for direct physical loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Perils Insured Against in Coverage **C** - Personal Property. These perils apply to covered buildings and personal property for loss insured by this additional coverage;
- (2) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under Items (2), (3), (4), (5), and (6) unless the loss is a direct result of the collapse of a building or any part of a building.

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

If Endorsement **HH 00 15** is attached to the policy, Section **I** - Additional Coverages **8. Collapse** in that endorsement is deleted in its entirety and Paragraph **b.(1)** above is deleted and replaced by the following:

- (1) Perils Insured Against in Coverages **A**-and **B**.

In addition, the following paragraph is added:

This additional coverage does not apply to Coverage **C** - Personal Property.

If Endorsement **HH 17 31** is attached to the policy, Section **I** - Additional Coverages **8. Collapse** in that Endorsement is deleted in its entirety and Paragraph **b.(1)** above is deleted and replaced by the following:

- (1) Perils Insured Against in Coverage **A**.

In addition, the following paragraph is added:

This additional coverage does not apply to Coverage **C** - Personal Property.

Item **9. Glass or Safety Glazing Material** is deleted and replaced by the following:

9. Glass Or Safety Glazing Material

a. We cover:

(1) For all Forms other than **HO 00 04** and **HO 00 06**, the breakage of glass or safety glazing material which is part of a covered building, storm door or storm window, and for:

(a) Form **HO 00 04**, the breakage of glass or safety glazing material which is part of a building, storm door or storm window, and covered as Building Additions And Alterations; and

(b) Form **HO 00 06**, the breakage of glass or safety glazing material which is part of a building, storm door or storm window, and covered under Coverage **A**; and

(2) For all forms other than **HO 00 04** and **HO 00 06**, the breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a covered building, storm door or storm window, and for:

(a) Form **HO 00 04**, the breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a building, storm door or storm window, and covered as Building Additions And Alterations; and

(b) Form **HO 00 06**, the breakage, caused directly by Earth Movement, of glass or safety glazing material which is part of a building, storm door or storm window, and covered under Coverage **A**; and

(3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

b. This coverage does not include loss:

(1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or

(2) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss, except when the breakage results directly from Earth Movement as provided for in **a.(2)** above. A dwelling being constructed is not considered vacant.

Loss to glass covered under this Additional Coverage **9**. will be settled on the basis of

replacement with safety glazing materials when required by ordinance or law.

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

The following Additional Coverage is added to all forms. With respect to Form **HO 00 04**, the words 'covered building' used below, refer to property covered under Additional Coverage **10**. Building Additions And Alterations.

11. Ordinance Or Law

a. You may use up to 10% of the limit of liability that applies to Coverage **A** (or for Form **HO 00 04**, you may use up to 10% of the limit of liability that applies to Building Additions And Alterations) for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

(1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;

(2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or

(3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.

c. We do not cover:

(1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or

(2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals

and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

(This is Additional Coverage **10.** in Form **HO 00 06.**)

SECTION I – PERILS INSURED AGAINST

For forms **HO 00 04** and **HO 00 06**, the following changes apply:

Item **14. Freezing** and item **15. Sudden and accidental damage from artificially generated electrical current** are deleted and replaced by the following:

14. Freezing

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

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

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

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

15. Sudden and accidental damage from artificially generated electrical current

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

For form **HO 00 03** the following changes apply.

Coverage A – Dwelling and Coverage B- Other Structures

The introductory paragraph, Item **1.** and Item **2.a.** are deleted and replaced by the following:

We insure against direct loss to property described in Coverages **A** and **B** only if that loss is a physical loss to property. We do not insure, however, for loss:

1. Involving collapse, including any of the following:
 - a. An abrupt falling down or caving in;
 - b. Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

- c. Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such relates to **a.** or **b.** above;

Except as provided in additional coverage **8. Collapse.**

2. Caused by:

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

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

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

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

If Endorsement **HH 00 15** is attached to the policy, the language of item **1.b.(1)** of the endorsement is deleted and replaced by the language of **2.a.** above.

If Endorsement **HH 17 31** is attached to the policy, the language of item **3.a.** of the endorsement is deleted and replaced by the language of **2.a.** above.

Item **2.e.(3)** is deleted and replaced by the following:

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

In Endorsements:

In form **HH 00 15**, Special Personal Property Coverage, this is Item **1.b.(4)(c)** under Section **I – Perils Insured Against**.

In form **HO 04 14**, Special Computer Coverage, this is Item **B.(3)(c)** under Perils Insured Against.

In form **HH 17 31**, Unit-Owners Coverage **C**, this is Item **3.d.(3)** under Section **I – Perils Insured Against**.

Item **2.e.(7)** is deleted and replaced by the following:

- (7) Birds, rodents, insects, nesting or infestation, or discharge or release of waste products or secretions, by any animals; or

In form **HH 00 15**, Special Personal Property Coverage, this is Item **1.b.(4)(g)** under Section **I – Perils Insured Against**.

In form **HO 04 14**, Special Computer Coverage, this is Item **B.(3)(g)** under Perils Insured Against.

In form or **HH 17 31**, Unit-Owners Coverage **C**, this is Item **3.d.(7)** under Section **I** – Perils Insured Against.

COVERAGE C – PERSONAL PROPERTY

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

14. Freezing

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

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

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

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

Item **15. Sudden and accidental damage from artificially generated electrical current** is deleted and replaced by the following:

15. Sudden and accidental damage from artificially generated electrical current.

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

SECTION I - EXCLUSIONS

Item **1. Ordinance or Law** is deleted and replaced by the following:

1. Ordinance Or Law, meaning any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **1.a.** in all forms other than **HO 00 03**, and **1.a.(1)** in Form **HO 00 03**, does not apply to the amount of coverage that may be provided for under Additional Coverages, Glass Or Safety Glazing Material or Ordinance Or Law;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat

detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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

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

(This is Exclusion **1.a.** in Form **HO 00 03**.)

Item **2. Earth Movement** is deleted and replaced by the following:

2. Earth Movement, meaning:

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

caused by or resulting from human or animal forces or is otherwise caused; unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

(This is Exclusion **1.b.** in Form **HO 00 03**.)

Item **3. Water Damage** is deleted and replaced by the following:

3. Water Damage meaning:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these whether or not driven by wind;
- b. Water or waterborne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or waterborne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

This exclusion applies regardless of whether any of the above, is caused by an act of nature or is otherwise caused.

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

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

(This is Exclusion **1.c.** in Form **HO 00 03**.)

Item **4. Power Failure** is deleted and replaced by the following:

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

(This is Exclusion **1.d.** in Form **HO 00 03.**)

SECTION I – CONDITIONS

3. Loss Settlement

Under Form **HO 00 06**, Item **b.(2)** is deleted and replaced by the following:

- (2)** If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

Item **8. Suit Against Us** is deleted and replaced by the following:

8. Suit Against Us

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

The following condition is added to all forms except **HO 00 04** and **HO 00 06**:

17. Valuation Clause

With respect to the perils of fire and lightning, we agree that the limit of liability stated in Coverage **A** of the Declarations of this policy is the value of the building described. This valuation is established for insurance purposes only.

SECTION II - EXCLUSIONS

Under **1. Coverage E - Personal Liability** and **Coverage F - Medical Payments To Others**, Items **a.**, **b.**, and **c.** are deleted and replaced by the following:

- a.** Which is expected or intended by one or more "insureds"; 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 or property than initially expected or intended.
- b.** Arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the business is owned or operated by an "insured" or employs an "insured".

This Exclusion **1.b.** 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".

- c.** Arising out of the rental or holding for rental of any part of any premises by an "insured" including, but not limited to, the lease of land for extracting gas, oil, minerals or other inert substances from the land.

These exclusions **1.b.** and **1.c.** do not apply to:

The rental or holding for rental of an "insured location";

- (1)** On an occasional basis if used only as a residence;
- (2)** 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
- (3)** In part, as an office, school, studio or private garage.

The following provisions are added:

- m.** Arising out of any written or oral statement made by you or others on your behalf which is material to the sale of any property.
- n.** Arising out of a criminal act of any "insured".
- o.** Arising out of an intentional and malicious act by or at the direction of any "insured".

SECTIONS I AND II – CONDITIONS

Item **2. Concealment or Fraud** is deleted and replaced by the following:

2. Concealment Or Fraud

- a.** Under Section **I** - Property Coverages, with respect to all "insureds" covered under this policy, we provide no coverage for loss under Section **I** - Property Coverages if, whether before or after a loss, one or more "insureds" have:
- (1)** Intentionally concealed or misrepresented any material fact or circumstance;
- (2)** Engaged in fraudulent conduct; or
- (3)** Made false statements;
- relating to this insurance.
- b.** Under Section **II** - Liability Coverages, we do not provide coverage to one or more "insureds" who, whether before or after a loss, have:
- (1)** Intentionally concealed or misrepresented any material fact or circumstance;

(2) Engaged in fraudulent conduct; or

(3) Made false statements;

relating to this insurance.

5. Cancellation

Paragraphs **a.** and **b.** are deleted and replaced by the following:

- a.** You may cancel this policy at any time by returning it to us or by letting us know in writing or verbally of the date cancellation is to take effect.
- b.** We may cancel this policy only for the reasons stated below, by written notification to you and, if any, your insurance agent of the date cancellation takes effect and the precise reason for cancellation. This cancellation notice may be delivered or mailed to you and your agent at the mailing addresses shown in the Declarations or the last known addresses.

Proof of mailing will be sufficient proof of notice.

- (1) When you have not paid the premium, we may cancel at any time by letting you and your agent know at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 120 days and is not a renewal with us, we may cancel for any reason by letting you and your agent know at least 30 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 120 days or more at any time if it is a renewal with us, we may cancel:
 - (a) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue this policy;
 - (b) If the risk has changed substantially since the policy was issued, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing this policy;

(c) In the event of a substantial breach of a contractual duty, condition or warranty; or

(d) If we lose our reinsurance covering all or a significant portion of this policy, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of this state. Cancellation for these reasons is subject to approval by the Insurance Commissioner.

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

Item **6. Nonrenewal** is deleted and replaced by the following:

6. Nonrenewal

We may elect not to renew this policy. We may do so by giving the following written notification to you and your agent:

- a.** If this policy was written for a term of one year or less, we may elect not to renew this policy by giving written notification at least:
 - (1) 60 days before the expiration date of the policy if such date is on or after November 1 and before June 1; or
 - (2) 90 days before the expiration date of this policy if such date is on or after June 1 and before November 1.
- b.** If this policy was written for a term of more than one year or for an indefinite term, we may elect not to renew this policy by giving written notification at least:
 - (1) 60 days before the anniversary date of the policy if such date is on or after November 1 and before June 1; or
 - (2) 90 days before the anniversary date of the policy if such date is on or after June 1 and before November 1.

The nonrenewal notice, together with the precise reason for nonrenewal, may be delivered or mailed to you and your agent at the mailing addresses shown in the Declarations or the last known addresses.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

WATER BACK UP AND SUMP OVERFLOW

1. For an additional premium, we insure, up to \$5000 for direct physical loss, not caused by the negligence of any "insured," to property covered under Section I caused by:
 - a. Water which backs up through sewers or drains; or
 - b. Water which overflows from a sump even if such overflow results from the mechanical breakdown of the sump pump. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

This endorsement does not increase the limits of liability for Coverages A, B, C or D stated in the policy Declarations.

2. Special Deductible

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

We will pay only that part of the loss which exceeds \$500. No other deductible applies to this coverage. This deductible does not apply with respect to Coverage D – Loss of Use.

3. Section I – Perils Insured Against

In Form **HO 00 03**, paragraph **2.e.(2)** under Coverage A – Dwelling and Coverage B – Other Structures is deleted, with respect to coverage for loss caused by overflow of sumps, and replaced by the following:

(2) Inherent vice, latent defect;

In Form **HH 00 15**, this is subparagraph **1.b.(4)(b)**; in **HH 17 32**, this is subparagraph **2.e.(2)**.

4. Section I – Exclusions

In Form **HO 00 03**, paragraph **1.c – Water Damage** is replaced by the following:

Water Damage, meaning:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; or
- b. Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

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

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY FRAUD EXPENSE COVERAGE

DEFINITIONS

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

1. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an "insured" with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.
2. "Expenses" means:
 - a. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
 - b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
 - c. Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.
 - d. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
 - e. Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (1) Defend lawsuits brought against an "insured" by merchants, financial institutions or their collection agencies;
 - (2) Remove any criminal or civil judgments wrongly entered against an "insured"; and
 - (3) Challenge the accuracy or completeness of any information in a consumer credit report.
 - f. 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".

The following Additional Coverage is added under **Section I:**

IDENTITY FRAUD EXPENSE

We will pay up to \$15,000 for "expenses" incurred by an "insured" as the direct result of any one "identity fraud" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an "insured", is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This coverage is additional insurance.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover:

1. Loss arising out of or in connection with a "business".
2. "Expenses" incurred due to any fraudulent, dishonest or criminal act by an "insured" or any person aiding or abetting an "insured", or by any authorized representative of an "insured", whether acting alone or in collusion with others.
3. Loss other than "expenses".

SPECIAL DEDUCTIBLE

We will pay only that part of the loss that exceeds \$250. No other deductible applies to "identity fraud" expense coverage.

SECTION I - CONDITION

B. Duties After Loss

The following is added:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity fraud" coverage.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL COMPUTER COVERAGE

All Forms Except **HO 00 03** with **HO 00 15**
And **HO 00 06** with **HO 17 31**

THIS ENDORSEMENT: (1) DOES NOT INCREASE THE LIMIT OF LIABILITY WHICH APPLIES TO COVERAGE C, AND (2) DOES NOT MODIFY THE SPECIAL LIMITS OF LIABILITY OR THE PROVISIONS OF PROPERTY NOT COVERED UNDER COVERAGE C.

For an additional premium, the Perils Insured Against which apply to Coverage C are deleted and replaced by the following with respect to "computer equipment":

Perils Insured Against: We cover an "insured's" "computer equipment," as defined in this endorsement, against risk of direct physical loss.

We do not insure, however, for loss:

A. Excluded under SECTION I - EXCLUSIONS.

B. Caused by:

(1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

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

(2) Theft in or to a dwelling under construction, until the dwelling is finished and occupied;

(3) Any of the following:

- (a)** Wear and tear, marring, deterioration;
- (b)** Inherent vice, latent defect, mechanical breakdown;
- (c)** Smog, rust or other corrosion, mold, wet or dry rot;
- (d)** Smoke from agricultural smudging or industrial operations;
- (e)** Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration,

release or escape is itself caused by one or more of the Perils Insured Against that would apply under Coverage C of the policy form if this endorsement were not attached to the policy form.

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

(f) Settling, shrinking, bulging or expansion, including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;

(g) Birds, vermin, rodents or insects; or

(h) Animals owned or kept by an "insured."

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water.

Under items **(1)** through **(3)**, any ensuing loss not excluded or excepted in this policy is covered.

(4) Vandalism and malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

(5) Dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet or hail;

(6) Refinishing, renovating or repairing property;

(7) Collision, other than collision with a land vehicle, sinking, swamping or stranding of watercraft, including their trailers, furnishings, equipment and outboard engines or motors;

(8) Destruction, confiscation or seizure by order of any government or public authority; or

(9) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss

not excluded or excepted in this policy is covered.

DEFINITION

With respect to the coverage provided by this endorsement, "computer equipment" means:

1. Electronic data processing hardware and related peripheral equipment, including CRT screens, disc drives, printers and modems; and
2. Discs, tapes, wires, records or other software media used with the equipment in 1. above.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

FOR USE WITH FORMS EXCEPT HO 00 03

SCHEDULE*

These limits of liability apply to the total of all loss or costs payable under this endorsement, regardless of the number of "occurrences", the number of claims-made, or the number of locations insured under this endorsement and listed in this Schedule.		
1.	Section I - Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$2,500
2.	Section II - Coverage E Aggregate Sublimit Of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria	\$25,000
*Entries may be left blank if shown elsewhere in this policy for this coverage.		

DEFINITIONS

"Fungi"

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

SECTION I - PROPERTY COVERAGES

ADDITIONAL COVERAGES

The following Additional Coverage is added:

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

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

performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of fungi, wet or dry rot, or bacteria.

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

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

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

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

This coverage does not increase the limit of liability

applying to the damaged covered property.

(This is Additional Coverage **11.** in Forms **HO 00 01** and **HO 00 06** and **9.** in Form **HO 00 08.**)

SECTION I - PERILS INSURED AGAINST

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph **12.e.** is added:

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

(This is Paragraph **12.d.** in Form **HO 00 04.** This Paragraph does not apply in Forms **HO 00 01** and **HO 00 08.**)

SECTION I - EXCLUSIONS

Exclusion **9.** is added.

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

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

This exclusion does not apply:

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

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

SECTION II - CONDITIONS

Condition **1. Limit Of Liability** is deleted and replaced by the following:

1. Limit Of Liability

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

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

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

- a.** Number of locations insured under the policy to which this endorsement is attached;
- b.** Number of persons injured;
- c.** Number of persons whose property is damaged;
- d.** Number of "insureds"; or
- e.** Number of "occurrences" or claims-made.

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

With respect to damages arising out of "fungi", wet or dry rot, or bacteria described in **1. Limit Of Liability** of this endorsement, Condition **2. Severability Of Insurance** is deleted and replaced by the following:

2. Severability Of Insurance

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

SECTION I AND II CONDITIONS

Condition **1. Policy Period** is deleted and replaced by the following:

1. Policy Period

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

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL PROPERTY REPLACEMENT COST

SECTION I

For an additional premium, covered losses to the following property are settled at replacement cost at the time of loss:

- a. Coverage C - Personal Property;
- b. If covered in this policy, awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings.

Personal Property Replacement Cost coverage will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

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

1. PROPERTY NOT ELIGIBLE

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

- a. Antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced.

b. Memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value.

c. Articles not maintained in good or workable condition.

d. Articles that are outdated or obsolete and are stored or not being used.

2. REPLACEMENT COST

The following loss settlement procedure applies to all property insured under this endorsement:

a. We will pay no more than the least of the following amounts:

- (1) Replacement cost at the time of loss without deduction for depreciation;
- (2) The full cost of repair at the time of loss;
- (3) The limit of liability that applies to Coverage C, if applicable;
- (4) Any applicable special limits of liability stated in this policy; or
- (5) For loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item.

b. When the replacement cost for the entire loss under this endorsement is more than \$500, we will pay no more than the actual cash value for the loss or damage until the actual repair or replacement is complete.

c. You may make a claim for loss on an actual cash value basis and then make claim within 180 days after the loss for any additional liability in accordance with this endorsement.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NO SECTION II - LIABILITY COVERAGES FOR
HOME DAY CARE BUSINESS
LIMITED SECTION I - PROPERTY COVERAGES FOR
HOME DAY CARE BUSINESS**

If an "insured" regularly provides home day care services to a person or persons other than "insureds" and receives monetary or other compensation for such services, that enterprise is a "business." Mutual exchange of home day care services, however, is not considered compensation. The rendering of home day care services by an "insured" to a relative of an "insured" is not considered a "business."

Therefore, with respect to a home day care enterprise which is considered to be a "business," this policy:

- 1.** Does not provide Section II - Liability Coverages because a "business" of an "insured" is excluded under exclusion **1.b.** of Section II - Exclusions;
- 2.** Does not provide Section I - Coverage B coverage where other structures are used in whole

or in part for "business";

3. Limits coverage for property used on the "residence premises" for the home day care enterprise to \$2,500, because Coverage C - Special Limits of Liability - item **8.** imposes that limit on "business" property on the "residence premises." (Item **8.** corresponds to item **5.** in Form **HO 00 08.**);

4. Limits coverage for property used away from the "residence premises" for the home day care enterprise to \$250, because Coverage C - Special Limits of Liability - item **9.** imposes that limit on "business" property away from the "residence premises." Special Limit of Liability item **9.** does not apply to adaptable electronic apparatus as described in Special Limit of Liability items **10.** and **11.** (Items **9.**, **10.** and **11.** correspond to items **6.**, **7.** and **8.** respectively in Form **HO 00 08.**)

THIS ENDORSEMENT DOES NOT CONSTITUTE A REDUCTION OF COVERAGE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL INJURY

For an additional premium, under Coverage E - Personal Liability, the definition "bodily injury" is amended to include personal injury.

"Personal injury" means injury arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment, or malicious prosecution;
2. Libel, slander or defamation of character; or
3. Invasion of privacy, wrongful eviction or wrongful entry.

Section II Exclusions do not apply to personal injury. Personal injury insurance does not apply to:

1. Liability assumed by the "insured" under any contract or agreement except any indemnity obligation assumed by the "insured" under a written contract directly relating to the ownership, maintenance or use of the premises;

2. Injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of an "insured";

3. Injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by the "insured";

4. Injury arising out of or in connection with a "business" engaged in by 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";

5. Civic or public activities performed for pay by an "insured"; or

6. Injury to you or an "insured" within the meaning of part a. or b. of "insured" as defined.

All other provisions of this policy apply.

