



COMPREHENSIVE HOMEOWNERS POLICY

The policy consists of these wordings, the Certificate of Property Insurance which contains information that is unique to your insurance policy and other forms that may need to be attached to complete your package coverage. Together, these represent the legal contract of indemnity that exists between you and us. This policy contains various exclusions which eliminate or restrict coverage. Please read it carefully.

INSURING AGREEMENT

We provide the insurance described in this policy in return for payment of the premium and subject to the terms and conditions set out.

All amounts of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.

The Certificate of Property Insurance summarizes the Insurance coverage you have selected and the premiums, limits, amounts and deductibles that apply to them. Among other things, the Certificate of Property Insurance also identifies the policyholder, the policy term and any Endorsements that apply to your Insurance Coverage.

Only losses that occur within the policy term shown on the Certificate of Property Insurance will be covered under this policy. There will be no coverage for any loss that occurred or was in progress prior to the policy period inception date or after the policy period expiry date shown on the Certificate of Property Insurance.

Insurance cannot be a source of profit. It is only designed to indemnify you against actual losses incurred by you or for which you are liable.

If during the term of this policy we change the insurance of the kind provided by this policy to provide more coverage at no additional cost, you will automatically benefit from that change at no increase in premium.

This form consists of three Sections:

SECTION I describes the insurance on your property. It also includes additional living expenses and/or fair rental value in certain circumstances.

SECTION II describes the insurance for your legal liability for bodily injury to others or damage to property of others arising out of your premises or your personal actions. It also includes benefits following injury and damage to property of others in certain other circumstances.

SECTION III describes the **OPTIONAL COVERAGES** you have purchased for an additional premium.

SECTION I - PROPERTY COVERAGES

DEFINITIONS

"Actual Cash Value" means various factors shall be considered in the determination of actual cash value. Such factors shall include but are not limited to replacement cost less any depreciation and market value. In determining depreciation consideration shall be given to the condition of the property immediately before the loss or damage, the resale value, the normal life expectancy of the property and obsolescence.

"Business or Business Pursuit" means any continuous, regular or occasional activity of any kind undertaken for financial gain, and includes a trade, profession or occupation. However, the following business uses by you are permitted without being stated on the Certificate of Property Insurance:

1. school, if not more than three students are under instruction at any one time;
2. babysitting or daycare, provided a license for such daycare or babysitting is not required by provincial by-law as per the province shown on the Certificate of Property Insurance;
3. storage of merchandise, providing the total value of such merchandise does not exceed \$2,500.

"Business Property" means property of any description related to a business pursuit conducted on the premises or elsewhere.

"Cash Cards" means cards designed to store a cash value by electronic means for use as a mode of payment, without a personal identification number and without direct access to a bank or other account.

"Civil Authority" means any person acting under the authority of the Governor General in Council of Canada or the Lieutenant Governor in Council of a Province, and/or any person acting with authority under a Federal, Provincial or Territorial legislation with respect to the protection of persons and property in the event of an emergency.

"Data" means representations of information or concepts, in any form.

"Data Problem" means:

1. erasure, destruction, corruption, misappropriation, misinterpretation of data;
2. error in creating, amending, deleting or using; or
3. inability to receive, transmit or use data.

"Data Recovery" means services performed by a professional for the process of salvaging electronic data from damaged hard drive(s) installed in your personal computer.

"Data Recreation" means services performed by a professional to manually recreate electronic data stored on damaged hard drive(s) installed in your personal computer.

"Domestic Water Container" means a device or apparatus for personal use on the premises for containing, heating, chilling or dispensing water.

"Dwelling" means the Building described in the Certificate of Property Insurance, wholly or partially occupied by you as a private residence.

"e-bike (electric bike)" means a power assisted bicycle that meets the federal and provincial definitions of a power assisted bicycle and is incapable of attaining speeds higher than 32 km/h on level ground.

"Flood" means waves, tides, tidal waves, tsunamis, or the rising of, the breaking out or the overflow of, any body of water, whether natural or man-made.

"Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapor or gas produced by, emitted from or arising out of any fungi or spore(s) or resultant mycotoxins, allergens, or pathogens.

"Ground Water" means water in the soil beneath the surface of the ground, including but not limited to water in wells and in underground streams, and percolating waters.

"Ice Damming" means the buildup of ice and water on the roof, or within the eaves trough and downspout system, caused by repeated thawing and freezing of ice and snow within the eaves trough and downspout system.

"Insured" means the person(s) named as Insured on the Certificate of Property Insurance and, while living in the same household:

1. his or her spouse;
2. the relatives of either; and
3. any person under the age of 21 in their care.

In addition, a student who is enrolled in and actually attends a school, college or university and who is dependent on the Named Insured or his or her spouse for support and maintenance is also insured even if temporarily residing away from the principal residence stated on the Certificate of Property Insurance.

Only the person(s) named on the Certificate of Property Insurance may take legal action against us.

"Premises" means the land contained within the lot lines on which the dwelling is situated.

"Replacement Cost" means the cost, on the date of the loss or damage, of the lower of:

1. repairing the property with materials of similar kind and quality; or
2. new articles of similar kind, quality and usefulness;

without any deduction for depreciation.

"Residence Employee" means a person employed by you to perform duties in connection with the maintenance or use of the premises. This includes persons who perform household or domestic services or duties of a similar nature for you. This does not include contractors or sub-contractors. It also does not cover persons while performing duties in connection with your business.

"Renewable Energy Equipment" means solar panels and wind turbines and their apparatus permanently installed on your premises used for the generation, transmission or utilization of mechanical or electrical power.

"Specified Perils"

Subject to the exclusions and conditions in this policy, Specified Perils mean:

1. fire;
2. lightning;
3. explosion;
4. smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises;
5. a falling object which strikes the exterior of the building;
6. impact by aircraft, watercraft, or land vehicle;
7. riot;
8. vandalism or malicious acts, not including loss or damage caused by theft or attempted theft;
9. water damage meaning damage caused by:
 - a. the sudden and accidental escape of water from a watermain;
 - b. the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler, air conditioning system or domestic water container, which is located inside your dwelling;
 - c. the sudden and accidental escape of water from a domestic water container located outside your dwelling. However, such damage is not covered when the escape of water is caused by freezing;
 - d. water which enters your dwelling through an opening which has been created suddenly and accidentally by a peril not otherwise excluded;
 - e. the backing up or escape of water from an eaves trough or down spout, or by ice damming, provided the water has not entered through a basement or foundation wall;
10. windstorm or hail, including loss or damage caused by weight of ice, snow, or sleet. This peril does not include loss or damage to your personal property within a building, caused by windstorm, hail or coincidental rain damage unless the storm first creates an opening in the building;
11. transportation meaning loss or damage to your personal property, caused by collision, upset, overturn, derailment, stranding or sinking of any motorized vehicle or attached trailer in which the insured property is being carried. This would also apply to any conveyance of a common carrier, but does not include loss or damage to property in a vacation or home trailer which you own. Watercraft, their furnishings, equipment or motors are also not covered.

"Secured Storage Facility" means, a building designed specifically for storage that is locked and has 24 hour security monitoring.

"Spore(s)" includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any fungi.

"Spouse" means either of two persons who are married to each other or who have together entered into a marriage that is voidable or void, or either of two persons who are living together in a conjugal relationship outside marriage and have so lived together continuously for a period of 3 years or, if they are the natural or adoptive parents of a child, for a period of 1 year.

"Surface Waters" means water on the surface of the ground where water does not usually accumulate in ordinary watercourses, lakes or ponds.

"Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of

influencing any government and/or instilling fear in the public or a section of the public.

"Under Construction" means

1. For construction of a new dwelling building or detached private structure:

The period of time commencing from the date site preparation is initiated and continuing through, excavation, laying of foundations and the assembly of components, concluding when the dwelling building/ detached private structure is completed and ready for occupancy.
2. For alterations or repairs to existing dwelling buildings or detached private structures:

The period of time during any alterations or repairs involving:

 - a) site preparation;
 - b) demolition;
 - c) laying of foundations;
 - d) removal or weakening of any structural support; or
 - e) the opening of an exterior wall or roof component that extends beyond 48 consecutive hours.

The period of construction commences from the date the alterations or repairs are initiated and continues until such time as all interior fixtures are installed with all exterior finishes and finished carpentry completed.

If the premises is unoccupied during the period of construction, the dwelling building or detached private structure is considered under construction until the occupants have taken up residency even if the alterations or repairs have been completed.

"Vacant" refers to the circumstance where, regardless of the presence of furnishings:

1. all occupants have moved out with no intention of returning and no new occupant has taken up residence; or
2. in the case of a newly constructed dwelling, no occupant has yet taken up residence.

"Watermain" means a pipe forming part of a water distribution system which conveys consumable water but not wastewater.

"We", "us" or "our" means the company providing this insurance.

"You" or "your" refers to the insured.

COVERAGE

The amounts of insurance are shown on the Certificate of Property Insurance.

Coverage A - Dwelling Building

We insure:

1. The principal dwelling and attached structures.
2. Permanently installed outdoor equipment on the premises.
3. Outdoor swimming pool and attached equipment on the premises.
4. Materials and supplies located on or adjacent to the premises intended for use in construction, alteration or repair of your dwelling or detached private structures on the premises. We insure against the peril of theft, only when your dwelling is completed and ready to be occupied.

Extensions of Coverage

Tear Out

If any walls, ceilings or other parts of insured buildings or structures must be torn apart before water damage coverage covered by this form can be repaired we will pay the cost of such work and its restoration.

The cost of tearing out and replacing property to repair damage to outdoor swimming pools, public watermains or sewers is not insured.

Building Fixtures and Fittings

You may apply up to 10% of the amount of insurance on your dwelling to insure building fixtures and fittings temporarily removed from the premises for repair or seasonal storage.

Outdoor Trees, Plants, Shrubs and Lawns

You may apply up to 5% in total of the amount of insurance on your dwelling to trees, plants, shrubs and lawns on your premises. We will not pay more than \$1,000 for any one tree, plant or shrub including debris removal expenses. We will not pay more than \$1,000 for grass including debris removal expenses.

We insure these items against loss caused by fire, theft, lightning, explosion, impact by aircraft, watercraft, or land vehicle, riot, vandalism and malicious acts. We do not insure items or lawns grown for commercial purposes.

Coverage B - Detached Private Structures

We insure structures or buildings on your premises separated from the dwelling by a clear space but not insured under Coverage A. If they are connected to the dwelling by a fence, utility line or similar connection only, they are considered to be private detached structures.

Coverage C - Personal Property

1. We insure the contents of your dwelling and other personal property you own, wear or use while on your premises which is usual to the ownership or maintenance of a dwelling.

If you wish, we will include uninsured personal property of others while it is on that portion of your premises which you occupy but we do not insure property of roomers or boarders who are not related to you.

We do not insure loss or damage to:

- a. motorized vehicles or their equipment (except for lawn mowers, other gardening equipment, snow blowers, wheelchairs, scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability, electric personal mobility assistive devices, watercraft other than personal watercraft powered by a jet-pump propulsion system, e-bikes and golf carts);
- b. camper units, truck caps, trailers, or their equipment;
- c. aircraft or their equipment.

Equipment includes audio, visual, recording, or transmitting equipment powered by the electrical system of a motor vehicle or aircraft. Equipment does not include spare automobile parts.

2. We insure your personal property while it is temporarily away from your premises, anywhere in the world. However, personal property normally kept at any other location you own or rent is not insured.

If you wish, we will include uninsured personal property belonging to others while it is in your possession or belonging to a residence employee travelling for or with you.

Personal property stored in a secured storage facility is insured for a period of 30 days only, from the date the property was first stored. We will continue coverage beyond that period for the peril of theft only.

3. We insure the personal property of a student, who is insured by this policy but is temporarily residing away from home for the purpose of attending a school, college or university, for an amount not exceeding \$10,000.
4. We insure the personal property of your spouse, your father or mother or your spouse's father or mother who are living in a nursing home or a home for the aged, but who are in your legal custody, for an amount not exceeding \$5,000.
5. We insure the personal property of physically or mentally challenged persons, who are legally in your custody, while residing in a facility designed for the care of such persons up to \$5,000.

Extensions of Coverage

Change of Temperature

We insure your personal property damaged by change of temperature resulting from physical damage to your dwelling or equipment by an Insured Peril. This only applies to personal property kept in the dwelling.

Moving to Another Home

We insure your personal property while in transit to and at another location within Canada which is to be occupied by you as your principle residence. Coverage applies for 30 consecutive days commencing on the date personal property is removed from your principle residence, but not beyond the date the policy expires or is terminated. This coverage does not increase the amounts of insurance.

Special Limits of Insurance

We insure:

1. Books, tools and instruments pertaining to a business, profession or occupation but only while on your premises for an amount up to \$2,500 in total. Other property used for business is not insured, including samples and goods held for sale.
2. Securities up to \$5,000 in total.
3. Money including cash cards or bullion, up to \$500 in total.
4. Garden type tractors and snow removal equipment including attachments and accessories up to \$10,000 in total.

5. Watercraft, their trailers, furnishings, equipment, accessories and motors up to \$2,500 in total, but we do not insure personal watercraft powered by a jet-pump propulsion system.
6. Spare automobile parts up to \$250 for any one item, \$1,000 in total.
7. Animals, birds or fish up to \$2,500 in total.
8. We insure your Personal Property while contained in a safety deposit box in a Bank or Trust Company, up to \$10,000 in total.
9. Golf carts up to \$5,000 in total.
10. Renewable Energy Equipment for an amount not exceeding \$5,000 in total.

The following special limits of insurance do not apply to any claim caused by a Specified Peril:

11. Jewellery, watches, gems, fur garments and garments trimmed with fur up to \$6,000 in total.
12. Numismatic property (such as coin collections) up to \$500 in total.
13. Manuscripts, stamps and philatelic property, (such as stamp collections) up to \$2,000 in total.
14. Each bicycle, tricycle, unicycle or e-bike and its equipment and accessories up to \$1,000 each.
15. Collectibles, such as sports cards, sports memorabilia and comic books up to \$5,000 per loss.
16. Golfing equipment and accessories, except golf carts, up to \$3,000 in total, while the golfing equipment is away from your premises.
17. Works of art, such as paintings, photographs, drawings etchings, prints and lithographs, including their frames, sculptures, statuary and antiques, and hand-made rugs and tapestries up to \$15,000 per item and up to a maximum of 15% of Coverage C as shown on the Certificate of Property Insurance for all items.
18. We insure your wine or spirits on the premises, for replacement cost against all risk of direct physical loss or damage subject to the terms and conditions of this form, for an amount up to a maximum of 10% of Coverage C as shown on the Certificate of Property Insurance. Such property is also covered while away from the premises for an amount up to a maximum of 1% of Coverage C as shown on the Certificate of Property Insurance, but this limit of insurance does not apply when the wine is stored in the cellars of a wine club or similar location.

Coverage D - Additional Living Expense

The amount of insurance for Coverage D is the total amount for any one or a combination of the following coverages. The periods of time stated below are not limited by the expiration of the policy.

1. **Additional Living Expense.** If, as a result of damage by a peril not otherwise excluded your dwelling is unfit for occupancy, or you have to move out while repairs are being made, we insure any necessary increase in living expenses, including moving expenses incurred by you, so that your household can maintain its normal standard of living. Payment shall be for the reasonable time required to repair or rebuild your dwelling or, if you permanently relocate, the reasonable time required for your household to settle elsewhere.
2. **Fair Rental Value.** If a peril not otherwise excluded makes that part of the dwelling or detached private structures rented to others or held for rental by you unfit for occupancy, we insure its Fair Rental Value. Payment shall be for the reasonable time required to repair or replace that part of the dwelling or detached private structures rented or held for rental. Fair Rental Value shall not include any expense that does not continue while that part of the dwelling or detached private structures rented or held for rental is unfit for occupancy.
3. **Prohibited Access.** If a civil authority prohibits access to your dwelling:
 - a. as a direct result of damage to neighbouring premises by a peril not otherwise excluded under this form, we insure any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding 2 weeks; or
 - b. by order for mass evacuation as a direct result of a sudden and accidental event within Canada or the United States of America, we insure any resulting necessary and reasonable increase in living expense to a maximum of \$2,500 incurred by you for the period access is prohibited, not exceeding 30 days from the date of the order of evacuation.

You are not insured for any claim arising from evacuation resulting from:

- i. flood;
- ii. earthquake;

- iii. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
- iv. Terrorism or any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage;
- v. any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas;
- vi. contamination by radioactive material.

This coverage does not increase the amounts of Insurance for Coverage D, Additional Living Expense.

We do not insure the cancellation of a lease or agreement.

SPECIAL COVERAGE FEATURES

In addition to the insurance provided by the Property Coverages, your policy provides these Special Coverage Features, subject to the terms and conditions set out.

By-Laws Coverage

The Insurance provided by Coverages A and B under Section I of this policy is, without increasing the amount of insurance, extended for an amount not exceeding the limit specified for the By-Laws Form as stated on the Certificate of Property Insurance, to provide the following coverage at the location specified and only as a result of an insured peril:

- 1. loss occasioned by the demolition of any undamaged portion of the buildings or structures, or
- 2. the cost of demolishing, and clearing the site of any undamaged portion of the buildings or structures, or
- 3. any increase in the cost of repairing, replacing, constructing or reconstructing the buildings or structures on the same site or on an adjacent site, of like height, floor area and style, and for like occupancy,

arising from the enforcement of the minimum requirements of any by-law, regulation, ordinance or law which:

- 1. regulates zoning or the demolition, repair or reconstruction of damaged buildings or structures; and
- 2. is in force at the time of such loss or damage.

You are not insured against:

- (1) the enforcement of any by-law, regulation, ordinance or law which prohibits the Insured from rebuilding or repairing on the same site or an adjacent site or prohibits continuance of like occupancy;
- (2) the enforcement of any by-law, regulation, ordinance or law which could apply in absence of a loss.

The deductible applies to this Coverage Feature.

Credit Card, Automated Teller Card, Forgery and Counterfeit Money Coverage

We will pay for:

- 1. Your legal obligation to pay because of the theft or unauthorized use of credit cards issued to you or registered in your name provided you have complied with all of the conditions under which the card was issued;
- 2. loss caused by the theft of your automated teller card provided you have complied with all of the conditions under which the card was issued;
- 3. loss to you caused by forgery or alteration of cheques, drafts or other negotiable instruments;
- 4. loss by your acceptance in good faith of counterfeit Canadian or United States paper currency.

We do not cover loss caused by the use of your credit card or automated teller card by a resident of your household or by a person to whom the card has been entrusted.

The most we will pay under this coverage during the term of this policy is \$5,000.

This Coverage Feature is not subject to a deductible.

Debris Removal

We will pay the cost of removing from your premises the debris of property insured which results from loss or damage insured by this form.

If the amount payable for loss, including expense for debris removal, is greater than the amount of insurance an additional 5% of that amount will be available to cover debris removal expense.

The deductible applies to this Coverage Feature.

Fire Department Charges

We will reimburse you for fire department charges incurred for attending your premises to save or protect insured property from loss or damage or further loss or damage, insured against by this form.

This Coverage Feature is not subject to a deductible.

Frozen Food Protection

We will pay for loss or damage to food while contained in a freezer located on your premises caused by the accidental interruption of electrical power on or off the premises or by mechanical breakdown of the freezer. This coverage includes damage to the freezer when it is due to the insured food spoilage and also reasonable expenses incurred by you to save and preserve the food from spoilage while your freezer is being repaired.

We do not insure:

- 1. loss from spoilage caused by the operation of an electrical circuit breaker or fuse or by accidental or intentional disconnection of the power supply in the building containing the freezer;
- 2. expenses incurred in the acquisition of frozen food.

This Coverage Feature is not subject to a deductible.

Inflation Guard

We will increase the limits of insurance stated on the Certificate of Property Insurance for Coverages A, B C and D by amounts which are solely attributable to the inflation increase since the inception date of this policy, the latest renewal or anniversary date or from the date of the most recent change to the amounts of insurance shown on the Certificate of Property Insurance, whichever is the latest.

On renewal or anniversary date, we will automatically increase the amounts of insurance shown on the Certificate of Property Insurance under Section I by amounts which are solely attributable to the inflation increase since the inception date of this policy or the latest renewal or anniversary date.

Lock Replacement

If your exterior door keys are lost or stolen, your policy provides up to \$500 to re-key your locks or to replace them if it is not possible to re-key them. You must notify us within 72 hours of the discovery of the keys being lost or stolen.

This Coverage Feature is not subject to a deductible.

Mortgage Rate Protector

Should your dwelling be rendered a total loss by a peril not otherwise excluded your mortgagor may have the right to call in your mortgage loan, making it necessary for you to arrange a new loan. If your new mortgage loan bears a higher rate of interest than the old one, we will pay:

- 1. the extra cost of your loan repayments on the balance of your outstanding mortgage, calculated as the difference between the old and the new payment amounts, each month until the maturity date of the original mortgage agreement; and
- 2. legal fees you incurred to obtain the new mortgage, but we will not pay for other costs such as judgments or service charges.

The payments provided by this Feature:

- a. are in addition to the amount of insurance shown for Coverage A on the Certificate of Property Insurance; and
- b. will cease on the date you relinquish title to or your interest in your dwelling.

Where found in this Feature, the words "total loss" mean that the total cost of insured loss or damage equals or exceeds the amount shown for Coverage A on the Certificate of Property Insurance.

This Coverage Feature is not subject to a deductible.

Personal Records Stored in a Personal Computer

We will pay for data recovery of personal records lost because of a peril not otherwise excluded. To the extent that data recovery of personal records is not possible, we will pay for data recreation.

Coverage under this feature is limited to a maximum of \$3,000.

The deductible applies to this Coverage Feature.

Property Removed

If you must remove insured property from your premises to protect it from loss or damage that is covered by this policy, it is insured by this form for 90 consecutive days or until your policy term ends - whichever occurs first. The amount of insurance will be divided in the proportions that the value of the property removed bears to the value of all insured property at the time of loss.

The deductible applies to this Coverage Feature.

Reward Coverage

We will pay up to \$1,000 to any individual or organization for information leading to the arrest and conviction of any person(s) who robs from any person insured under this policy or steals, vandalizes, burglarizes or commits arson to any insured property. Regardless of the number of persons providing information, payment will not exceed \$1,000 in total.

This Coverage Feature is not subject to a deductible.

Notice to Authorities

Where loss or damage is, or is suspected to be, due to malicious acts, burglary, robbery, theft or attempted theft, you must give immediate notice of such loss to the police or other law enforcement agency having jurisdiction.

Insured Perils

You are insured against all risks of direct physical loss or damage subject to the exclusions and conditions in this form.

Exclusions – Section 1

Property not insured:

1. buildings or structures used in whole or in part for business or farming purposes;
2. retaining walls, unless the damage is caused by fire, lightning, impact by watercraft, land vehicle or aircraft, vandalism and malicious acts;
3. sporting equipment where the loss or damage is due to its use;
4. animals, birds or fish unless the loss or damage is caused by a Specified Peril, other than impact by aircraft, watercraft or land vehicle;
5. property at any fairground, exhibition or exposition for the purpose of exhibition or sale;
6. any property lawfully seized or confiscated unless such property is destroyed to prevent the spread of fire;
7. any property illegally acquired, used, kept, stored, imported or transported or any property subject to forfeiture;
8. evidences of debt or title;
9. loss or damage to wine or spirits caused by
 - a. breakage
 - b. spoilage

Loss or damage not insured:

10. scratching, abrasion or chipping of any personal property or breakage of any fragile or brittle articles unless caused by a Specified Peril, accident to a land vehicle, watercraft or aircraft, or theft or attempted theft;
11. wear and tear, deterioration, defect or mechanical breakdown;
12. inherent vice or latent defect;
13. the cost of making good:
 - a. faulty or improper material;
 - b. faulty or improper workmanship; or
 - c. faulty or improper design.

This exclusion does not apply to loss or damage caused directly by a resultant peril not otherwise excluded in this form.

14.
 - a. data; or
 - b. loss or damage caused directly or indirectly by a data problem. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage except you are still insured for ensuing loss or damage caused directly by fire, explosion, smoke or water damage, all as described Specified Perils.

Nor do we insure loss or damage:

15. caused by rust or corrosion, wet or dry rot, or fungi or spores;
16. resulting directly from settling, expansion, contraction, moving, bulging, buckling or cracking except resulting damage to building glass;
17. occurring after your dwelling has, to your knowledge, been vacant for more than 30 consecutive days;
18. caused directly or indirectly by:
 - a. any nuclear incident as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any law amendatory thereof or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of coal, natural or manufactured gas; or
 - b. contamination by radioactive material;

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

19. caused directly or indirectly by war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.
20. caused directly or indirectly, in whole or in part, by "Terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "Terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect. This exclusion does not apply to ensuing loss or damage which directly results from fire or explosion of natural, coal or manufactured gas;
21. resulting from an intentional or criminal act or failure to act by:
 - a. any person insured by this policy;
 - b. any other person at the direction of any person insured by this policy; or
 - c. any tenant, tenants' guests, boarder or employee, or any member of the tenants' household;
 - (1) This exclusion applies only to the claim of a person:
 - (i) whose act or omission caused the loss or damage,
 - (ii) who abetted or colluded in the act or omission,
 - (iii) who consented to the act or omission and knew or ought to have known that the act or omission would cause the loss or damage
 - (2) A person to whom this exclusion does not apply
 - (i) must co-operate with us in respect of the investigation of the loss or damage, including, without limitation,
 - by submitting to an examination under oath, if requested by us
 - by producing for examination at a reasonable time and place designated by us, documents specified by us that relate to the loss or damage and
 - by permitting extracts and copies of such documents to be made, all at reasonable place and time designated by us.
 - (ii) cannot recover more than their proportionate interest in the lost or damage property.
22. from the part of the dwelling rented to others caused by theft or attempted theft by any tenant, tenant's employee or member of the tenant's household;
23. arising directly or indirectly from the growing, manufacturing, processing, storing, possession or distribution by anyone of any drug, narcotic or illegal substances or items of any kind. This includes any alteration of the premises to facilitate such activity, whether or not you have any knowledge of such activity. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
24. to personal property undergoing any process involving the application of heat, or while being worked on, where the damage results from such process or work, but resulting damage to other property is insured;
25. caused by animals owned by you or in your care, custody or control;
26. caused by birds, vermin, skunks, rodents, (other than raccoons and squirrels), bats or insects, except loss or damage to building glass;
27. caused by smoke from agricultural smudging or industrial operations;
28. caused directly or indirectly by snowslide, earthquake, landslide, mudflow or any other earth movement. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage except you are still insured for ensuing loss or damage which directly results from fire or explosion;
29. caused by vandalism or malicious acts or glass breakage occurring while your dwelling is under construction or vacant even if permission for construction or vacancy has been given by us;
30. resulting from a change in ownership of property that is agreed to even if that change was brought about by trickery or fraud;
31. caused by or resulting from contamination or pollution, or the release, discharge or dispersal of contaminants or pollutants, unless the loss or damage resulted from the sudden and accidental bursting or overflowing of your domestic fixed fuel oil tank, apparatus or pipes;

We do not insure loss or damage:

- a. to sewers;
 - b. caused by continuous or repeated leakage or seepage;
 - c. occurring while the dwelling is under construction or vacant, even if we have given permission for construction or vacancy;
32. caused by theft or attempted theft of property in or from a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and ready to be occupied;
33. to an outdoor swimming pool or equipment attached to a public watermain, caused by water escape, rupture or freezing;
34. caused directly or indirectly by continuous or repeated seepage or leakage of water. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage;
35. caused directly or indirectly by flood, surface water, spray, storm surge, ice or waterborne objects, all whether driven by wind or not. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage, unless the loss or damage resulted from the escape of water from a public watermain, swimming pool or equipment attached;
36. caused directly or indirectly by water except as defined in Specified Perils; but we do not insure loss or damage:
- a. caused by the backing up or escape of water from a sewer, sump or septic tank, retention tank, French drain or water leader;
 - b. caused by ground water or rising of the water table;
 - c. caused by surface waters;
 - d. to a watermain;
 - e. to a system or domestic water container from which the water escaped;
 - f. caused by shoreline ice build-up or by water-borne ice or other objects, all whether driven by wind or not;
 - g. occurring while the building is under construction or vacant even if we have given permission for construction or vacancy;
 - h. caused by freezing during the usual heating season:
 - i. within a heated portion of your dwelling, if you have been away from your premises more than 4 consecutive days; but you will still be insured if any of the following precautions have been taken:
 - arranged for a competent person to enter your dwelling each day you were away, to ensure that heating was being maintained; or
 - shut off the water supply and had drained all the pipes and domestic water containers; or
 - if your plumbing and heating system is connected to a monitored alarm station providing 24-hour service;
 - ii. within an unheated portion of your dwelling.

This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

BASIS OF CLAIM PAYMENT

We will pay for insured loss of or damage to the dwelling and detached private structures and personal property as described below up to your financial interest in the property, but not exceeding the applicable amount(s) of insurance for any loss or damage arising out of any one occurrence.

Amounts Not Reduced

Any payments made for loss or damage will not reduce the amounts of insurance provided by this policy.

Actual Cash Value

The Actual Cash Value will take into account such things as the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value and the normal life expectancy.

Deductible

We are responsible only for the amount by which the loss or damage covered by this policy of insurance exceeds the amount of the deductible shown on the Certificate of Property Insurance in any one occurrence. If your claim exceeds

\$25,000, and the applicable deductible amount on the Certificate of Property Insurance is \$1,000 or less, the deductible will not apply to your claim.

If your claim involves personal property on which the Special Limits of Insurance apply, the limitations apply to losses exceeding the deductible amount.

Dwelling and Detached Private Structures

If you repair or replace the damaged or destroyed building on the same location with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage we will pay the cost of repairs or replacement (whichever is less) without deduction for depreciation.

If you do not repair or replace we will pay the actual cash value of the damage on the date of occurrence.

Guaranteed Replacement Cost on Dwelling Buildings

If Guaranteed Replacement cost is indicated in the Certificate of Property Insurance, we will pay the cost of repairs or replacement even if it is more than the amount of insurance for Coverage A, provided:

1. the amount of insurance for Coverage A shown on the Certificate of Property Insurance:
 - a. on the inception date of the policy; or
 - b. the most recent renewal date; or
 - c. the increased amount under the inflation protection coverage on the date the increase took effect was not less than 100% of the cost to replace the dwelling building, as determined by a valuation guide acceptable to us;
2. the amount of insurance applicable to Coverage A has not been reduced below the amount determined by the valuation guide; and
3. you notified us within 30 days of the start of the work if any improvement, extension or addition has been made to your dwelling where the value of such improvement, extension or addition exceeds \$10,000.
4. you repair or replace the damaged or destroyed building on the same location with a building of the same occupancy constructed with materials of similar quality within a reasonable time after the damage.

In determining the cost of repairs or replacement we will not pay or include the increased costs of repair or replacement due to the operation of any law regulating the zoning, demolition, repair or construction of buildings and their related services.

Insurance Under More Than One Policy

If you have insurance on specifically described property, this policy will be considered excess insurance and we will not pay any loss or claim until the amount of such other insurance is used up.

In all other cases, we will pay our ratable proportion of the loss or claim under this policy.

Personal Property

1. For electronic media we will pay the cost of reproduction from duplicates or from originals of the previous generation of the media. We will not pay the cost of gathering or assembling information or data for reproduction.
2. For other records, including books of account, drawings or card index systems, we will pay the cost of blank books, pages, cards or other materials plus the cost of actually transcribing or copying the records.
3. We will pay on the basis of replacement cost for all other personal property except:
 - a. articles that cannot be replaced with new articles because of their inherent nature, including antiques, fine arts, paintings and statuary;
 - b. articles for which their age or history substantially contributes to their value, such as memorabilia, souvenirs, and collectors items;
 - c. property that has not been maintained in good or workable condition;
 - d. property that is no longer used for its original purpose;for which we will pay only on the basis of actual cash value.

Replacement cost means the cost, on the date of the loss or damage, of the lower of:

1. repairing the property with materials of similar kind and quality; or
2. new articles of similar kind, quality and usefulness;

without any deduction for depreciation.

We will pay on the basis of replacement cost only if the property lost or damaged is repaired or replaced as soon as reasonably possible. Otherwise we will pay on the basis of actual cash value.

You may choose payment on the basis of actual cash value initially. If you later decide to replace any destroyed or stolen property you may make an additional

claim for the difference between the actual cash value and replacement cost basis within 180 days after the date of loss.

For personal property described under "special limits of insurance" we will not pay more than the applicable limit under either the replacement cost or actual cash value basis.

Single Limit of Insurance

If:

1. a single event or occurrence results in loss or damage which is insured under more than one of Coverages A, B, C and D, and
2. Single Amount of Insurance appears on the Certificate of Property Insurance, and
3. the Guaranteed Replacement Cost on Dwelling Buildings provision does not apply,

the amount of insurance available to cover such insured loss or damage will be the total of the individual amounts for Coverages A, B, C and D.

If the Guaranteed Replacement Cost on Dwelling Buildings provision applies to your claim under Coverage A, the maximum amount of insurance available for insured loss or damage under Coverages B, C and D will be the total of the individual amounts for those Coverages.

CONDITIONS

The following conditions apply to the coverage provided by Section I of this policy.

Pair and Set

In the case of loss or damage to any article(s) which is (are) part of a set the measure of loss of or damage to such article(s) will be a reasonable and fair proportion of the total value of the set, but in no event will such loss or damage be construed to mean total loss of the set.

SECTION II INSURANCE OF YOUR LIABILITY TO OTHERS

Definitions

"**Bodily Injury**" means bodily injury, sickness, disease or resulting death.

"**Business or Business Pursuit**" means any continuous, regular or occasional activity of any kind undertaken for financial gain, and includes a trade, profession or occupation. However, the following business uses by you are permitted without being stated on the Certificate of Property Insurance:

1. school, if not more than three students are under instruction at any one time;
2. babysitting or daycare, provided a license for such daycare or babysitting is not required by provincial by-law as per the province shown on the Certificate of Property Insurance.

"**Business Property**" means property on which a business is conducted, property rented in whole or in part to others, or held for rental.

"**Dwelling**" in this Section has the same meaning as in Section I.

"**Insured**" in this Section has the same meanings as in Section I. In addition, we will insure:

1. any person or organization legally liable for damages caused by a watercraft or animal owned by you, and to which this insurance applies. This does not include anyone using or having custody of the watercraft or animal in the course of any business or without the owner's permission;
2. a residence employee while performing duties in connection with the ownership, use or operation of motorized vehicles and trailers for which coverage is provided in this form;
3. your legal representative having temporary custody of the insured premises, if you die while insured by this form, for legal liability arising out of the premises;
4. any person who is insured by this form at the time of your death and who continues residing on the premises.

"**Legal Liability**" means responsibility which courts recognize and enforce between persons who sue one another.

"**Premises**" means all premises where the person(s) named as Insured on the Certificate of Property Insurance or his or her spouse, maintains a residence, including seasonal and other residences, provided such premises are specifically described on the Certificate of Property Insurance. It also includes:

Parts

In the case of loss or damage to any part of the insured property consisting, when complete for use, of several parts, we will not pay for more than the insured value of the part lost or damaged, including the cost of installation.

Permissions Granted

You have our permission under the terms and conditions of this policy to:

1. make alterations, additions and repairs to the dwelling building that you occupy. (You may, however, need to request an increase in your Limits of Insurance.) We must be notified within 30 days of the commencement of any addition, extension or improvement that may increase the full Replacement cost of the Dwelling Building by \$10,000 or more.
2. store and use reasonable and normal quantities of fuel oil, gasoline, benzene, naphtha or other similar materials.

Statutory Conditions

All of the conditions set out under the title Statutory Conditions apply with respect to all of the perils insured under Section I except that these conditions may be modified or supplemented by the provisions of the said Section I or by forms or endorsements which modify Section I.

Subrogation

We will be entitled to assume all your rights of recovery against others and bring action in your name to enforce these rights when we make payment or assume liability under this policy. Your right to recover from us is not affected by any release from liability entered into by you prior to loss.

If such action on our part does not fully indemnify both you and us, the amount that we recover will be divided between you and us in the proportions in which the loss or damage has been borne by each of us respectively. The amounts so available for distribution shall be net of the costs of effecting the recovery.

1. premises where you are residing temporarily or which you are using temporarily, as long as you are not:
 - a. the owner of the premises;
 - b. the lessee or tenant of the premises under any agreement which is longer than 90 consecutive days except for students premises described in item 6 below;
 - c. the lessee or renter of a hall or similar entertainment venue used for social events, such as weddings, parties, etc.
2. premises in Canada to be occupied by you as your principal residence from the date you acquire ownership or take possession but not beyond the earliest of:
 - a. 30 consecutive days;
 - b. the date the policy expires or is terminated;
 - c. the date upon which specific liability insurance is arranged for such premises;
3. individual or family cemetery plots or burial vaults;
4. vacant land in Canada you own or rent, other than farm land;
5. land in Canada where an independent contractor is building a one, two or three-family residence to be occupied by you.
6. premises in Canada where a student insured by this policy temporarily resides while attending school.

"**Property Damage**" means:

1. physical damage to, or destruction of, tangible property;
2. loss of use of tangible property.

"**Residence Employee**" in this Section has the same meaning as "Residence Employee" in Section I.

"**You**" or "**your**" in this Section refer to the Insured.

"**We**" or "**us**" in this Section have the same meanings as in Section I.

"**Weekly Indemnity**" means two-thirds of your employee's weekly wage at the date of the accident, but we will not pay more than \$100 per week.

Coverages

This insurance applies to accidents or occurrences which take place during the period this policy is in force;

Coverage E - Your Personal Liability Protection

This is the part of the policy you look to for protection if you are sued.

We will pay all sums which you become legally liable to pay as compensatory damages because of unintentional bodily injury or property damage arising out of:

1. your personal actions anywhere in the world;
2. your ownership, use or occupancy of the premises defined in Section II.

The amount of insurance shown on the Certificate of Property Insurance is the maximum amount we will pay for all compensatory damages in respect of one accident or occurrence regardless of the number of insureds against whom claims are made or actions are brought.

Defense, costs and supplementary expense payments as described under "defense, settlement, supplementary payments" are in addition to the amount of insurance.

We do not insure claims made against you arising from:

1. liability you have assumed by contract unless your legal liability would have applied even if no contract had been in force, but we do insure claims made against you for the legal liability of other persons in relation to your premises that you have assumed under a written contract;
2. damage to property owned by an insured;
3. damage to property used, occupied, leased or rented by or in the care, custody or control of an Insured, except for unintentional property damage to premises owned by others, or their contents, which you are using, renting or have in your custody or control caused by fire, explosion, water damage or smoke. This means smoke due to a sudden, unusual and faulty operation of any heating or cooking unit in or on the premises, but not smoke from fireplaces. Water Damage has the same meaning as in Section I;
4. damage to personal property or fixtures as a result of work done on them by you or anyone on your behalf;
5. bodily injury to you or to any person residing in your household other than a residence employee;
6. the personal actions of a named insured who does not reside on the premises described on the Certificate of Property Insurance;
7. liability arising out of premises, other than as herein before defined.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

Defence, Settlement Supplementary Payments

If a claim is made against you for which you are insured under Coverage E we will defend you, even if the claim is groundless, false, or fraudulent. We reserve the right to select legal counsel, investigate, negotiate and settle any claim if we decide this is appropriate. We will pay only for the legal counsel we select.

We will also pay:

1. all expenses which we incur;
2. all costs charged against you in any suit insured under Coverage E;
3. any interest accruing after judgment on that part of the judgment which is within the limit of insurance of Coverage E;
4. premiums for appeal bonds required in any insured lawsuit involving you and bonds to release any property that is being held as security, up to the limit of insurance, but we are not obligated to apply for or provide these bonds;
5. expenses which you have incurred for emergency medical or surgical treatment to others following an accident or occurrence insured by this form;
6. reasonable expenses, including actual loss of income up to \$100 per day, which you incur at our request.

Action Against Us

No suit may be brought against us:

1. until you have fully complied with all the terms of this Coverage, nor until the amount of your obligation to pay has been finally determined, either by a judgment against you or by an agreement which has our consent;
2. more than one year (two years in the Yukon Territories and the Provinces of Ontario and Manitoba) after either the date of an agreement which has our consent or of the final determination of the action against you, including appeals, if any.

Unauthorized Settlements

You shall not, except at your cost, voluntarily make any payment, assume any obligations or incur expenses, other than first aid expenses necessary at the time of accident.

Coverage F - Voluntary Medical Payments

We will pay reasonable medical expenses incurred within one year of the date of the accident, if you unintentionally injure another person or if they are accidentally injured on your premises. This coverage is available even though you are not legally liable. Medical expenses include surgical, dental, hospital, nursing, ambulance service and funeral expenses.

The amount of insurance shown on the Certificate of Property Insurance is the maximum amount we will pay for each person in respect of one accident or occurrence.

We will not pay:

1. expenses covered by any medical, dental, surgical or hospitalization plan or law, or under any other insurance contract;
2. your medical expenses or those of persons residing with you, other than residence employees;
3. medical expenses of any person covered by any Workers' Compensation Statute.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

Notice of Accident or Occurrence

1. When an accident or occurrence takes place, you must promptly give us notice (in writing if required). The notice must include:
 - a. your name and policy number;
 - b. the time, place and circumstances of the accident;
 - c. the names and addresses of witnesses and potential claimants.
2. If requested by us, you must arrange for the injured person(s) to:
 - a. give us written proof of claim as soon as possible, under oath if required;
 - b. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
 - c. authorize us to obtain medical and other records.

Proofs and authorization may be given by someone acting on behalf of the injured.

No suit may be brought against us until you have fully complied with all the terms of this Coverage.

Coverage G - Voluntary Payment for Damage to Property

We will pay for unintentional direct damage you cause to property even though you are not legally liable. You may also use this coverage to reimburse others for direct property damage caused intentionally by an Insured, 12 years of age or under.

We do not insure:

1. damage to property owned or rented by an insured or an insured's tenant;
2. damage to property which is insured under Section I;
3. claims resulting from the loss of use, disappearance or theft of property.

There are other exclusions that apply to all Coverages under Section II. Please refer to "Exclusions - Section II".

Basis of Payment

We will pay whichever is the lower amount of:

1. what it would cost to repair or replace the property with materials of similar quality at the time of loss;
2. the amount of insurance shown on the Certificate of Property Insurance.

We may pay for the loss in money or may repair or replace the property, and may settle any claim for loss of property either with you or the owner of the property. We may take over any salvage if we wish.

1. You must give us a written proof of claim as soon as possible, under oath if required, containing the following information:
 - a. the date, time, place and circumstances of the accident or occurrence;
 - b. the interest of all persons in the property affected.
2. If requested by us you must help us to verify the damage.

No suit may be brought against us until:

1. you have fully complied with all the terms of this Coverage;
2. 60 days after the written proof of claim has been filed with us.

Coverage H - Voluntary Compensation for Residence Employees

This coverage is automatically provided for all your occasional residence employees. It will be extended to your permanent residence employees if so stated on the Certificate of Property Insurance.

We offer to pay the benefits described below if your residence employee is injured or dies accidentally while working for you, even though you are not legally liable.

If your residence employee or any person acting on his or her behalf does not accept these benefits or sues you, we may withdraw our offer, but this will not affect your liability insurance.

A residence employee or anyone acting on his or her behalf who accepts these benefits must sign a release giving up any right to sue you. We have the right to recover from anyone, other than you, who is responsible for the residence employee's injury or death.

- 1. When an accident occurs you must promptly give us notice (in writing if requested by us). The notice must include:
 - a. the identity of the residence employee and the date, time, place and circumstances of the accident;
 - b. names and addresses of witnesses.
- 2. If requested by us, you must arrange for the injured residence employee to:
 - a. submit to physical examination at our expense by doctors we select as often as we may reasonably require;
 - b. authorize us to obtain medical and other records.

We will not pay benefits:

- 1. unless your employee was actually performing duties for you when the accident happened;
- 2. for any hernia injury.

Schedule of Benefits

1. Loss of Life

If your residence employee dies from injuries received in the accident within the following 26 weeks, we will pay a total of 100 times the weekly indemnity to those wholly dependent upon him or her. If there is more than one dependent the amount will be divided equally among them. This payment is in addition to any benefit for Temporary Total Disability paid up to the date of death.

2. Temporary Total Disability

If your residence employee temporarily becomes totally disabled from injuries received in the accident within the following 14 days and cannot work at any job, we will pay weekly indemnity up to 26 weeks while such disability continues. We will not pay for the first 7 days unless the disability lasts for 6 weeks or more.

3. Permanent Total Disability

If your residence employee becomes permanently and totally disabled from injuries received in the accident within the following 26 weeks and cannot work at any job, we will pay weekly indemnity for 100 weeks in addition to benefits provided under Temporary Total Disability.

4. Injury Benefits

If, as a result of the accident, your residence employee suffers the loss of, or permanent loss of use of any of the following within 26 weeks of the accident, we will pay weekly indemnity for the number of weeks shown.

These benefits will be paid in addition to Temporary Total Disability Benefits but no others.

We will not pay more than 100 weeks in total even if the accident results in loss from more than one item.

FOR LOSS OF:	Number of Weeks
A. One or more of the following:	
Hand	100
Arm	100
Foot.....	100
Leg.....	100
B. One finger or toe ..	
25	
OR	
More than one finger or toe	50
C. One eye ..	
50	
OR	
Both eyes	100

D. Hearing of one ear ..	
25	
OR	
Hearing of both ears	100

5. Medical Expenses

If as a result of the accident your residence employee incurs medical expenses including surgical, dental, hospital, nursing and ambulance expenses within the following 26 weeks, we will pay up to a maximum of \$1,000 in addition to all other benefits.

We will pay for the cost of supplying or renewing artificial limbs or braces, made necessary by the accident, for up to 52 weeks after the accident, subject to a maximum of \$5,000.

We do not insure you for costs recoverable from other insurance plans.

Loss Assessment Coverage (Condominium Unit Owner)

We will pay for your share of special assessments if:

- a. the assessment(s) are valid under the Condominium Corporation's governing rules; and
- b. the assessment(s) are made necessary by occurrence(s) to which this Section of the policy applies.

We will not pay more than \$25,000 for that part of an assessment made necessary by a deductible in the insurance policy of the Condominium Corporation.

Special Limitations

Watercraft and Motorized Vehicles

You are insured against claims arising out of your ownership, use or operation of:

- 1. watercraft, including their attachments, equipped with an outboard motor or motors of not more than 19 kW (25 H.P.) in total when used with or on a single watercraft;
- 2. watercraft, including their attachments, equipped with any other type of motor of not more than 38 kW (50 H.P.), other than personal watercraft powered by a jet-pump propulsion system;

Any other watercraft is insured only if liability coverage for it is shown on the Certificate of Property Insurance. If the watercraft or motor with which it is equipped is acquired after the effective date of this policy, you will be insured automatically for a period of 30 days only from the date of acquisition, or until expiry of the policy, whichever comes first;
- 3. non-motorized watercraft, including their attachments, not more than 8 metres (26 feet) in length;
- 4. self-propelled lawn mowers, snow blowers, garden-type tractors of not more than 19 kW (25 H.P.);
- 5. motorized golf carts while in use on a golf course;
- 6. motorized wheelchairs, including motorized scooters having more than two wheels and specifically designed for the carriage of a person who has a physical disability;
- 7. e-bikes.

Watercraft and Motorized Vehicles You Do Not Own

You are also insured against claims arising out of your use or operation of:

- 1. watercraft, of any type, you do not own;
- 2. any self-propelled land vehicle, amphibious vehicle or air cushion vehicle, provided that the vehicle is not subject to vehicle registration and is designed primarily for recreational use off public roads;

provided that the motorized vehicle or watercraft is not owned by any person insured by this policy.

We do not insure the use or operation of any watercraft or motorized vehicle, whether owned by you or not, while it is:

- 1. used for carrying passengers for compensation;
- 2. used for business purposes;
- 3. used in any race or speed test;
- 4. rented to others;
- 5. being used or operated without the owner's consent if you are not the owner.

Trailers

We insure you against claims arising out of your ownership, use or operation of any trailer or its equipment, provided such trailer is not attached to, carried on or being towed by a motorized vehicle subject to motor vehicle registration.

Business and Business Property

We insure you against claims arising out of:

1. your personal actions during the course of your trade, profession or occupation which are not related directly to your trade, profession or occupation;
2. the temporary or part-time business pursuits of an insured person under the age of 21 years;
3. the rental of your residence to others for no more than 30 days during a single policy term;
4. rental to others of a one or two-family dwelling usually occupied in part by you as a residence, provided no family unit includes more than 2 roomers or boarders;
5. the rental to others, or holding for rent, of not more than 3 car spaces or stalls in garages or stables;
6. the rental of space in your residence to others for incidental office, school or studio occupancy.

Claims arising from any other business pursuit or operation are insured only if liability coverage for it is shown on the Certificate of Property Insurance.

Exclusions - Section II

We do not insure claims arising from:

1. war, invasion, act of a foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military power;
2. caused directly or indirectly, in whole or in part, by Terrorism or by any activity or decision of a government agency or other entity to prevent, respond to or terminate Terrorism except for ensuing loss or damage which results directly from fire or explosion, as described in Specified Perils. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage;
3. bodily injury or property damage which is required to be insured under a nuclear energy liability policy issued by the Nuclear Insurance Association of Canada, or any other group or pool of insurers;
4. business pursuits or any business use of the premises except as provided under "business and business property" in Section II or specified on the Certificate of Property Insurance;
5. the rendering or failure to render any professional service;
6. bodily injury or property damage caused by any intentional or criminal act or failure to act by:
 - a. any person insured by this policy; or
 - b. any other person at the direction of any person insured by this policy;

7. the ownership, use or operation of:
 - a. any aircraft;
 - b. premises used as an airport or landing facility; and all activities related to either;
8. the ownership, use or operation of any watercraft, motorized vehicle or trailer except as provided under "watercraft and motorized vehicles" and "trailers" in Section II;
9. the transmission of communicable disease by any person insured by this policy;
10. a. sexual, physical, psychological or emotional abuse, molestation or harassment, including corporal punishment by, at the direction of, or with the knowledge of any person insured by this policy; or
b. failure of any person insured by this policy to take steps to prevent sexual, physical, psychological or emotional abuse, molestation or harassment or corporal punishment;
11. the distribution or display of data via a Website, the internet, intranet or similar device or system designed or intended for electronic communication of data;
12. liability imposed upon or assumed by you under any workers' compensation statute;
13. punitive or exemplary damages, meaning that part of any award by a court which is in excess of compensatory damages and is stated or intended to be a punishment to you;
14. property damage or bodily injury caused by rust or corrosion, wet or dry rot, or fungi or spores.

CONDITIONS

1. If any other insurance applies to a loss, or would have applied if this policy did not exist, this policy will be considered excess insurance and we will not pay any loss until the amount of such other insurance is used up.
2. Statutory Conditions 1, 3, 4, 5 and 15 incorporated in this policy apply as conditions to all Coverages under Section II.
3. Only losses that occur within the policy term shown on the Certificate of Property Insurance will be covered under this policy. There will be no coverage for any loss that occurred or was in progress prior to the policy period inception date or after the policy period expiry date shown on the Certificate of Property Insurance.

GENERAL POLICY CONDITIONS

The following conditions apply to all sections of this policy including any endorsements.

Notice of Accident or Occurrence

When an accident or occurrence takes place, you must promptly give us notice (in writing if required). The notice must include:

1. your name and policy number;
2. the time, place and circumstances of the accident;
3. the names and addresses of witnesses and potential claimants.

Co-operation

You are required to:

1. help us obtain witnesses, information and evidence about the accident and co-operate with us in any legal actions if we ask you;
2. immediately send us everything received in writing concerning the claim including legal documents.

Examination

After submission of the Proof of Loss in respect of a loss which may be insured under Section I each of you may be required separately to:

1. submit to examination under oath,
2. produce for examination all documents in your possession or control that relate to the application for insurance and Proof of Loss, and
3. permit extracts and copies of such documents to be made, all at a reasonable place and time designated by us.

Waiver

We shall not be deemed to have waived any term or condition of this policy in whole or in part, unless our waiver is clearly stated and in writing, and is signed by a person authorized to do so. In addition, neither we nor you may be lawfully considered to have waived any term or condition of this policy by any act relating to the appraisal of the amount of a claim, the delivery or completion of proof, or the investigation of or adjustment of any claim under the policy.

Cancellation Provision following a Declaration of Emergency

The effective date of the termination of this policy by the Insurer, or the normal expiration of the term of this policy, is extended as follows when an "emergency" is declared by a Canadian public authority designated by statute for the purpose of issuing such an order. In no event shall the total term of this extension exceed 90 days. The "emergency" must have a direct effect or impact on an Insured or insured property located in the declared emergency area.

1. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not commence or continue to run until the "emergency" is terminated plus the lesser of:
 - a. 30 days; or
 - b. the number of days equal to the total time the "emergency" order was in effect.
2. If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
 - a. 30 days; or

- b. the number of days equal to the total time the "emergency" order was in effect.

The insured agrees to pay the pro rata premium calculated for the additional time the Insurer remains on risk as a result of the above.

"Emergency" means:

- a) a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
- b) as provided for by the relevant governing legislation if different from a).

STATUTORY CONDITIONS

The conditions set forth in this section shall be deemed to be part of every contract in force and shall be printed in English or French in every policy with the heading "Statutory Conditions" or "Conditions légales", as may be appropriate, and no variation or omission of or addition to any statutory condition is binding on the Insured.

Statutory Conditions 1, 3, 4, 5 and 15 incorporated in this policy apply as conditions to all Coverages under Section II. Otherwise, all of the conditions set out under the title Statutory Conditions apply with respect to all of the perils insured under this policy except as these Conditions may be modified or supplemented by the provisions of the said policy or by forms or endorsements which may be attached.

Misrepresentation

- 1. If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

Property of Others

- 2. Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

Change of Interest

- 3. The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.

Material Change

- 4. Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent, and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium, and in default of such a payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

Termination

- 5. (1) This contract may be terminated:
 - (a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days' written notice of termination personally delivered;
 - (b) by the Insured at any time on request.
- (2) Where this contract is terminated by the Insurer:
 - (a) the Insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but in no event, shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified; and
 - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen days mentioned in clause (1)(a) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

Requirements After Loss

- 6. (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
 - (a) forthwith give notice thereof in writing to the Insurer;
 - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
 - (i) giving a complete inventory of the destroyed and damaged property and showing in detail quantities, cost, actual cash value and particulars of amount of loss claimed,
 - (ii) stating when the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
 - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
 - (iv) showing the amount of other insurances and the names of other insurers,
 - (v) showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
 - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
 - (vii) showing the place where the property insured was at the time of loss,
 - (c) if required, give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value;
 - (d) if required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract;
- (2) The evidence furnished under clauses 1(c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13;

Fraud

- 7. Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars vitiates the claim of the person making the declaration.

Who May Give Notice and Proof

- 8. Notice of loss may be given and proof of loss may be made by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

Salvage

- 9. (1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.

- (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub-condition (1) of this condition according to the respective interests of the parties.

Entry, Control, Abandonment

10. After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and, after the Insured has secured the property, a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

Appraisal

11. In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under The Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand therefore is made in writing and until after proof of loss has been delivered.

When Loss Payable

12. The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

Replacement

13. (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty days after receipt of the proofs of loss.
- (2) In that event the Insurer shall commence to so repair, rebuild, or replace the property within forty-five days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

Action

14. Where permitted by law, every action or proceeding against the Insurer for the recovery of a claim, under or by virtue of this contract, shall be absolutely barred unless commenced within one year * next after the loss or damage occurs.
- *Two years in the Yukon Territory and in the Provinces of Ontario and Manitoba.

Notice

15. Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in the contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

HOMEOWNERS' INSURANCE POLICY

For information regarding this policy, please contact your Shelter Insurance Agent.

TO OUR CUSTOMERS – PLEASE NOTE

Please read this policy carefully. If you have questions, contact your Shelter Agent for answers. No agent can know your exact coverage needs or budget considerations, so it is your responsibility to examine the policy and make sure it provides the types of coverage you need in the amounts you requested.

If you suffer a loss, please read this policy again so that you will be reminded of your rights and obligations. **It is very important for you to recognize that this insurance policy is a legally binding contract. If any insured fails to perform an obligation required by this policy, the coverage which it might otherwise provide could be lost.**



HO-4
(01-07)

SHELTER INSURANCE COMPANIES
Home Office: Columbia, MO 65218-0001

**THE INDEX
WHERE YOU CAN FIND IT**

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**HOMEOWNERS' INSURANCE POLICY
CONTENTS BROAD COVERAGE FORM 4
AGREEMENT**

We agree to insure **you** according to all the terms of this policy,

- (1) in reliance on **your** statements in the Application and in any Application for Change, both of which are made a part of this policy, and
- (2) based on **our** receipt of **your** payment of the premium.

When **we** receive **your** premium, this policy provides the types of insurance, in the limited amount, shown in the **Declarations**. If any premium payment is by check, no insurance is provided if the bank does not honor the check.

DEFINITIONS USED THROUGHOUT THIS POLICY

In this policy, the words shown in bold type have the meanings stated below unless a different meaning is stated in a particular coverage or endorsement. Words in bold type that are derived from a defined word have the same root meaning. The plural version of a defined word has the same meaning as the singular if it is bolded. If any of these same words are used but not printed in bold type, they have the meaning given them by their common usage as set out in commonly used dictionaries.

1. **Accident** means an action or occurrence, or a series of actions or occurrences, that:
 - (a) started abruptly,
 - (b) during the policy period, and
 - (c) directly resulted in **bodily injury** or **property damage**.

If an action or occurrence that started abruptly continues over a period of time and ultimately results in **bodily injury** or **property damage** that cannot be definitely attributed to any one specific action or occurrence, all such **bodily injury** or **property damage** is, under this policy definition, only one **accident**. If a series of abrupt actions or occurrences ultimately results in **bodily injury** or **property damage** that cannot be definitely attributed to any one specific action or occurrence, all such actions and occurrences, under this policy definition, constitute only one **accident**.

Accident does not mean:

- (a) an action or occurrence that any **insured** intended to result in **bodily injury**, or **property damage**, of any type;
- (b) an action or occurrence that is intended by

any **insured**, if a reasonable **individual** would expect it to result in **bodily injury**, or **property damage**, of any type; or

- (c) an intentional action by any **person** that does not immediately result in **bodily injury** or **property damage**, but ultimately does result in such because of its repetition or the repetition of similar actions.
2. **Accidental direct physical loss** means loss of possession of, or actual physical damage to, a part of the covered property which is caused by an **accident**. It does not include:
 - (a) consequential economic damage resulting from such physical damage to that part or to the covered property as a whole,
 - (b) consequential economic damage resulting from the inability to restore full monetary value to that part or to the covered property as a whole because of the fact that it has sustained physical damage,
 - (c) consequential economic damage resulting from the loss of use of that part or the covered property as a whole,
 - (d) consequential economic damage resulting from the inability to match the parts which

- are **repaired** or **replaced** with undamaged adjacent parts, or
- (e) any diminution of the pre-loss value of the covered property after the **repair** or **replacement** of its parts.
3. **Actual cash value** means **total restoration cost** less **depreciation**. If the law of the state in which this policy is issued limits the factors which may be considered in determining the **actual cash value**, only the factors allowed by such law will be considered.
4. **Bodily injury** means:
- (a) a physical injury;
 - (b) a sickness or disease of the body;
 - (c) the physical pain and physical suffering which directly results from (a) or (b), above; and
 - (d) a death which directly results from (a) or (b), above.
- Bodily injury** does not mean:
- (a) a mental injury;
 - (b) a sickness or disease of the mind;
 - (c) mental anguish; or
 - (d) emotional distress;
- unless such mental or emotional condition is diagnosed by a medical doctor and directly results from **bodily injury** to the **individual** on whose behalf the **claim** is made.
5. **Business** means any activity for which the **person** engaged in that activity receives compensation of any kind, or reasonably expects to receive compensation of any kind. **Business** does not mean:
- (a) the occasional sale of **personal property** at the **residence premises** unless that property was raised, grown, or acquired, for the purpose of selling it;
 - (b) the occasional **rental** or **leasing**, or the holding for **rental** or **leasing**, of the **dwelling** on the **residence premises** in which **you reside**, for use as a **dwelling**;
 - (c) the **rental** or **leasing**, or the holding for **rental** or **leasing**, of a part of the **dwelling** on the **residence premises** in which **you reside**, for use as a **dwelling**, unless the **rental** or **lease** is to three or more roomers or boarders;
- (d) a part-time activity, engaged in by **you** or a **relative**, if the **individual** engaged in that activity is under the age of twenty-five, and is a full time student.
6. **Claim** means a request by any **person** for benefits under this policy as a result of any one **accident**. It includes lawsuits, requests for the payment of money and requests that **we** take any action, or extend any coverage, provided for by this policy.
7. **Compensation Law** means any law under which benefits are paid to a **person** as compensation for the effects of **bodily injury**, without regard to fault, because of that **person's** status as an employee or beneficiary. It includes, but is not limited to, workers' compensation laws, disability laws, the Federal Employers' Liability Act and the Jones Act.
8. **Custom farming** means the maintenance or use of **premises**, other than **insured premises**, for the production of **farm products** and includes all operations reasonably necessary for such production that are performed:
- (a) at the request of the **owner** or **renter** of those **premises**; and
 - (b) in exchange for compensation in the form of money or goods.
- Custom farming** does not mean operations performed as part of an exchange of **farming** services so long as no other compensation is paid.
9. **Declarations** means the part of this policy titled "Homeowner's Insurance Policy Declarations". It sets out many of the individual facts related to **your** policy including the dates, types, and amounts, of the various coverages.
10. **Decorative fixture** means wall covering, floor covering, paint, and molding which is attached to the interior of:
- (a) **your dwelling** at the **residence premises**; or

- (b) other structures which are permanently attached to the **residence premises**, but not attached to **your dwelling**. If a structure is connected to the **dwelling** by only a utility line or fence, it will not be considered attached to the **dwelling** for purposes of this definition.
11. **Deductible** means an amount of money deducted from the total amount of all losses covered under Section I of this policy, unless the specific coverage under which a loss is covered says otherwise. The amount of **your deductible** is shown in the **Declarations** or in the specific policy provision under which a loss is covered.
12. **Depreciation** means an amount of money that is deducted from the amount **we** actually pay. That amount is based on the decrease in the value of the property since it was new. It applies to any part that must be **repaired** or **replaced** to allow for the **repair** or **replacement** of a damaged part, whether or not that part itself is damaged. The condition, age, extent of use, and obsolescence of the part, and the property as a whole, will be considered in determining **depreciation**. **Depreciation** also applies to the labor and applicable sales tax necessary to complete covered **repairs** and **replacements**. **We** will calculate the percentage by which the materials necessary to the **replacement** have decreased in value, based on the factors stated above, and apply that same percentage when calculating the **depreciation** applicable to the labor and sales tax.
13. **Domestic appliance** means a device operated by mechanical power, fuel, or electric current, which is customarily used inside a **dwelling**. **Domestic appliance** does not include permanently installed:
- heating systems;
 - cooling systems;
 - water heating systems; or
 - water softeners.
14. **Dwell** means to live in a location with, or without, the intent to make that place one's **residence**.
15. **Dwelling** means the structure in which one **dwells**.
16. **Farming** means the **ownership**, maintenance or use of **premises** for the production of **farm products** and includes all operations reasonably necessary for such production. **Farming** does not include the sale of **farm products**. **Farming** does not include **custom farming**.
17. **Farm products** means:
- crops grown, raised, or kept, for the purpose of commercial sale; and
 - livestock grown, raised, or kept, for the purpose of commercial sale.
18. **General contractors' overhead and profit** means any amount of money included in, or added to, the estimated, or actual, cost of restoring damaged property, to compensate a contractor for something other than:
- the materials actually installed in, or on, the damaged property, or
 - the labor and equipment necessary to install such materials.
19. **Individual** means a human being.
20. **Insured** means:
- You**;
 - relatives**;
 - any other **individual** under the age of 21 **residing** in **your** household who is in **your** care or the care of a **relative**;
 - with respect to any vehicle covered by this policy, any employee of a **person** listed in (a), (b) or (c) above, while in the course and scope of such employment; and
 - any **person** legally responsible for animals or watercraft covered by this policy and **owned** by a **person** listed in (a), (b) or (c) above. But **we** will cover that **person** only with respect to activities directly related to those animals or watercraft. **Insured** does not mean:
 - any **person** using or having custody of an animal or watercraft in the course of any **business**; or

- (2) any **person** having custody of an animal or watercraft without permission of the **owner** of that animal or watercraft.
21. **Insured premises** means:
- (a) the **residence premises**;
 - (b) any one or two family **dwelling you** acquire during the term of this policy, if **you** intend to **reside** there during the term of this policy;
 - (c) the part of any other **premises** where **you dwell** if it is shown in the **Declarations**;
 - (d) the part of any **premises** that are not **owned** by any **insured**, if an **insured** is temporarily using it as a **dwelling**;
 - (e) the part of any structures or **premises**, not owned by any **insured**, which an **insured** occasionally **rents** for non-business purposes;
 - (f) unimproved **premises owned** by, controlled by, or **rented** to, an **insured**, but this does not include **premises**, any part of which are used for **farming** or **custom farming**;
 - (g) cemetery plots, or burial vaults, **owned** by an **insured**;
 - (h) land on which a single or two family **dwelling** is being built for an **insured**, if the land is **owned** by, or **rented** to, the same **insured**; or
 - (i) any structures used by **you** for storage of non-business items usually kept on the **residence premises**, and any **premises** to which those structures are attached.
22. **Judgment interest** means interest on any judgment provided for by the law of the state in which the judgment is entered, whether it accrues before or after a judgment.
23. **Land motor vehicle** means:
- (a) a **motorized vehicle** originally designed primarily for travel on **public roadways**;
 - (b) a **motorized vehicle** that is licensed for use on **public roadways**; or
 - (c) a vehicle attached to, or carried on, another vehicle that meets the definition set out in (a) or (b), above.
24. **Lease** means a right to possess and use real property or **personal property** for a period of thirty or more consecutive days based upon a written agreement with the **owner** of that property.
25. **Market value** means the price that the damaged part of the covered property would have brought immediately before the loss, if offered for sale by a reasonable **person** who is willing, but not obliged, to sell it, and bought by a reasonable **person** who is desirous of purchasing it, but who is not compelled to do so.
26. **Motorized vehicle** means any type of vehicle capable of transporting one or more people that has ever been powered by an internal combustion engine regardless of the type of fuel used in that engine. This definition applies even if an engine is no longer used to power the vehicle. This definition applies to all vehicles whether they are designed to operate on land, water, or in the air.
27. **Named insured** means any **persons** listed in the **Declarations** under the heading “**Named Insured**” and does not include **persons** listed under other headings unless they are also listed under the heading “**Named Insured**”.
28. **Own** means that the **person** referred to holds the legally recognized title to, or is a **leaseholder** of, an item of real property or **personal property**, irrespective of the fact that there may be other **owners**. This definition is not changed by the patterns of usage of the property.
29. **Owner** means any **person** who is a legally recognized titleholder or **leaseholder** of an item of real property or **personal property**, irrespective of the fact that there may be other titleholders or **leaseholders**. An **owner’s** status as such is not changed by the patterns of usage of the property.
30. **Person** means an **individual**, a corporation, or an entity, which has separate legal existence under the laws of the state in which this policy is issued.

31. **Personal property** means items that are not permanently attached to **premises**. It includes buildings on the **residence premises** that are not permanently attached to the **residence premises**. If an item or structure is attached to something only by a utility line it will not be considered permanently attached to it.
32. **Premises** means real estate. It includes land and any improvements permanently attached to the land. For purposes of this policy, all real estate conveyed by one deed granting title to that land will be considered the same **premises**. Lands conveyed by separate deeds will be considered separate **premises**.
33. **Property damage** means physical injury to or destruction of tangible property and includes damages for the loss of its use.
34. **Public roadway** means a roadway maintained by a governmental entity or agency including its adjacent right of ways. The fact that the general public has access to a roadway does not itself make that roadway a **public roadway**.
35. **Punitive damages** means a monetary award imposed to punish a wrongdoer and to deter others from similar conduct. It includes exemplary damages. It also includes any damages, or penalties, based upon any legal theory that requires proof of the same standard of conduct necessary to support an award of **punitive damages** or exemplary damages, under the law of the state in which they are awarded.
36. **Recreational motor vehicle** means a **motorized vehicle** that:
 - (a) was not originally designed primarily for travel on **public roadways**, or
 - (b) is not currently licensed for use on **public roadways**.

Recreational motor vehicle does not mean:

 - (a) a vehicle used, or designed to be used, in competition with other vehicles,
 - (b) a vehicle used solely to service the **residence premises**, or
 - (c) a vehicle originally designed to assist the physically handicapped, or
- (d) a lawnmower used solely to mow grass.
37. **Relative** means an **individual** related to **you** by blood, marriage, or adoption, who is primarily a **resident** of, and actually living in, **your** household. It includes **your** unmarried and unemancipated child away at school.
38. **Rent** means a right to possess and use real property or **personal property** for a period of less than thirty consecutive days based upon a written agreement with the **owner** of that property.
39. **Repair** means restoration by the use of labor only on the damaged part of the covered property in order to restore its form and function. Restoration of pre-**accident** value is not included in the definition of **repair**.
40. **Replace** means the installation or provision of materials or parts to, or in place of, the damaged part of the covered property. It includes the installation or provision materials or parts to, or in place of, any undamaged parts that must be **replaced** to allow for **replacement** of the damaged part. It also includes the labor necessary to accomplish such installation. Restoration of pre-**accident** value is not included in the definition of **replace**.
41. **Reside** means to live in a location with the intent to make that place, and no other, one's permanent home. If the parents of a minor child do not **reside** with one another, **we** will consider the child a **resident** of both their households if that child regularly spends time in each of their **residences**.
42. **Residence employee** means an employee of an **insured** whose duties entail the maintenance or use of the **residence premises**, or who performs similar duties elsewhere but not in connection with an **insured's business**.
43. **Residence premises** means:
 - (a) any one or two family **dwelling** situated on the **premises** described in the **Declarations** if:
 - (1) **you own** that **dwelling**; and

(2) **you** presently **reside** in that **dwelling**, have **resided** there in the last thirty days, or will **reside** there within thirty days of the inception date of this policy; or

(b) a one or two family **dwelling** referred to in the **Declarations** as the “secondary residence premises”, if **you own** that **dwelling** at the time of a loss.

That **dwelling**, the grounds, and other structures at the same **premises**, are included in this definition.

44. **Restoration cost** means the amount of money it will, or did, cost to restore the form and function of the damaged part of covered property by:

(a) **replacing** it; or

(b) **repairing** it,

whichever is less expensive.

Restoration cost can be based on a combination of (a) and (b) above, if some parts of the covered property are **replaced** and other parts are **repaired**. **Restoration cost** includes:

(a) the cost of construction techniques commonly used by the building trades in the geographical area of the covered property; and

(b) the cost of materials and parts, comparable in quality to the damaged materials and parts, to the extent those are available in the geographical area of the covered property.

Restoration cost does not include:

(a) consequential economic damage resulting from physical damage to the part or the covered property as a whole,

(b) consequential economic damage resulting from the inability to restore full monetary value to the part or the covered property as a whole because it has sustained physical damage,

(c) consequential economic damage resulting from the loss of use of the part or the covered property as a whole,

(d) consequential economic damage resulting from the inability to match the parts that are **repaired** or **replaced** with undamaged adjacent parts, except as provided in the insuring agreement with respect to **decorative fixtures**,

(e) any diminution of the pre-loss value of the covered property after the **repair** or **replacement** of its parts,

(f) the cost of **replacing** or **repairing** materials or parts that are unavailable in the geographic area of the covered property with those of like quality,

(g) the cost of using the services of tradesmen or craftsmen who do not regularly offer their services in the geographic area of the covered property, or

(h) **general contractors’ overhead and profit**.

45. **Total restoration cost** means the **restoration cost** of all of the damaged parts of the covered property that were damaged in one **accident**.

46. **Unoccupied** means that people were not **residing** in the **residence premises** at the time of the loss.

47. **Vacant** means that **you** have ceased to **dwelt** there and that the **dwelling** is devoid of all **personal property** except those items that **you** intend to permanently leave at that location.

48. **War** means armed conflict whether or not officially declared. It includes civil war, insurrection, rebellion, revolution, or any act or condition incident to any of those events.

49. **We, us** and **our** mean the Company providing this insurance.

50. **You** means any **person** listed as a **named insured** in the **Declarations** and, if that **person** is an **individual**, his or her spouse.

GENERAL AGREEMENTS APPLICABLE TO ENTIRE POLICY

1. WHAT TO DO IN CASE OF **BODILY INJURY** OR **PROPERTY DAMAGE**

In the event of an **accident** covered under this policy, the **insured** must promptly take all of the following actions:

- (a) Notify **us** or **our** agent as soon as possible. The notice must give:
 - (1) **your** name and policy number;
 - (2) the time, place and circumstances of the **accident**; and
 - (3) the names and addresses of all injured **individuals** and witnesses.
- (b) Cooperate with **us**, and assist **us** in any matter relating to a **claim**.
- (c) Send **us** all correspondence and all legal papers that relate to any **claim**, made by anyone, against **us** or against the **person** seeking such coverage.
- (d) Authorize **us** to obtain any other records that may be relevant to the **claim** or may reasonably be expected to aid **our** investigators in determining the facts relevant to the **claim**.
- (e) Provide **us** with a list of the damaged property if a loss covered under Damage to Property of Others occurs. The **insured** must also exhibit the damaged property to **us** if it is within the **insured's** control.
- (f) Provide any written proofs of loss **we** require.
- (g) Answer, under oath, any questions posed by **us**, and sign a written transcript of such questions and answers.

If such **claim** is based upon **bodily injury**, the **person** making such **claim** must also:

- (h) submit to physical examinations, at **our** expense, by doctors **we** select as often as **we** may reasonably require;
- (i) authorize **us** to obtain relevant medical records of the **individual** whose **bodily injury** is the basis for such **claim**.

The **insured** must not, except at his or her own cost, voluntarily make any payment, assume any

obligation, or incur any expenses related to the **bodily injury** or **property damage**.

2. ASSIGNMENT

Except as provided in Coverage F of this policy, **you** may not assign any of **your** rights and interests under this policy, unless **we** consent to such assignment, in writing and endorse that change on this policy. Such endorsement will then become a part of this policy.

3. COVERAGE IN THE EVENT OF **YOUR** DEATH

If **you** die, the provisions of this policy will apply to:

- (a) any surviving member of **your** household who was covered under this policy at the time of **your** death, but only while that **individual** is a **resident** of, and actually living in, the **dwelling** on the **insured premises**;
- (b) **your** legal representative while acting within that capacity; and
- (c) any **person** having proper custody of insured property until a legal representative is appointed.

However, in order to obtain this coverage, any of the people listed in (a), (b) and (c), above, must notify **us** of **your** death. Coverage under this provision will be provided for a maximum of thirty days after **your** death, and will terminate if the policy lapses.

4. NOTICE TO **US**

Any notice required by this policy may be given by, or on behalf of, the **insured** to **our** authorized agent within this state. If that notice contains sufficient information for **us** to identify the **insured**, **we** will consider it notice to **us**.

5. LEGAL ACTION AGAINST **US**

Any **person** who makes a **claim** or seeks coverage under this policy agrees not to institute any legal action against **us** unless that **person** has fully complied with all the terms of this policy. Any legal action seeking a payment or a determination of coverage under this policy or

its binder must be brought in the state in which the **residence premises** are located. This policy and its binder are to be interpreted in accordance with the laws of the state in which the **residence premises** are located.

6. CANCELLATION

Cancellation of this policy will be handled in accordance with the state specific endorsement attached to this policy.

7. REFUSAL TO RENEW

Refusal to renew this policy will be handled in accordance with the state specific endorsement attached to this policy.

8. CONCEALMENT OR FRAUD

This entire policy is void as to all **insureds** if any **insured** has:

- (a) intentionally concealed, or misrepresented, any material fact or circumstance relating to the purchase of this policy;
- (b) negligently misrepresented any material fact or circumstance related to the purchase of this policy;
- (c) intentionally concealed or misrepresented any material fact related to any **claim** made under this policy; or
- (d) acted fraudulently, or made false statements, relating to any **claim** made under this policy.

9. CHANGES TO THE POLICY

This policy includes the printed policy form, its endorsements, the application related to it, any applications for changes to it, and the **Declarations**. Those documents constitute all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effected in this policy except by written endorsement issued by **us**. If a premium adjustment is necessary **we** will make the adjustment as of the effective date of the change. If **we** change this particular policy form so the insurance it provides is broadened without extra premium, this policy will be broadened as of the date **we** make that change effective in **your** state, and the broader form will apply to **your claims** after that date.

10. **YOUR OBLIGATION TO NOTIFY US OF YOUR CHANGES**

The premium charged for this policy is based in large part on information **you** provided to **us**. If that information is incomplete or inaccurate, or if it changes during the policy period, **you** must inform **us** of that, if it relates to any of the following:

- (a) a change in **your residence**;
- (b) a change in the number or types of **businesses** operated on the **insured premises**;
- (c) a change in the **ownership** or management of any **business** operated on the **insured premises**;
- (d) a change in the number of occupants, who are not **relatives**, residing at the **insured premises**;
- (e) an addition or upgrade in the **insured premises**; or
- (f) a change in the number or types of animals kept on the **insured premises**.

11. **OUR RIGHT TO INSPECT PREMISES**

We have the right to inspect any **premises** covered by this policy as often as may be reasonable during the term of this policy. **You** agree to allow **us** to come onto those **premises** and into any buildings on those **premises**.

12. **OUR RIGHT TO RECOVER PAYMENT**

In the event **we** make any payment under this policy, **we** will be subrogated to all rights of recovery, based upon the same damages that an **insured**, or any other **person** receiving the payment, may have against any **person** liable for those damages.

Any **insured**, or other **person** who receives payment under this policy, agrees to execute and deliver legal instruments to **us**, and to take any reasonable actions necessary to secure **our** rights if **we** ask.

Any **insured**, or other **person** who receives payment under this policy, agrees to cooperate with **us** in enforcing **our** rights of recovery acquired under this section and to do nothing to prejudice **our** rights.

This does not apply to the coverages headed “Medical Payments to Others” and “Damage to Property Of Others”.

13. POLICY COVERAGE PERIOD

This policy applies only to losses, **bodily injury** or **property damage** that occur during the policy period.

14. OTHER INSURANCE

If this policy and any other insurance, issued by **us**, or by any other company, applies to the same loss, this policy will apply as follows.

(a) With respect to all coverages contained in Section I, the insurance provided by this policy will be prorated, based upon the applicable limits of each policy, up to the highest limit provided by any one policy. This does not apply if a mortgagee, or trustee under a deed of trust, has duplicate coverage because of the ten-day notice provision contained in the section related to mortgagees and trustees. In that instance, the provisions of that section respecting the priority of coverages will control.

(b) With respect to all coverages contained in Section II, the insurance provided by this policy will apply only as excess insurance, and will then apply only in the amount by which its limits exceed the limits of all such other policies.

15. OTHER SOURCES OF COMPENSATION FOR THE LOSS

(a) If an **insured** is entitled to receive full compensation for a loss covered by this policy from another source, this policy will not apply to such loss.

(b) If an **insured** is entitled to receive partial compensation for a loss covered by this policy from another source, this policy will apply only to the amount of the loss for which the **insured** is not entitled to compensation from that source.

16. CONFORMITY TO APPLICABLE LAWS

If the terms of this policy conflict with the laws of any state that are applicable to a covered loss, the conflicting terms are amended to conform to such laws.

17. EFFECT OF POLICY ACCEPTANCE

By acceptance of this policy, **you** agree that the statements in the **Declarations** and in any Application or Application for Change accepted by **us**, are offered as an inducement to **us** to issue, continue, or renew this policy, and are **your** agreements or representations. They are not warranties.

18. CONTINUOUS RENEWAL

Subject to **our** consent and subject to the premiums, rules and forms then in effect for **us**, this policy may be continued in force by payment of the required continuation premium for each successive policy term. Such continuation premium must be paid to **us** before the expiration of the then current policy term and if not paid the policy shall terminate.

With respect to any mortgagee (or trustee) named in the **Declarations**, this insurance will continue in force as to only the interest of the mortgagee (or trustee) for 10 days after written notice of termination to the mortgagee (or trustee), and shall then terminate.

SECTION I - PROPERTY PROTECTION

COVERAGE C-PERSONAL PROPERTY

INSURING AGREEMENT

We cover **accidental direct physical loss** to:

1. **personal property owned** or used by the **insured**; and,

2. **personal property you** do not own if:

(a) it is located at the **residence premises** at the time of the loss;

(b) **you** have been at the **residence premises** during the 45 days immediately preceding the loss; and

(c) **you** ask **us** to provide this coverage for that property.

These coverages apply only if the loss is caused by one or more of the following perils, and it is not

excluded elsewhere in this coverage:

1. Fire or lightning.

This peril does not include loss caused by nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.

2. Wind or hail.

This peril does not include loss:

(a) to property in a building, caused by wind, rain, snow, sand, sleet or dust unless the building is first damaged by the direct force of wind or hail, creating an opening through which the wind, rain, snow, sand, sleet or dust enters; or

(b) to watercraft and their trailers, furnishings, equipment, and motors, unless they are:

(1) located inside a fully enclosed building at the time of the loss; or

(2) non-motorized boats or canoes, owned by **you** and are on the **residence premises** at the time of the loss.

3. Explosion.

This peril does not include loss caused by nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.

4. Riot or civil commotion.

5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicular collision. However, this peril does not apply if the only collision is between the **personal property** and the vehicle in which it is being transported.

7. Smoke or soot. This peril does not apply to losses:

(a) caused by smoke or soot from agricultural smudging or industrial operations;

(b) caused by continuous or repeated exposure to smoke or soot; or

(c) caused by nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.

8. Vandalism or malicious mischief.

(a) This peril does not apply to vandalism or malicious mischief:

(1) committed by, or at the direction of, any **insured**, or the husband, wife or child of any **insured**;

(2) committed in or around a **dwelling** that is undergoing construction, repairs or renovations, unless that **dwelling** is occupied by an **insured** during such construction, repairs or renovations;

(b) This peril does not apply to vandalism or malicious mischief committed by any **person** who is **renting** or **leasing** a part of the **residence premises**;

(c) This peril does not apply to vandalism or malicious mischief to **personal property** located in areas of the **residence premises** **rented** or **leased** to others;

(d) This peril does not apply, away from the **residence premises**, to vandalism or malicious mischief of:

(1) **personal property** while at any other **premises owned, rented** or occupied by an **insured** except while an **insured** is temporarily using that **premises** as a **dwelling**. Property of an **insured** who is a student is covered at a **dwelling** away from home if the student has been at that **dwelling** at any time during the 45 days immediately before the loss;

(2) watercraft and their equipment; and

(3) trailers.

9. Theft or attempted theft.

(a) This peril does not apply to theft:

(1) committed by, or at the direction of, any **insured**, or the husband, wife or child of any **insured**;

(2) from in or around a building that is undergoing construction, repairs or renovations, unless that building is at the location where **you** presently **reside**;

- (3) of a precious or semi-precious stone from its setting;
 - (4) of any credit card or loss by forgery or alteration of any check, draft, promissory note, bill of exchange, or similar written promise, order, or direction to pay a sum of money. There may be limited coverage for some of these items under the section headed "Additional Coverages Under Section I"; or
 - (5) that results from a voluntary parting with title or possession of any property by the **insured** or others to whom the **insured** has entrusted the property. This exclusion applies even if such parting of title or possession was induced by a fraudulent scheme, trick, device or false pretense.
- (b) This peril does not apply to theft of the following, when a part of the **residence premises is rented or leased** to others:
- (1) money, bank notes, bullion, coins and medals and other numismatic property and precious metals including platinum, gold and silver, but not goldware or silverware;
 - (2) securities, manuscripts, accounts, deeds, evidences of debt, letters of credit, notes, passports, tickets, stamps and other philatelic property;
 - (3) jewelry, watches, precious and semi-precious stones and furs, including any article containing fur if that fur accounts for its principal value; or
 - (4) any **personal property**, if the theft is committed by any **person renting or leasing** a part of the **residence premises**.
- (c) This peril does not apply, away from the **residence premises**, to theft of:
- (1) property while at any other **premises owned, rented** or occupied by an **insured** except while an **insured** is temporarily using that **premises** as a **dwelling**. Property of an **insured** who is a student is covered at a **dwelling** away from home if the student has been at that **dwelling** at any time during the 45 days immediately before the loss;
 - (2) watercraft and their equipment; and
 - (3) trailers.
10. Breakage of Glass
We cover damage to **personal property** caused by breakage of glass constituting a part of any building on the **insured premises**, however **we** do not cover loss or damage to the glass itself under this coverage.
11. Volcanic Eruption
This peril does not apply to loss caused by earthquake or land shock waves or tremors that occur before, during, or after a volcanic eruption. All eruptions that occur within a period of 72 hours will be considered one volcanic eruption.
12. Falling of objects
This peril does not apply to loss to the property that fell, nor does it apply to other property within a building unless, while it is falling, the object first damages the exterior of a building.
13. Weight of ice, snow or sleet that damages property in the building.
14. Collapse of any part of a building.
This peril does not apply to settling, cracking, shrinkage, bulging or expansion.
15. Cracking, burning, bulging or tearing apart, of a heating or air conditioning system, automatic fire protection sprinkler system or a potable water heating appliance. This peril does not apply to loss that is caused by or results from freezing.
16. Discharge or overflow of water or steam from within a plumbing system, heating system, cooling system, fire protection sprinkler system, water heater, water softener, or **domestic appliance**, if the point from which the water or steam was discharged or overflowed is physically located within a structure permanently attached to the **residence premises**.
This peril does not apply to loss:
- (a) to the system or appliance from which the water or steam escapes;
 - (b) caused by or resulting from freezing;
 - (c) to property at a building **vacant** for more than 30 consecutive days immediately before the loss;

- (d) caused by water leaking from an aquarium;
- (e) caused by water leaking from a water bed;
- (f) caused by water or steam from a hot tub or spa; or
- (g) caused by continuous or repeated seepage or leaking over a period of fourteen days or more and if this exclusion applies, no part of the loss is covered even though it may have occurred prior to the fourteenth day of the seepage or leakage.

17. Freezing of a plumbing, heating and air conditioning system, automatic fire protection sprinkler system, or appliance.

This peril does not apply to any loss occurring while the building is **vacant, unoccupied**, under construction, remodeling or renovation, unless **you** use reasonable care to:

- (a) shut off the water supply and drain the systems and appliances; or
- (b) maintain heat in the building.

This peril does not apply to losses to any appliance, hot tub, spa, whirlpool or equipment located out of doors unless **you** use reasonable care to prevent such units from freezing.

LIMITATION OF LIABILITY BASED ON LOCATION OF **PERSONAL PROPERTY**

We cover **personal property owned**, or used by an **insured** anywhere in the world. However, this coverage is limited to 10% of the limits of liability for Coverage C - **Personal Property**, stated in the **Declarations** for any loss to **personal property** that is away from the **premises** described in the **Declarations** for more than thirty consecutive days. **Personal property** placed for safekeeping with a bank, trust company, safe deposit company, or a commercial storage facility available to the general public, will be considered to be on the **residence premises**.

SPECIAL LIMITS ON CERTAIN ITEMS OF **PERSONAL PROPERTY**

The special limits stated below apply to the corresponding groups of **personal property** and, if a specific peril is set out in the list below, these limits apply only to losses caused by that peril. These limits do not increase the total amount of insurance for

Personal Property Coverage stated in the **Declarations**. The limit of insurance for each grouping of **personal property** is the maximum **we** will pay in any one twelve month period for all property included in the group.

Limit of Insurance	Personal Property Group
1. \$ 200	Money, bank notes, bullion, coins and medals and other numismatic property.
2. \$1000	Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, passports, tickets, stamps and other philatelic property.
3. \$1000	Watercraft, including their trailers, furnishings, equipment & outboard motors.
4. \$1000	Trailers not used to transport watercraft.
5. \$1000	Theft of jewelry, watches, precious and semi-precious stones and precious metals including platinum, gold and silver, and furs, including any article containing fur if that fur accounts for its principal value.
6. \$1000	Manuscripts.
7. \$5000	Theft of silverware and goldware.
8. \$2000	Theft of guns and related equipment.
9. \$2000	Theft of archery equipment.
10. \$1000	Grave Markers (whether or not attached to realty).
11. \$2500	Business property, on the residence premises if not related to a business conducted on the residence premises .
12. \$ 250	Business property away from the residence premises .
13. \$1000	Recreational motor vehicles .
14. \$1000	Personal property you do not own .
15. \$ 500	Audio tapes, video tapes, audio discs, video discs, and all other electronic media while located away from the residence premises .
16. \$1000	Collector cards.
17. \$1000	Comic books.
18. \$ 500	Parts and accessories for motorized vehicles that are not permanently attached to a motorized vehicle. This limitation does not apply to parts and accessories for vehicles used solely to service the residence premises .

EXCLUSIONS APPLICABLE TO COVERAGE C

We do not cover any loss or damage if it would not have occurred in the absence of any event or condition listed below. That loss or damage is excluded from coverage regardless of:

- (a) the proximate cause of that event or condition;
 - (b) the fact that other events or conditions, which are not excluded, caused the loss or damage;
 - (c) the fact that other events or conditions, which are not excluded, contributed to the loss or damage;
 - (d) the sequence of the events or conditions that caused the loss or damage;
 - (e) whether the events and conditions that caused the loss or damage occurred suddenly or gradually;
 - (f) whether the loss or damage is isolated or widespread; or
 - (g) whether the loss or damage arises from natural forces, external forces, or a combination of such forces.
1. Enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure. **We** do cover loss caused by actions of civil authorities to prevent the spread of a fire if that fire is caused by a peril **we** insure against.
 2. Movement of materials that support, or surround, a structure. **We** do not cover losses resulting from damage to any structure including, but not limited to: a) patios, b) pavement, c) foundations, d) walls, e) floors, f) roofs, g) ceilings, or h) slabs, caused by the sinking, rising, shifting, expanding, or contracting, of earth or any other supporting, or surrounding, material. This exclusion applies to losses resulting from earthquakes, volcanic explosions, lava flow, landslides, mudflow, mudslides, sinking of ground, subsidence, erosion, movement resulting from improper construction or compaction, site selection, or any other force. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these causes if that loss is caused by theft, fire, or explosion.
 3.
 - (a) Water, or water borne contaminants or materials, that flows on, or under, the surface of the ground; waves; tidal waters; or overflow of a stream or any body of water. **We** do not cover spray from any of these, whether or not driven by wind.
 - (b) Water, or water borne contaminants or materials, that escapes from a pool or water system, unless the portion of that pool or water system from which the water escapes is physically located within a building that is permanently attached to the **residence premises**.
 - (c) Water, or water borne contaminants or materials, that overflows from sewers, drains, or pumps, if that overflow is caused by the inadequacy of the sewer, drain, or pump system, or by an obstruction of such that is located off of the **residence premises**.
 - (d) Water, or water borne contaminants or materials, below the surface of the ground, that exerts pressure on, or flows, seeps, or leaks, through any part of a building or other structure, sidewalk, driveway or pool.
 - (e) Condensation of water vapor.

We do cover **accidental direct physical loss** that occurs subsequent to any of the events or conditions listed in 3(a), 3(b), 3(c), 3(d) and 3(e), above, if that loss is caused by theft, fire or explosion.
 4. Power, heating, or cooling failure or interruption, unless it results from **accidental direct physical loss** to power, heating or cooling equipment located on the **residence premises** and that loss is caused by a peril **we** insure against. **We** do cover **accidental direct physical loss** that occurs subsequent to any of these events if that loss is caused by theft, fire, or explosion.

5. Neglect of an **insured** to use all reasonable means to protect covered property at and after the time of loss or when property is threatened by a peril **we** insure against.
6. **War**.
7. Nuclear reaction, radiation, radioactive contamination or discharge of a nuclear weapon even if **accidental**, or any consequence of any of these.
8. An intentional act by, or at the direction of, any **insured** that a reasonable **individual** would expect to cause the loss for which the **claim** is made.
9. Any event causing loss to outdoor radio and television equipment except as provided for under ADDITIONAL COVERAGES UNDER SECTION I.
10. Any event causing loss to piers, bulkheads, wharves and docks and anything attached to them.
11. **Business** activities of any **insured**.
12. Any defect, inadequacy, fault, unsoundness or weakness in:
 - (a) material used for construction or repair;
 - (b) site preparation including planning, zoning, surveying, grading, compaction and placement;
 - (c) workmanship, design or engineering specifications; or
 - (d) maintenance of land, structures, improvements and similar property on or off of the **residence premises**;
 if such defect, inadequacy, fault, unsoundness or weakness existed before the **accident** that resulted in the loss.
13. Illegal activities of any **insured**.
14. Dishonesty of any **insured**.

We do not cover any peril or loss listed above even if the loss is caused in part by:

- (a) the action, lack of action or decision of any **person**, group, organization or governmental body, or
- (b) the conduct of any **person**, group, organization or governmental body,

regardless of whether that conduct is negligent, wrongful, intentional or without fault;

We do cover **accidental direct physical loss** that occurs subsequent to the events or conditions listed in (a) and (b), above, if that loss is caused by fire or explosion.

EXCLUSIONS OF CERTAIN CATEGORIES OF **PERSONAL PROPERTY**

We do not cover the following items of **personal property**.

1. Animals.
2. Vehicles that are, or at any time were, motorized and all parts and accessories attached to them, unless those vehicles are:
 - (a) used primarily to service the **residence premises**;
 - (b) originally designed to assist the physically handicapped; or
 - (c) **recreational motor vehicles**.
3. Aircraft, except model airplanes that are not used or designed for transporting cargo or people.
4. Parts and accessories for aircraft.
5. **Personal property** of roomers or boarders who are not related to an **insured**.
6. **Personal property** of tenants.
7. **Business personal property**:
 - (a) relating to a **business** conducted on the **residence premises**; or
 - (b) books of account, drawings or other paper records; or
 - (c) electronic data processing tapes, wires, records, disc or other software media containing **business** data.
8. **Personal property rented**, or held for **rental**, to others by an **insured**. However, **we** do cover that property while on the part of the **residence premises** used exclusively by an **insured**, or by a **person renting** or **leasing** that portion of the **residence premises**.
9. Electronic devices that may be operated by the electrical system of aircraft, watercraft, **land motor vehicles** or **recreational motor vehicles**

if they are permanently installed in or upon an aircraft, watercraft, **land motor vehicle** or **recreational motor vehicle**. Antennas, wires and brackets for these devices, are not covered while in or upon an aircraft, watercraft, **land motor vehicle** or **recreational motor vehicle**.

10. Film, tape, discs, drums, cells and all other magnetic recording or storage media for electronic data processing. However, **we** do cover such media in unexposed or blank form.
11. Electronic data, digital data, or optical data, stored on any media. This exclusion applies to all forms of such data including, but not limited to, music and photographs. However, **we** do cover commercial data processing software if it is commonly available on the retail market at the time of the loss.
12. **Personal property** specifically, or categorically, insured by any other insurance.
13. **Personal property** specifically, or categorically, listed in any endorsement to this policy except to the extent stated in that endorsement.

COVERAGE D-ADDITIONAL LIVING EXPENSE AND LOSS OF RENTS

INSURING AGREEMENT

If **your residence premises** sustains a covered loss that exceeds the applicable **deductible** and, as a direct result of that loss, **your residence premises** is uninhabitable, **we** will pay the increase in **your** living expense reasonably necessary to maintain **your** normal standard of living for the shortest time reasonably necessary:

1. to **repair** or **replace** the damaged property, or
2. for **you** to permanently relocate.

We will also pay for **your** loss of income resulting from a covered loss while the part of the **residence premises you rented or leased** before the loss is uninhabitable. From that payment **we** will deduct any charges and expenses that do not continue during that time. **We** will pay **you** for this loss of income only for the time reasonably needed to make the **rented or leased** part of the **residence premises** habitable.

We will not pay for loss or expense due to the cancellation of any **rental** or **lease** agreement.

If a peril **we** insure against causes civil authorities to prohibit occupancy of the **residence premises**, **we** will pay:

1. the reasonable additional living expenses **you** incur for up to two weeks from the day **you** vacate the **residence premises**, and
2. any loss of income **you** incur for a part of the **residence premises** that was actually **rented or leased** for up to two weeks from the date **your** tenant vacates the **residence premises**.

The periods of time set out in this section of the policy will not be shortened by the expiration of the policy.

No **deductible** applies to these coverages.

ADDITIONAL COVERAGES UNDER SECTION I

Unless the specific coverage indicates that no **deductible** applies, **we** will pay only for loss to the covered property minus the **deductible**.

1. Hauling Away Of Damaged Property

We will pay the reasonable expenses **you** incur to have the following items hauled away from the **residence premises**:

- (a) the remains of property damaged by a peril **we** insure it against;
- (b) the remains of property that is not covered by this policy but which was damaged by wind, lightning, or explosion, if:
 - (1) it caused **accidental direct physical loss** to covered property; and
 - (2) this coverage is not provided elsewhere in this policy;
- (c) ash, dust or particles from a volcanic eruption that caused **accidental direct physical loss** to a building or property within a building.

Any amounts paid under this coverage will reduce the limits applicable to the covered

property. However, if damage to covered property plus the cost of the debris removal covered by this section is more than the limit of **our** liability applicable to that covered property, **we** will pay up to an additional 5% of the limit of the applicable coverage for debris removal under this section.

No coverage is provided under this section for the removal of trees, shrubs, plants, and lawns. Coverage for those items, if any, is provided under a specific heading elsewhere in this policy.

No coverage is provided under this section for the fees or expenses **you** incur for tearing off, or tearing out, the remains of covered property. Coverage for those items, if any, is a part of the **restoration cost** associated with the specific loss.

2. Fire Department Charges

We will pay up to \$500 for **your** liability under an agreement for service charges made by a fire department when called to protect **your** covered property from a peril **we** insure against. This payment is in addition to the amount of insurance applying to the loss. No **deductible** applies to this coverage.

3. Damage To Covered Property During Emergency Removal

We will pay for covered property damaged in any way while being removed from, or returned to, a premise to protect that covered property from a peril **we** insure against, if that peril is imminent. This coverage is limited to a 30 day period from date of removal. Any amounts paid under this coverage will reduce the limits applicable to the covered property.

4. Losses To Trees, Shrubs, Plants, and Lawns

We will pay for loss to trees, shrubs, plants, and lawns, at the **residence premises** if they are within 200 feet of **your dwelling** and are not grown for **business** purposes. This coverage applies only if the damage to them is caused by any of the following perils: fire, lightning, explosion, riot, civil commotion, aircraft,

vandalism, malicious mischief, theft, or vehicles that are not **owned**, or operated, by an **individual** who, at the time of the loss, was living at the **residence premises**.

Our maximum limit of liability for all coverages provided in this section is 10% of the limit of insurance under the **Personal Property** Coverage, but it will be paid in addition to that limit. Subject to that maximum limit of liability, **we** will pay no more than:

- (a) \$500 in any 12 month period for damage to any one covered tree, shrub, or plant; and
- (b) \$2500 in any 12 month period for damage to a covered lawn.

5. Hauling Away Of Damaged Trees, Shrubs, Plants, and Lawns

We will pay the reasonable expenses **you** incur to have the remains of trees, shrubs, plants, and lawns, which are covered under the previous section, hauled away from the **residence premises**.

We will pay the reasonable expenses **you** incur, up to an aggregate of \$500, to have the remains of trees that are damaged by wind hauled away from the **residence premises**, if those trees:

- (a) are within 200 feet of **your dwelling**; and
- (b) damaged property covered by this policy when they fell.

6. Credit Card, Charge Plate, Fund Transfer Card, Check Forgery and Counterfeit Money Coverages

We will pay an amount not to exceed \$1000 for any one loss involving one or more of the following coverages. 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. No **deductible** applies to these coverages.

(a) Credit Card, Charge Plate and Fund Transfer Card Coverage

If an **insured** is legally required to pay for the unauthorized use of a credit card, charge plate, or card used for deposit, withdrawal or

transfer of funds, issued to the **insured**, **we** will cover the loss. If a **claim** is made or suit is brought against the **insured** for liability under this coverage, **we** will defend the **insured**. **We** will use **our** lawyers and bear the expense. **We** may investigate any **claim** or settle any suit as **we** think appropriate. **We** will not defend after **we** have paid an amount equal to the limit of **our** liability.

We do not cover:

- (1) use of the credit card, charge plate or card used for deposit, withdrawal or transfer of funds by a **resident of your** household;
- (2) use by someone to whom an **insured** has given the credit card, charge plate or card used for deposit, withdrawal or transfer of funds; or
- (3) any use unless the **insured** has met all the terms under which the card or plate was issued.

(b) Check Forgery Coverage

We cover loss to any **insured** caused by forgery or alteration of a check. This includes all negotiable instruments. If a **claim** is made or suit is brought against the **insured** for liability under this coverage, **we** will defend the **insured**. **We** will use **our** lawyers and bear the expense. **We** may at **our** option and at **our** expense, defend the **insured** or that **person's** bank against a suit to enforce payment under this coverage. **We** may investigate any **claim** or settle any suit as **we** think appropriate. **We** will not defend after **we** have paid an amount equal to the limit of **our** liability.

(c) Counterfeit Money Coverage

We cover loss sustained by an **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency. However, **we** will not pay more than \$50 for counterfeit United States or Canadian paper currency accepted in any one transaction or, regardless of any other provision, more than \$100 in the aggregate.

7. Refrigerated Food Products

We will pay up to \$500 in the aggregate for loss to the contents of all freezer and refrigerator units on the **insured premises**. The contents must be **owned by you**. The loss must be caused by change in temperature due to a verifiable interruption of electrical service from generating or transmission equipment outside the structure in which the freezer or refrigerator is located. Any amounts paid under this coverage will reduce the limits applicable to the covered property. No **deductible** applies to this coverage.

8. Building Additions and Alterations

We will cover, under the **Personal Property** Coverage, building additions, alterations, fixtures, installations and improvements made to the portion of the **residence premises** used exclusively by **you** and made or acquired at **your** expense. **We** will pay up to 20% of the limit of liability that applies to **Personal Property** Coverage.

Payments are in addition to the amount of insurance applying to **Personal Property** Coverage.

9. Outdoor Antennas

We will cover, under **Personal Property** Coverage, outdoor antennas and reception dishes (including their lead in wires), towers and masts if they are located on the **insured premises**. The limit of **our** liability for this coverage is \$200. This amount includes the cost of damaged parts and the labor necessary to repair the damage.

SPECIAL PROVISIONS AND CONDITIONS RELATING TO SECTION I

1. What To Do In Case Of Loss

If a covered loss occurs, the **insured** must take all of the following actions if applicable to that loss:

- (a) Give **us** immediate notice and, in case of theft or suspected theft, **you** must also notify the police immediately.
- (b) Protect the property from further damage.

Make necessary and reasonable temporary repairs to protect the property, and keep records of the cost of those repairs.

- (c) Send to **us**, within 60 days after its receipt by **you**, a proof of loss signed and sworn to by the **insured**, including:
 - (1) the time and cause of loss;
 - (2) the reason for the loss;
 - (3) the interest of **insureds** and all others in the property;
 - (4) the total value of the property immediately before and after the loss;
 - (5) all encumbrances on the property;
 - (6) other policies covering the loss;
 - (7) changes in title, use, occupancy or possession of the property;
 - (8) a list (schedule) of **personal property** damaged or destroyed including all facts known to **you** regarding:
 - (i) its quantity,
 - (ii) its description,
 - (iii) from whom it was obtained,
 - (iv) the date it was obtained or purchased,
 - (v) whether it was purchased new or used,
 - (vi) the amount of its purchase price,
 - (vii) the current **replacement** cost,
 - (viii) the cost to **repair** it,
 - (ix) the amount of **your** loss; and
 - (9) if required, any plans and specifications of any damaged building or fixtures;
- (d) Show the damaged property to **us** or **our** representative prior to its **replacement** or **repair**, as often as **we** may reasonably require.
- (e) Submit to examinations under oath by any **person** named by **us**, out of the presence of any other **individual** other than a licensed attorney and sign the transcript of the examinations.
- (f) Produce for examination, and permit **us** to copy, records pertaining to any loss of

rental or **lease** income, all books of account, bills, invoices, receipts and other vouchers that **we** may reasonably require.

- (g) Produce receipts for any increased costs **you** incur to maintain **your** standard of living while **you dwell** elsewhere.
 - (h) Authorize **us**, in writing, to obtain any other records that may be relevant to the **claim** or may reasonably be expected to aid **our** investigators in determining the facts relevant to the **claim**.
- 2. Insurable Interest
We will not pay more than the insurable interest an **insured** has in the covered property at the time of loss.
 - 3. Abandoned Property
We are not obliged to accept abandoned property.
 - 4. Loss to a Pair or Set
We may, at **our** option:
 - (a) **repair** or **replace** any part of a pair or set to restore the pair or set to its **market value** before the loss; or
 - (b) pay the amount by which the **market value** of the pair or set has diminished because of the loss of, or damage to, the part.
 - 5. Loss Payable Clause
We will adjust any loss with **you**, and make any payment due to **you**. However, if another **person** is named in the **Declarations** as a "loss payee", **we** will include the name of that **person** on any settlement check or draft and deliver it to **you** or such loss payee, at **our** option.
 - 6. Mortgagees and Trustees Under Deeds of Trust
We will adjust any loss with **you**, and make any payment due to **you**. However, if another **person** is named in the **Declarations** as a "mortgagee", or "trustee" under a trust deed, **we** will pay any amount due to that mortgagee or trustee to the extent of its interests. If the name of more than one such **person** appears, **we** will pay them in the order of precedence of their mortgages or trust deeds. This provision does not apply to

contracts for deed or any similar method of sale in which **ownership** of the property does not pass to the **insured** until all payments on the purchase loan are made.

Any payment due to a mortgagee or trustee under this provision will not be invalidated by:

- (a) any act or neglect of the mortgagor or **owner** of the insured property;
- (b) any foreclosure or other proceedings or notice of sale relating to the property;
- (c) any change in the title or **ownership** of the property; or
- (d) the occupation of the **premises** for purposes more hazardous than are permitted by this policy.

If the mortgagor or **owner** neglects to pay any premium due under this policy, the mortgagee or trustee must pay it, immediately upon **our** demand.

Any mortgagee or trustee must notify **us** of any change of:

- (a) **ownership**;
- (b) occupancy; or
- (c) increased risk of a loss to the insured property;

of which it has knowledge within ten days of its acquisition of that knowledge. The mortgagee or trustee must also pay the additional premium for such increased risk of loss for the balance of the term of this policy. Failure to provide such notice or make such payment will result in an immediate loss of coverage to the mortgagee or trustee.

We may cancel this policy at any time as provided by its terms, however if **we** do so, it will continue in force as to benefits due the mortgagee or trustee for 10 days after notice is mailed to the mortgagee or trustee of such cancellation. At the end of those 10 days all benefits under this policy will end. This provision does not apply to loss payees.

If another policy of insurance provides coverages similar to those provided in Section I of this policy, the benefits provided under this policy will apply as excess only over those provided by such other policy. In that instance, benefits will be payable under this policy only to the extent the limits of the coverage provided under this policy exceed the limits provided by the other policy.

If **we** pay the mortgagee or trustee any sum for loss under this policy, and **we** contend that **we** had no obligation to pay the mortgagor or **owner**, **we** will be subrogated to all of the rights of the party to whom such payment is made to the extent of such payment. **Our** interest will extend to all securities held as collateral for the mortgage debt. Any mortgagee or trustee so paid agrees to sign whatever documents and take whatever actions **we** may reasonably request to enforce **our** rights under this provision. **Our** subrogation rights will not be enforced in such a way as to impair the right of the mortgagee or trustee to recover the full amount due under the mortgage.

If **we** pay the mortgagee or trustee any sum for loss under this policy, and **we** contend that **we** had no obligation to pay the mortgagor or **owner**, **we** may, at **our** option, pay the mortgagee or trustee the entire principal sum of the loan, with interest accrued to the date of payment and, if **we** do so, that **person** agrees to make a full assignment and transfer of the mortgage or trust deed and all other securities applicable to the loan to **us**.

7. Suit Against **Us**

Any lawsuit seeking coverage or benefits under Section I of this policy must be brought within one year after the loss or damage occurs, unless the law of the state in which this policy was issued prohibits this contractual limitation period. This period is extended by the number of days between the date of **your** loss and the date **we** deny the **claim** in whole or in part.

8. No Benefit to Bailee

This insurance will not, in any way, benefit any **person** who may be caring for or handling property for a fee.

9. Recovered Property

If **you** recover any lost or stolen property for which **we** have made a payment under this policy, **you** agree to notify **us** of that fact within ten days of its recovery. If **you** want to keep the property **you** may do so if **you** return the entire amount **we** paid **you** because of its loss. If **you** do not want to keep the property, **you** agree to allow **us** to take it, if **we** chose to do so. In that event the property will become **our** property.

If **we** recover any lost or stolen property for which **we** have made a payment under this policy, **we** agree to notify **you** of that fact within ten days of its recovery. If **you** want the property **you** may take it if **you** return the entire amount **we** paid **you** because of its loss. If **you** do not want the property, **you** agree to allow **us** to keep it, if **we** chose to do so. In that event the property will become **our** property.

10. Payments Under This Section Of The Policy

Before **we** make any payments under Section I of this policy,

- (a) **we** must receive **your** completed proof of loss;
- (b) **you** must comply with all conditions of this policy; and
- (c) the amount of the loss must have been established by either:
 - (1) an agreement between **you** and **us**, or
 - (2) a final judgment of a court of law.

When these steps are completed, **we** will make any payments due for a covered loss within 30 days.

11. Appraisal

Any appraisal that becomes necessary under the terms of this policy will be handled in accordance with the state specific endorsement attached to this policy.

HOW LOSSES UNDER SECTION I ARE SETTLED

(A) These provisions apply to all losses settled under paragraphs (B), (C), and (D), below:

- (1) If the **total restoration cost** of all covered property damaged in one **accident** is less than one thousand dollars, **we** will pay **you** the **total restoration cost**.
- (2) The amount of **your deductible** will be deducted from all losses covered under Section I of this policy, unless the specific coverage under which the loss is covered says otherwise. A single **deductible** applies to all covered losses caused by any one **accident**.
- (3) If **we** cannot agree with **you** as to the **total restoration cost, restoration cost, market value or actual cash value**, and agreement is required under this policy in order to conclude a **claim**, the **total restoration cost, restoration cost, market value or actual cash value**, whichever may apply to the specific **claim**, will be determined in accordance with the appraisal section of the state specific endorsement attached to this policy.

(B) This provision applies to covered losses to all **personal property**, except those items shown in paragraph (D) below:

- (1) When **we** agree with **you** as to the **market value** of the damaged part of those items, **we** will, at **our** option, do one of the following:
 - (a) pay the **market value** of the damaged part of the covered property;
 - (b) pay the **restoration cost** of the damaged part of the covered property;
 - (c) pay to **replace** the damaged part of the covered property, in kind; or
 - (d) pay the limit of coverage stated in this policy as applicable to the item, including any special limits, or limits based on the location of the item.

- (2) All payments made under this provision will be applied against the limits of Coverage C.
 - (3) If **we** make a payment to **you** under this provision, **we** may, at **our** option take all or part of the covered item for which that payment was made.
- (C) This provision applies to covered losses to structures that are not buildings:
- (1) When **we** agree with **you** as to the **restoration cost** of the damaged part of those items, **we** will, at **our** option, do one of the following:
 - (a) pay the **actual cash value** of the damaged part of the covered property;
 - (b) pay to **replace** the damaged part of the covered property, in kind; or
 - (c) pay the limit of coverage stated in this policy.
 - (2) All payments made under this provision will be applied against the limits of Coverage C.
- (3) If **we** make a payment to **you** under this provision, **we** may, at **our** option take all or part of the covered item for which that payment was made.
- (D) This provision applies to covered losses to property covered under Buildings Additions and Alterations and Outdoor Antenna coverage:
- (1) When **we** agree with **you** as to the **restoration cost** of the damaged part of those items, **we** will, at **our** option, do one of the following:
 - (a) pay the **actual cash value** of the damaged part of the covered property;
 - (b) pay to **replace** the damaged part of the covered property, in kind; or
 - (c) pay the limit of coverage stated in this policy as applicable to the item.
 - (2) If **we** make a payment to **you** under this provision, **we** may, at **our** option take all or part of the covered item for which that payment was made.

SECTION II - PERSONAL LIABILITY AND MEDICAL PAYMENT PROTECTION

COVERAGE E - PERSONAL LIABILITY

INSURING AGREEMENT

Subject to the limit of **our** liability stated in this section, **we** will pay on behalf of an **insured**, all sums that such **insured** becomes legally obligated to pay as damages, if those damages result from an **accident**.

OUR RIGHT TO INVESTIGATE AND SETTLE CLAIMS

We may investigate and settle any **claim** as **we** think appropriate.

LIMITS OF LIABILITY

Regardless of the number of **insureds, persons** injured, **claims** made, or locations shown, **our** liability is limited to the limits of liability stated in the **Declarations** under the heading "Personal Liability (Bodily Injury & Property Damage) Each Occurrence". That amount is the limit of **our** liability for all damages resulting from any one **accident**.

With respect to **claims** arising out of the use of watercraft not **owned** by an **insured**, **our** liability is limited to \$100,000 per **accident** regardless of the number of **insureds, persons** injured, or **claims** made, regardless of the limits of liability stated in the **Declarations** under the heading "Personal Liability (Bodily Injury & Property Damage) Each Occurrence".

EXCLUSIONS

We do not cover:

1. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance, operation, use, or entrustment of:
 - (a) Aircraft other than miniature aircraft that are not designed to transport cargo or people.
 - (b) **Land motor vehicles**, other than a **recreational motor vehicle**:
 - (1) **owned** by any **insured**;
 - (2) operated by any **insured**;
 - (3) **rented** to any **insured**; or

(4) loaned to any **insured**.

We do provide coverage if the **land motor vehicle** is kept in dead storage on the **insured premises** and is not licensed for use on **public roadways**.

(c) **Motorized vehicles**, if the **bodily injury** or **property damage** occurs away from the **insured premises**. This exclusion does not apply to:

(1) a golf cart while it is being used for golfing on a golf course;

(2) a **motorized vehicle** originally designed to assist the physically handicapped;

(3) a **motorized vehicle**, other than a **land motor vehicle**, used in a part-time job related activity by **you** or a **relative**, if the **individual** engaged in that activity is under the age of twenty-five, and is a full time student; or

(4) a lawn mower while used to mow other **premises** so long as such mowing is not a **business**.

(d) **Motorized vehicles** used, or designed to be used, in competition with other vehicles; or

(e) Watercraft, if the **bodily injury** or **property damage** occurs away from the **insured premises**. This exclusion does not apply if the watercraft:

(1) Is **owned** by an **insured**, and has:

(i) an outboard propulsion motor with 25 horsepower, or less; or

(ii) an inboard, inboard/outdrive, water jet drive, or any other design of propulsion motor with 50 horsepower or less.

(2) Is **owned** by an **insured** and is a sailing vessel 25 feet or less in length, with or without, an auxiliary propulsion motor of any size.

(3) Is **rented** by an **insured**, and:

(i) has a propulsion motor with 200 horsepower or less. This applies to all propulsion motors whether,

outboard, inboard, inboard/outdrive, water jet drive, or any other design;

(ii) is a sailing vessel 25 feet or less in length without an auxiliary propulsion motor; or

(iii) is a sailing vessel 25 feet or less in length with an auxiliary propulsion motor with 200 horsepower or less.

2. **Bodily injury** or **property damage** arising out of the rendering or failing to render professional services.

3. **Bodily injury** or **property damage** arising out of the **business** of any **insured**.

4. **Bodily injury** or **property damage** arising out of the condition of any **premises owned, rented** or controlled by an **insured** that is not an **insured premises**. However, **we** will cover **bodily injury** to any **residence employee** arising out of, and in the course of, employment by an **insured** at such **premises**.

5. **Bodily injury** or **property damage** that any **insured** intended to cause.

6. **Bodily injury** or **property damage** that a reasonable **individual** would expect to result from the intentional acts of any **insured**.

7. **Bodily injury** or **property damage** arising out of **war**.

8. **Bodily injury** or **property damage** that arises out of the transmission of communicable diseases by any **insured**.

9. Liability that arises solely because of a contract, warranty, or agreement, made by any **insured**.

10. **Property damage** to **personal property**:

(a) **owned** by any **insured**;

(b) used by any **insured**;

(c) **rented** to any **insured**; or

(d) in the care of any **insured**.

11. **Property damage** to **premises**:

(a) owned by any **insured**;

(b) occupied by any **insured**;

(c) used by any **insured**;

(d) **rented** to any **insured**; or

(e) in the care of any **insured**.

We will cover **property damage** to such **premises** or property caused by fire, smoke or explosion.

12. **Bodily injury** to any **individual** who is entitled to benefits for that **bodily injury** that are provided, or required under any **compensation law** to be provided, by anyone.
13. **Bodily injury** or **property damage** when any **insured** is covered under any nuclear energy liability policy. This exclusion applies even if the limits of liability of that policy have been exhausted.
14. **Bodily injury** to any **resident** of the **insured premises**, except a **residence employee**.
15. **Bodily injury** to a **residence employee** unless written **claim** is made within 12 months after the end of the policy term during which the **accident** occurred.
16. **Bodily injury** to any **insured**. This exclusion applies, even if the **claim** is one seeking contribution toward, or repayment of, damages based upon that **bodily injury**.
17. **Bodily injury** to any **individual** who is on the **insured premises** because of the **business** of any **insured**.
18. **Property damage** to property that is on the **insured premises** because of the **business** of any **insured**.
19. **Bodily injury** or **property damages** arising out of any activity of any **insured** that would constitute a felony under the laws of the state in which such activity occurred, whether or not such **insured** is actually charged with a crime for that activity.
20. Liability of any **insured** for **punitive damages**.
21. **Bodily injury** or **property damage** arising out of, or caused, in whole or in part, by asbestos, radon, mold, lead, paint containing lead, chemicals, petroleum products, or any other substance or material containing lead, or any pollutant.
22. Any legal obligation of any **insured** for indemnification or contribution due because of **bodily injury** or **property damage** caused, in

whole or in part, by asbestos, radon, mold, lead, paint containing lead, chemicals, petroleum products, or any other substance or material containing lead, or any pollutant.

23. Any loss, cost or expense arising out of any governmental direction or request that any **insured** test for, monitor, clean up, remove, abate, contain, treat or neutralize asbestos, radon, mold, lead, paint containing lead, chemicals, petroleum products or any other substance or material containing lead, or any pollutant.
24. **Property damage** arising out of the intentional or negligent misrepresentation or non-disclosure of any material fact related to the sale, or attempted sale, of property **owned** by any **insured**.
25. **Bodily injury** or **property damage** for which an **insured** may be held liable because of the **ownership** or harboring of animals that are not customarily kept as household pets.

COVERAGE F - MEDICAL PAYMENTS TO OTHERS INSURING AGREEMENT

Subject to the limit of **our** liability stated in this section, **we** will pay the **reasonable charges** for **necessary goods and services** incurred within three years after the date of a **covered injury**.

ADDITIONAL DEFINITIONS USED IN THIS COVERAGE

1. **Covered injury** means a **bodily injury**, caused by an **accident** that occurred:
 - (a) while the injured **individual** was on an **insured premises** with the permission of an **insured**, or
 - (b) while the injured **individual** was elsewhere, if the **bodily injury**:
 - (1) resulted from the condition of the **insured premises**;
 - (2) was caused by an **insured**;
 - (3) was caused by a **residence employee** in the course of his or her employment by an **insured**;
 - (4) was caused by an animal **owned** by, or under the control of, an **insured**; or

- (5) was sustained by a **residence employee** and arose out of, and in the course of, his or her employment by an **insured**.

Covered injury does not mean **bodily injury** to any **insured**.

2. **Necessary goods and services** means the goods and services furnished, or prescribed, by a health care provider which, in **our** judgment, are necessary for the proper treatment of a **covered injury** in the most efficient and economical way that it can be safely treated. **We** may employ outside reviewers, consultants and data providers in formulating **our** judgment as to whether the goods and services are **necessary goods and services**. The determination of whether goods and services are **necessary goods and services** may be made after the **individual** making the **claim** has received the goods and services. The fact that a licensed health care provider furnished, rendered, or prescribed the goods and services is not solely determinative of whether they are **necessary goods and services**.
3. **Reasonable charges** means charges incurred for goods and services that, in **our** judgment, are within the range of charges for the same or similar goods and services, in the geographic area in which the services are rendered or the goods are provided. **We** may employ outside reviewers, consultants and data providers in formulating **our** judgment as to whether the charges are **reasonable charges**. The determination of whether charges are **reasonable charges** may be made after the **individual** making the **claim** has received the goods and services for which the charges are made. The fact that a licensed health care provider furnished, rendered, or prescribed the goods and services is not solely determinative of whether the charges made for them are **reasonable charges**.

DUTIES OF AN **INDIVIDUAL** WHO MAKES A **CLAIM**

Any **individual** who makes a **claim** under Coverage F must:

1. authorize **us** to obtain any records that may be relevant to the **claim** or may reasonably be expected to aid **our** investigators in determining the facts relevant to the **claim**;
2. answer, under oath, any questions posed by **us**, out of the presence of any other **individual**, and sign a written transcript of such questions and answers;
3. submit to physical examinations, at **our** expense, by doctors **we** select as often as **we** may reasonably require; and
4. authorize **us** to obtain relevant medical records of the **bodily injury** that is the basis for such **claim**.

LIMITS OF LIABILITY

Regardless of the number of **insureds**, **persons** injured, **claims** made, or locations shown, **our** liability is limited to the limits of liability stated in the **Declarations** under the heading "Medical Payment To Others Per Person". That stated amount is the limit of **our** liability for all medical expenses for **bodily injury** to any one **individual** resulting from any one **accident**.

PAYMENTS UNDER THIS COVERAGE

We will pay any amount due under this coverage directly to the **individual** making the **claim** unless, because of a perfected lien or valid assignment, **we** are obligated to pay someone else. **We** will pay, based upon such an assignment, only if **we** receive a written copy of the assignment before **we** make payment for the services for which the assignment was given.

EXCLUSIONS

We do not cover charges related to:

1. **Bodily injury** to any **insured** or **resident** of the **insured premises**, except a **residence employee**.
2. **Bodily injury** arising out of the **ownership**, maintenance, operation, use, or entrustment of:
 - (a) Aircraft **owned** by or **rented** to any **insured** other than miniature aircraft that are not designed to transport cargo or people.

(b) **Land motor vehicles**, other than a **recreational motor vehicle**:

- (1) **owned** by any **insured**;
- (2) operated by any **insured**;
- (3) **rented** to any **insured**; or
- (4) loaned to any **insured**.

We do provide coverage if the **land motor vehicle** is kept in dead storage on the **insured premises** if it is not licensed for use on **public roadways**.

(c) **Motorized vehicles**, if the **bodily injury** occurs away from the **insured premises**.

This exclusion does not apply to:

- (1) a golf cart while it is being used for golfing on a golf course;
- (2) a **motorized vehicle** originally designed to assist the physically handicapped;
- (3) a **motorized vehicle**, other than a **land motor vehicle**, used in a part-time job related activity by **you** or a **relative**, if the **individual** engaged in that activity is under the age of twenty-five, and is a full time student; or
- (4) a lawn mower while used to mow other **premises** so long as such mowing is not a **business**.

(d) **Motorized vehicles** used, or designed to be used, in competition with other vehicles; or

(e) Watercraft, if the **bodily injury** occurs away from the **insured premises**.

3. **Bodily injury** arising out of the rendering or failing to render professional services.

4. **Bodily injury** arising out of the **business** of any **insured**.

5. **Bodily injury** to any **individual** who is on the **insured premises** because of the **business** of any **insured**.

6. **Bodily injury** arising out of any **premises owned, rented** or controlled by any **insured** that is not an **insured premises**. However, **we** will cover **bodily injury** to a **residence employee** sustained at such **premises** if that injury arises out of, and in the course of, employment by an **insured**.

7. **Bodily injury** that any **insured** intended to cause.

8. **Bodily injury** that a reasonable **individual** would expect to result from the intentional acts of any **insured**.

9. **Bodily injury** arising out of **war**.

10. **Bodily injury** arising out of the transmission of communicable diseases by any **insured**.

11. **Bodily injury** to any **individual** who is entitled to benefits that are provided, or required to be provided, under any **compensation law**.

12. **Bodily injury** arising out of any nuclear reaction, radiation or radioactive contamination or any consequence of any of these.

13. **Bodily injury** arising out of, or caused, in whole or in part, by asbestos, radon, mold, lead, paint containing lead, chemicals, petroleum products, or any other substance or material containing lead, or any pollutant.

14. **Bodily injury** arising out of any activity of any **insured** that would constitute a felony under the laws of the state in which such activity occurred, whether or not such **insured** is actually charged with a crime for that activity.

COVERAGE G – DAMAGE TO PROPERTY OF OTHERS

INSURING AGREEMENT

We will pay for **property damage** caused by an **insured** to real property or **personal property owned** by others.

LIMITS OF LIABILITY

We will not pay more than the smallest of the following amounts for any one occurrence:

1. the **market value** of the property at the time of loss;
2. the **restoration cost**; or
3. \$1,000.

EXCLUSIONS

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

1. caused by any **insured** who has attained the age of 13, unless it results from an **accident**;
2. to property **owned** by, or **rented** to:
 - (a) any **insured**;

- (b) any tenant of an **insured**; or
- (c) any **resident** of any **insured's** household;
- 3. arising out of:
 - (a) any act or omission related to making **premises owned, rented**, or controlled by any **insured** safe, unless those **premises** are the **insured premises**;
 - (b) the **business** of anyone;
 - (c) the **ownership**, maintenance or use of a **land motor vehicle**, trailer, aircraft or watercraft; or
- 4. to property insured under Section I of this policy.

ADDITIONAL COVERAGES UNDER SECTION II

We will pay the following costs and expenses if they result from a **claim** covered by Section II of this policy. The payment of these benefits will not reduce **our** limits of liability under this Section:

- 1. All expenses **we** incur in the settlement of any **claim**.
- 2. If a lawsuit is filed against the **insured** for damages that are covered under this section of the policy, **we** will defend the **insured** at **our** expense, using lawyers of **our** choice, and **we** will pay all expenses and attorney's fees **we** incur in the defense of that lawsuit. **We** are no longer obligated to provide, or to pay for, such defense after **we**:
 - (a) offer to the claimant or judgment creditor, or pay into court, the full amount of **our** limit of liability under Coverage E, exclusive of all **judgment interest**; or
 - (b) **we** offer to the judgment creditor, or pay into court, that part of a judgment **we** owe within **our** limit of liability under Coverage E, exclusive of all **judgment interest**.
- 3. Court costs that are assessed against an **insured** in a civil lawsuit in which **we** have paid the fees of the **insured's** attorney.
- 4. Pre-judgment interest due on any amount **we** owe within **our** limits of liability under Coverage E of

this policy. However, **our** duty to pay pre-judgment interest on any one **claim** ends when **we**:

- (a) offer to the claimant or judgment creditor, or pay into court, the full amount of **our** limit of liability under Coverage E, exclusive of all **judgment interest**; or
- (b) **we** offer to the judgment creditor, or pay into court, that part of a judgment **we** owe within **our** limit of liability under Coverage E, exclusive of all **judgment interest**.
- 5. Post-judgment interest due on any amount **we** owe within **our** limits of liability under Coverage E. However, **our** duty to pay post-judgment interest on any one **claim** ends when **we** offer to the judgment creditor, or pay into court, that part of the judgment that **we** owe within **our** limits of liability under Coverage E, exclusive of all **judgment interest**.
- 6. The cost of any bonds required by an appellate court to ensure payment of the cost of an appeal, if that appeal is from a judgment in a civil lawsuit in which **we** have paid the fees of the **insured's** attorney. **We** have no duty to furnish or apply for any bonds. The limit of **our** liability for the cost of all such bonds is ten percent of the limit of liability under Coverage E. **We** do not cover the cost of supersedeas bonds, or bonds necessary to stay execution of a judgment during the pendency of an appeal from that judgment.
- 7. Up to \$250 for each bail bond needed by an **insured** because of any one **accident** or traffic law violation resulting from the operation of a **land motor vehicle** insured under this policy. **We** have no duty to furnish or apply for such bonds.
- 8. Reimbursement that is requested by an **insured**, for reasonable and necessary expenses incurred at **our** request during the defense of a civil lawsuit. This does not include wages or salary lost by an **insured** who **we** ask to attend any proceedings related to the defense of a civil lawsuit.

MUTUAL POLICY NOTIFICATION

If the Company named in the **Declarations** is Shelter Mutual Insurance Company, the following provisions apply to this policy.

This policy is issued by a mutual company subject to special legal regulations applicable to its organization, membership, policies, and contracts of insurance. Some of those regulations apply to and form a part of this policy.

You are hereby notified that by virtue of purchasing this policy **you** are a member of the Shelter Mutual Insurance Company of Columbia, Missouri and may participate, to the extent, and upon the conditions fixed and determined by the Board of Directors of the

Company in its discretion in the distribution of dividends it fixes and determines.

You are entitled to vote, either in person or by proxy, at all meetings of that Company. The annual meeting of the Shelter Mutual Insurance Company is held at its Home Office in Columbia, Missouri, on the first Wednesday in April of each year at 10 o'clock A.M.

All of **your** interest in the Shelter Mutual Insurance Company, its goodwill, assets, and guaranty fund, will cease upon termination of this policy, except any **claims** that **you** may then have under this policy and except for any unearned portion of **your** deposit premium.

This policy is non-assessable.

IN WITNESS WHEREOF, the Company named in the **Declarations** has caused this policy to be signed by its President and Chief Executive Officer and its Secretary, and countersigned on the **Declarations** page by a duly authorized representative of the Company.


Secretary


President and CEO

HOMEOWNERS 3 – SPECIAL FORM

AGREEMENT

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

DEFINITIONS

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

c. Under Section II:

- (1)** With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **a.** or **b.** above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
- (2)** With respect to a "motor vehicle" to which this policy applies:
 - (a)** Persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
 - (b)** Other persons using the vehicle on an "insured location" with your consent.

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

6. "Insured location" means:

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

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

7. "Motor vehicle" means:

- a.** A self-propelled land or amphibious vehicle; or
- b.** Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.

8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

- a.** "Bodily injury"; or
- b.** "Property damage".

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

10. "Residence employee" means:

- a.** An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
- b.** One who performs similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

11. "Residence premises" means:

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

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

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

DEDUCTIBLE

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

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:
 - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
 - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures from which any "business" is conducted; or
 - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C – Personal Property

1. Covered Property

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

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

2. Limit For Property At Other Residences

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

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

3. Special Limits Of Liability

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

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

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

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.
- j. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.
- k. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;

- b. Animals, birds or fish;
- c. "Motor vehicles".

(1) This includes:

- (a) Their accessories, equipment and parts; or
- (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in (a) and (b) above applies only while such property is in or upon the "motor vehicle".

(2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:

- (a) Used solely to service an "insured's" residence; or
- (b) Designed to assist the handicapped;

- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;

- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in E.10. Landlord's Furnishings under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:

(1) Books of account, drawings or other paper records; or

(2) Computers and related equipment.

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

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

k. Water or steam.

D. Coverage D – Loss Of Use

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

1. Additional Living Expense

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

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

2. Fair Rental Value

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

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

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

E. Additional Coverages

1. Debris Removal

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

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

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

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

- (1) Your tree(s) felled by the peril of Wind-storm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage **C**; provided the tree(s):
 - (3) Damage(s) a covered structure; or
 - (4) Does not damage a covered structure, but:
 - (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
 - (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

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

This coverage is additional insurance.

2. Reasonable Repairs

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

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

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

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

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

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

This coverage is additional insurance.

4. Fire Department Service Charge

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

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

5. Property Removed

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

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

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

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

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

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

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

- b. We do not cover:

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

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

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

7. Loss Assessment

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

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

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

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph **P**. Policy Period under Section **I** – Conditions does not apply to this coverage.

This coverage is additional insurance.

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 current 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 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) The Perils Insured Against named under Coverage **C**;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.

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

9. Glass Or Safety Glazing Material

- a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

- b. This coverage does not include loss:
 - (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
 - (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A dwelling being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings

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

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

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

11. Ordinance Or Law

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

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

- c. We do not cover:

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

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

This coverage is additional insurance.

12. Grave Markers

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

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

SECTION I – PERILS INSURED AGAINST

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

- 1. We insure against risk of direct physical loss to property described in Coverages **A** and **B**.
- 2. We do not insure, however, for loss:
 - a. Excluded under Section I – Exclusions;
 - b. Involving collapse, except as provided in **E.8.** Collapse under Section I – Property Coverages; or
 - c. Caused by:
 - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if you have used reasonable care to:
 - (a) Maintain heat in the building; or

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

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

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

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
 - (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or

- (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

For 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; or

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

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
 - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (g) Birds, vermin, rodents, or insects; or
 - (h) Animals owned or kept by an "insured".

Exception To c.(6)

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

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

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

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

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

Section I – Exclusion **A.3. Water Damage**, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under **c.(5)** and **(6)** above.

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

B. Coverage C – Personal Property

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

1. Fire Or Lightning

2. Windstorm Or Hail

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

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

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

9. Theft

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

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

- (1) Committed by an "insured";
- (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or
- (4) That occurs off the "residence premises" of:
 - (a) Trailers, semitrailers and campers;
 - (b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or
 - (c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against **14. Freezing**;
 - (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
 - (4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I – Exclusion **A.3. Water Damage**, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

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

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

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

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain all systems and appliances of water.

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

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

16. Volcanic Eruption

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

SECTION I – EXCLUSIONS

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

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

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

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

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

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;

- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion **A.2.** does not apply to loss by theft.

3. Water Damage

Water Damage means:

- 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 water-borne 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 water-borne 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;

caused by or resulting from human or animal forces or any act of nature.

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

4. Power Failure

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

5. Neglect

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

6. War

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

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

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

7. Nuclear Hazard

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

8. Intentional Loss

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

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

9. Governmental Action

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

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

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

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

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

SECTION I – CONDITIONS

A. Insurable Interest And Limit Of Liability

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

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

B. Duties After Loss

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

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;

- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in **6.** above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages, stating the amount and cause of loss.

C. Loss Settlement

In this Condition **C.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.11. Ordinance Or Law** under Section I – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.

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

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1) The actual cash value of that part of the building damaged; or
- (2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2) Those supports described in **(1)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2,500;

we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.

- e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **C. Loss Settlement**, provided you notify us of your intent to do so within 180 days after the date of loss.

D. Loss To A Pair Or Set

In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

E. Appraisal

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

Each party will:

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

F. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

G. Suit Against Us

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

H. Our Option

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

I. Loss Payment

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

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

J. Abandonment Of Property

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

K. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs **E.** Appraisal, **G.** Suit Against Us and **I.** Loss Payment under Section **I** – Conditions also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

L. 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.

M. Nuclear Hazard Clause

1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section **I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

N. 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.

O. Volcanic Eruption Period

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

P. Policy Period

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

Q. Concealment Or Fraud

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

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

2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

R. Loss Payable Clause

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

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

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

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

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

B. Coverage F – Medical Payments To Others

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

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

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages **E** and **F** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used solely to service an "insured's" residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
 - d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions **B. 6.a., b., d., e. or h.**; or
 - e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - a) Play the game of golf or for other recreational or leisure activity allowed by the facility;

- (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
- (c) Cross public roads at designated points to access other parts of the golfing facility; or
- (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

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

- (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - (i) You declare them at policy inception; or
 - (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

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

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

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

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

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

1. Expected Or Intended Injury

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

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

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

2. "Business"

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

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

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

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

- (a) On an occasional basis if used only as a residence;
 - (b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (c) In part, as an office, school, studio or private garage; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

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

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

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

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

5. War

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

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

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

6. Communicable Disease

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

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

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

8. Controlled Substance

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

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

F. Coverage E – Personal Liability

Coverage **E** does not apply to:

1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section **II** – Additional Coverages;

- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

- (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence";
- unless excluded in **a.** above or elsewhere in this policy;

- 2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

- 3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

- 4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

- a. Workers' compensation law;

- b. Non-occupational disability law; or
- c. Occupational disease law;

5. "Bodily injury" or "property damage" for which an "insured" under this policy:

- a. Is also an insured under a nuclear energy liability policy issued by the:

- (1) Nuclear Energy Liability Insurance Association;
- (2) Mutual Atomic Energy Liability Underwriters;
- (3) Nuclear Insurance Association of Canada;

or any of their successors; or

- b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or

6. "Bodily injury" to you or an "insured" as defined under Definitions 5.a. or b.

This exclusion also applies to any claim made or suit brought against you or an "insured":

- a. To repay; or

- b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

Coverage F does not apply to "bodily injury":

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

- a. Occurs off the "insured location"; and
- b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";

2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:

- a. Workers' compensation law;
- b. Non-occupational disability law; or
- c. Occupational disease law;

3. From any:

- a. Nuclear reaction;
- b. Nuclear radiation; or
- c. Radioactive contamination;

all whether controlled or uncontrolled or how-ever caused; or

- d. Any consequence of any of these; or

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

SECTION II – ADDITIONAL COVERAGES

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

A. Claim Expenses

We pay:

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

B. First Aid Expenses

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

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".

2. We will not pay for "property damage":

- a. To the extent of any amount recoverable under Section I;
- b. Caused intentionally by an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

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

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

D. Loss Assessment

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

SECTION II – CONDITIONS

A. Limit Of Liability

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

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

B. Severability Of Insurance

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

C. Duties After "Occurrence"

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

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

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

- 5. With respect to **C. Damage To Property Of Others** under Section II – Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
- 6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

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

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

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

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

F. Suit Against Us

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

G. Bankruptcy Of An "Insured"

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

H. Other Insurance

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

I. Policy Period

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

J. Concealment Or Fraud

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

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

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

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

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

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

B. Waiver Or Change Of Policy Provisions

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

C. Cancellation

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

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

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

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

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

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

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

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

D. Nonrenewal

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

E. Assignment

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

F. Subrogation

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

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

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

G. Death

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

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and

2. "Insured" includes:

a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and

b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

Allstate Insurance Company Standard Homeowners Policy

Policy: _____ Effective: _____

Issued to: _____



Allstate Insurance Company
The Company Named in the Policy Declarations
A Stock Company---Home Office: Northbrook, Illinois 60062

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Definitions Used In This Policy

1. **"You" or "your"** — means the person named on the Policy Declarations as the insured and that person's resident spouse.
2. **"Allstate," "we," "us," or "our"** — means the company named on the Policy Declarations.
3. **"Insured person(s)"** — means **you** and, if a resident of **your** household:

- a) any relative; and
- b) any dependent person in **your** care.

Under **Coverage X — Family Liability Protection** and **Coverage Y — Guest Medical Protection**, **"insured person"** also means:

- c) any person or organization legally responsible for loss caused by animals or watercraft covered by this policy which are owned by an **insured person**. **We** do not cover any person or organization using or having custody of animals or watercraft in any **business**, or without permission of the owner.
- d) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **insured person**.

4. **"Bodily injury"** — means physical harm to the body, including sickness or disease, and resulting death, except that **bodily injury** does not include:
 - a) any venereal disease;
 - b) Herpes;
 - c) Acquired Immune Deficiency Syndrome (AIDS);
 - d) AIDS Related Complex (ARC);
 - e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to (a) through (e) listed above.

Under **Coverage Y — Guest Medical Protection**, **bodily injury** means physical harm to the body, including sickness or disease, except that **bodily injury** does not include:

- a) any venereal disease;
- b) Herpes;
- c) Acquired Immune Deficiency Syndrome (AIDS);
- d) AIDS Related Complex (ARC);
- e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to (a) through (e) listed above.

5. **"Building structure"** — means a structure with walls and a roof.
6. **"Business"** — means:
 - a) any full or part-time activity of any kind engaged in for economic gain including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is also a **business**. However, the mutual exchange of home day care services is not considered a **business**;
 - b) any property rented or held for rental by an **insured person**. Rental of **your residence premises** is not considered a **business** when:
 - 1) it is rented occasionally for residential purposes;
 - 2) a portion is rented to not more than two roomers or boarders; or
 - 3) a portion is rented as a private garage.
7. **"Residence premises"** — means the **dwelling**, other structures and land located at the address stated on the Policy Declarations.
8. **"Insured premises"** — means:
 - a) the **residence premises**; and
 - b) under **Section II** only:
 - 1) the part of any other premises, other structures and grounds used by **you** as a residence. This includes premises, structures and grounds **you** acquire for **your** use as a private residence while this policy is in effect;
 - 2) any part of a premises not owned by an **insured person** but where an **insured person** is temporarily living;
 - 3) cemetery plots or burial vaults owned by an **insured person**;
 - 4) vacant land, other than farmland, owned by or rented to an **insured person**;
 - 5) land owned by or rented to an **insured person** where a one, two, three or four family dwelling is being built as that person's residence;
- 6) any premises used by an **insured person** in connection with the **residence premises**;
- 7) any part of a premises occasionally rented to an **insured person** for other than **business** purposes.
9. **"Occurrence"** — means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, during the policy period, resulting in **bodily injury** or **property damage**.
10. **"Property damage"** — means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.
11. **"Residence employee"** — means an employee of an **insured person** while performing duties arising out of and in the course of employment in connection with the maintenance or use of **your residence premises**. This includes similar duties performed elsewhere for an **insured person**, not in connection with the **business** of an **insured person**.
12. **"Dwelling"** — means a one, two, three or four family building, identified as the insured property on the Policy Declarations, where **you** reside and which is principally used as a private residence.

Insuring Agreement

In reliance on the information **you** have given **us**, **Allstate** agrees to provide the coverages indicated on the Policy Declarations. In return, **you** must pay the premium when due and comply with the policy terms and conditions, and inform **us** of any change in title, use or occupancy of the **residence premises**.

Subject to the terms of this policy, the Policy Declarations shows the location of the **residence premises**, applicable coverages, limits of liability and premiums. The policy applies only to losses or **occurrences** that take place during the policy period. The policy period is shown on the Policy Declarations. This policy is not complete without the Policy Declarations.

The terms of this policy impose joint obligations on the person named on the Policy Declarations as the insured and on that person's resident spouse. These persons are defined as **you** or **your**. This means that the responsibilities, acts and omissions of a person defined as **you** or **your** will be binding upon any other person defined as **you** or **your**.

The terms of this policy impose joint obligations on persons defined as an **insured person**. This means that the responsibilities, acts and failures to act of a person defined as an **insured person** will be binding upon another person defined as an **insured person**.

Agreements We Make With You

We make the following agreements with **you**:

Conformity To State Statutes

When the policy provisions conflict with the statutes of the state in which the **residence premises** is located, the provisions are amended to conform to such statutes.

Coverage Changes

When **Allstate** broadens coverage during the premium period without charge, **you** have the new features if **you** have the coverage to which they apply. Otherwise, the policy can be changed only by endorsement.

The coverage provided and the premium for the policy is based on information **you** have given **us**. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that if this information changes, is incorrect or incomplete, **we** may adjust **your** coverage and premium accordingly during the policy period.

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for **our** use in **your** state. The rates in effect at the beginning of **your** current premium period will be used to calculate any change in **your** premium.

Policy Transfer

You may not transfer this policy to another person without **our** written consent.

Continued Coverage After Your Death

If **you** die, coverage will continue until the end of the premium period for:

- 1) **your** legal representative while acting as such, but only with respect to the **residence premises** and property covered under this policy on the date of **your** death;
- 2) an **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.

Cancellation

Your Right to Cancel:

You may cancel this policy by notifying **us** of the future date **you** wish to stop coverage.

Our Right to Cancel:

Allstate may cancel this policy by mailing notice to **you** at the mailing address shown on the Policy Declarations. When this policy has been in effect for less than 60 days, and it is not a renewal with **us**, **we** may cancel this policy for any reason by giving **you** at least 10 days notice before the cancellation takes effect.

When the policy has been in effect for 60 days or more, or if it is a renewal with **us**, **we** may cancel this policy for one or more of the following reasons:

- 1) non-payment of premium;
- 2) the policy was obtained by misrepresentation, fraud or concealment of material facts;
- 3) material misrepresentation, fraud or concealment of material facts in presenting a claim, or violation of any of the policy terms; or
- 4) there has been a substantial change or increase in hazard in the risk **we** originally accepted.

If the cancellation is for non-payment of premium, **we** will give **you** at least 10 days notice. If the cancellation is for any of the other reasons, **we** will give **you** at least 30 days notice.

Our mailing the notice of cancellation to **you** will be deemed proof of notice. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. **Your** return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

Our Right Not to Renew or Continue:

Allstate has the right not to renew or continue the policy beyond the current premium period. If **we** do not intend to continue or renew the policy, **we** will mail **you** notice at least 30 days before the end of the premium period. **Our** mailing the notice of nonrenewal to **you** will be deemed proof of notice.

Concealment Or Fraud

This policy is void if it was obtained by misrepresentation, fraud or concealment of material facts. If it is determined that this policy is void, all premiums paid will be returned to **you** since there has been no coverage under this policy.

We do not cover any loss or **occurrence** in which any **insured person** has concealed or misrepresented any material fact or circumstance.

Section I— Your Property

Coverage A

Dwelling Protection

Property We Cover Under Coverage A:

1. **Your dwelling** including attached structures. Structures connected to **your dwelling** by only a fence, utility line, or similar connection are not considered attached structures.
2. Construction materials and supplies at the **residence premises** for use in connection with **your dwelling**.

Property We Do Not Cover Under Coverage

A:

1. Any structure including fences or other property covered under **Coverage B—Other Structures Protection**.
2. Land, except as specifically provided in **Section I—Additional Protection** under item 10, "Land."
3. Satellite dish antennas and their systems, whether or not attached to **your dwelling**.

Coverage B

Other Structures Protection

Property We Cover Under Coverage B:

1. Structures at the address shown on the Policy Declarations separated from **your dwelling** by clear space.
2. Structures attached to **your dwelling** by only a fence, utility line, or similar connection.
3. Construction materials and supplies at the address of the **residence premises** for use in connection with other structures.

Property We Do Not Cover Under Coverage

B:

1. Structures used in whole or in part for **business** purposes.
2. Any structure or other property covered under **Coverage A—Dwelling Protection**.
3. Land, no matter where located, or the replacement, rebuilding, restoration, stabilization or value of any such land.
4. Construction materials and supplies at the address of the **residence premises** for use in connection with the **dwelling**.
5. Satellite dish antennas and their systems, whether or not attached to **building structures**.

Coverage C

Personal Property Protection

Property We Cover Under Coverage C:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located at a residence other than the **residence premises**, coverage is limited to 10% of **Coverage C—Personal Property Protection**. This limitation does not apply to personal property in a newly acquired principal residence for the 30 days immediately after **you** begin to move property there or to personal property in student dormitory, fraternity or sorority housing.
2. At **your** option, personal property owned by a guest or **residence employee** while the property is in a residence **you** are occupying.

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If personal property can reasonably be considered as part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under **Coverage C—Personal Property Protection**. The total amount of coverage for each group in any one loss is as follows:

1. \$ 100 — Money, bullion, bank notes, coins and other numismatic property.
2. \$ 500 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets, and stamps, including philatelic property.
3. \$ 500 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts and motors.
4. \$ 500 — Trailers not used with watercraft.
5. \$ 500 — Theft of jewelry, watches, precious and semi-precious stones, gold other than goldware, silver other

than silverware, platinum and furs, including any item containing fur which represents its principal value.

6. \$1,000 — Theft of silverware, pewterware and goldware.
7. \$1,000 — Trading cards, subject to a maximum amount of \$250 per card.
8. \$1,000 — Theft of firearms.
9. \$1,000 — Manuscripts, including documents stored on electronic media.
10. \$ 500 — Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.
11. \$ 3,000 — Electronic data processing equipment and the recording or storage media used with that equipment. Recording or storage media will be covered only up to:
 - a) the retail value of the media, if pre-programmed; or
 - b) the retail value of the media in blank or unexposed form, if blank or self-programmed.
12. \$10,000 — Theft of rugs, including, but not limited to any handwoven silk or wool rug, carpet, tapestry, wall-hanging or other similar article whose principal value is determined by its color, design, quality of wool or silk, quality of weaving, condition or age; subject to a maximum amount of \$2,500 per item.

Property We Do Not Cover Under Coverage C:

1. Personal property specifically described and insured by this or any other insurance.

2. Animals.
3. Motorized land vehicles, including, but not limited to any land vehicle powered or assisted by a motor or engine. **We** do not cover any motorized land vehicle parts, equipment or accessories attached to or located in or upon any motorized land vehicle. **We** do cover motorized land vehicles designed for assisting the handicapped or used solely for the service of the **insured premises** and not licensed for use on public roads.
4. Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
5. Property of roomers, boarders, tenants not related to an **insured person**.
6. Property located away from the **residence premises** and rented or held for rental to others.
7. **Business** property whether at or away from the **residence premises**.
8. Property held as samples or for sale or delivery after a sale.
9. Any device, cellular communication system, radar signal reception system, accessory or antenna designed for reproducing, detecting, receiving, transmitting, recording or playing back data, sound or picture which may be powered by electricity from a motorized land vehicle or watercraft and while in or upon a motorized land vehicle or watercraft.
10. Satellite dish antennas and their systems.

Losses We Cover Under Coverages A, B and C:

We will cover sudden and accidental direct physical loss to the property described in **Coverage A — Dwelling Protection, Coverage B — Other Structures Protection** and **Coverage C — Personal Property Protection** except as limited or excluded in this policy, caused by:

1. Fire or Lightning.
2. Windstorm or Hail.

We do not cover:

- a) loss to the interior of a **building structure**, or covered property inside, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind forces rain, snow, sleet, sand or dust through the damaged roof or wall;
- b) loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed **building structure**. However, **we** do cover canoes and rowboats on the **residence premises**.
3. Explosion.
4. Riot or Civil Commotion, including pillage and looting during, and at the site of, the riot or civil commotion.
5. Aircraft, including self-propelled missiles and spacecraft.
6. Vehicles.
7. Smoke.

We do not cover loss caused by smoke from the manufacturing of controlled substances, agricultural smudging or industrial operations.

8. Vandalism and Malicious Mischief.
We do not cover vandalism or malicious mischief if **your dwelling** has been vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.
9. Theft, or attempted theft, including disappearance of property from a known place when it is likely that a theft has occurred. Any theft must be promptly reported to the police.

We do not cover:

- a) theft or attempted theft committed by an **insured person**;
 - b) theft in or from the **residence premises** while under construction or of materials and supplies for use in construction, until the **dwelling** is completed and occupied;
 - c) theft of any property while at any other residence owned, rented to or occupied by an **insured person** unless the **insured person** is temporarily residing there;
 - d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the **residence premises**;
 - e) theft from that part of the **residence premises** rented by **you** to other than an **insured person**.
10. Breakage of glass which is part of the covered **building structure**. **We** pay a maximum of \$50 for each **occurrence**.

We do not cover loss to glass if the covered **building structure** has been vacant for more than 30 consecutive days prior to the loss.

Losses We Do Not Cover Under Coverages A, B and C:

We do not cover loss to the property described in **Coverage A — Dwelling Protection, Coverage B — Other Structures Protection** and **Coverage C — Personal Property Protection** caused by or consisting of:

- 1. Flood, including, but not limited to surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
- 2. Water or any other substance that backs up through sewers or drains.
- 3. Water or any other substance that overflow from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

- 4. Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover sudden and accidental direct physical loss caused by fire, explosion or theft resulting from items 1 through 4 listed above.

- 5. Earth movement of any type, including, but not limited to earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover sudden and accidental direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

- 6. Enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, placement or demolition of any **building structure**, other structure or land at the **residence premises**.

We do cover sudden and accidental direct physical loss to covered property caused by actions of civil authority to prevent the spread of fire.

- 7. The failure by any **insured person** to take all reasonable steps to save and preserve property when the property is endangered by a cause of loss **we** cover.
- 8. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an **insured person**.
- 9. Intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
 - a) may be reasonably expected to result from such acts; or

b) is the intended result of such acts.

This exclusion applies regardless of whether or not the **insured person** is actually charged with or convicted of a crime.

10. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

11. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
12. War or warlike acts, including, but not limited to insurrection, rebellion or revolution.
13. Weather Conditions that contribute in any way with a cause of loss excluded in this section to produce a loss.
14. Planning, Construction or Maintenance, meaning faulty, inadequate or defective:
- a) planning, zoning, development, surveying, siting;
 - b) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c) materials used in repair, construction, renovation or remodeling; or
 - d) maintenance;

of property whether on or off the **residence premises** by any person or organization.

15. **We** do not cover loss to covered property described in **Coverage A — Dwelling Protection**, **Coverage B — Other Structures Protection** or **Coverage C — Personal Property Protection** when:
- a) there are two or more causes of loss to the covered property; and

- b) the predominant cause(s) of loss is (are) excluded under **Losses We Do Not Cover**, items 1 through 14 above.

Additional Protection

1. Additional Living Expense

- a) **We** will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living when a direct physical loss **we** cover makes **your residence premises** uninhabitable.

Payment for covered additional living expense will be limited to the least of the following:

- 1) the time period required to repair or replace the property **we** cover, using due diligence and dispatch; or
 - 2) if **you** permanently relocate, the shortest time for **your** household to settle elsewhere;
 - 3) 12 months.
- b) **We** will pay **your** lost fair rental income resulting from a covered loss, less charges and expenses which do not continue, when a loss **we** cover makes the part of the **residence premises you** rent to others, or hold for rental, uninhabitable. **We** will pay for lost fair rental income for the shortest time required to repair or replace the part rented or held for rental but not to exceed 12 months.
 - c) **We** will pay the reasonable and necessary increase in living expenses and the lost fair rental income for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a peril **we** insure against.

These periods of time are not limited by the termination of this policy.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

2. **Credit Card and Check Forgery**

We will pay for loss:

- a) that an **insured person** is legally required to pay for the unauthorized use of any credit card issued to or registered in the name of an **insured person**;
- b) caused by forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account.

Our maximum limit of liability for any one loss is \$1,000. All loss due to forgery or unauthorized use by or involving any one person is considered one loss.

We do not cover:

- a) loss arising from any **business** of an **insured person**;
- b) loss caused by or at the direction of an **insured person** or any other person who has been entrusted with any credit card;
- c) loss arising out of dishonesty of an **insured person**.

When loss is discovered, the **insured person** must give **us** immediate written notice. If the loss involves a credit card or charge plate the **insured person** must also give immediate written notice to the company or bank that issued the card or plate. Failure to comply with the terms and conditions of the card or plate voids this protection.

We will pay only for loss occurring during the policy period, including those losses discovered and reported to **us** within one year after the policy has terminated. **We** have the right to investigate and settle any claim or suit as **we** deem appropriate. Full payment of the amount of insurance for any one loss ends **our** obligation under each claim or suit arising from the loss.

We will defend any suit brought against an **insured person** for the enforcement of payment covered under paragraph 2(a) of this protection. The defense will be at **our** expense, with counsel of **our** choice.

We have the option to defend an **insured person** or the **insured person's** bank against a suit for the enforcement of payment covered under paragraph 2(b) of this protection. The defense will be at **our** expense, with counsel of **our** choice.

No deductible applies to this protection.

3. **Debris Removal**

We will pay reasonable expenses **you** incur to remove debris of covered property damaged by a loss **we** cover. If the loss to the covered property and the cost of debris removal are more than the limit of liability shown on the Policy Declarations for the covered property, **we** will pay up to an additional 5% of that limit for debris removal.

4. **Emergency Removal Of Property**

We will pay for sudden and accidental direct physical loss to covered property from any cause while removed from a premises because of danger from a loss **we** cover. Protection is limited to a 30-day period from date of removal. This protection does not increase the limit of liability that applies to the covered property.

5. **Fire Department Charges**

We will pay up to \$250 for service charges made by fire departments called to protect **your** property from a loss **we** cover at the **residence premises**. No deductible applies to this protection.

6. **Temporary Repairs After A Loss**

We will reimburse **you** up to \$5,000 for the reasonable and necessary cost **you** incur for temporary repairs to protect covered property from further imminent covered loss following a loss **we** cover. This coverage does not increase the limit of liability applying to the property being repaired.

7. **Trees, Shrubs, Plants and Lawns**

We will pay up to an additional 5% of the limit of liability shown on the Policy Declarations under the **Coverage A—Dwelling Protection** for loss to trees, shrubs, plants and lawns at the address of the **residence premises**. **We** will not pay more

than \$250 for any one tree, shrub, or plant including expenses incurred for removing debris. This coverage applies only to direct physical loss caused by fire or lightning, explosion, riot or civil commotion, aircraft, vehicles not owned by an occupant of the **residence premises**, vandalism or malicious mischief or theft.

We do not cover trees, shrubs, plants, or lawns grown for **business** purposes.

8. **Temperature Change**

We will pay for loss to covered personal property in a **building structure** at the **residence premises** resulting from a change in temperature. The change in temperature must result from a covered loss to the **building structure**.

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

9. **Arson Reward**

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered under **Section I** of this policy. The \$5,000 limit applies regardless of the number of persons providing information.

10. **Land**

If a sudden and accidental direct physical loss results in both a covered loss to the **dwelling**, other than the breakage of glass or safety glazing material, and a loss of land stability, **we** will pay up to \$10,000 as an additional amount of insurance for repair costs associated with the land. This includes the costs required to replace, rebuild, stabilize or otherwise restore the land necessary to support that part of the **dwelling** sustaining the covered loss.

The **Section I—Losses We Do Not Cover Under Coverages A, B and C** reference to earth movement does not apply to the loss of land stability provided under this Additional Protection.

Section I—Conditions

1. **Deductible**

We will pay only when a covered loss exceeds the deductible shown on the Policy Declarations. **We** will then pay only the excess amount, unless **we** have indicated otherwise in this policy.

2. **Insurable Interest and Our Liability**

In the event of a covered loss, **we** will not pay for more than an **insured person's** insurable interest in the property covered, nor more than the amount of coverage afforded by this policy.

3. **What You Must Do After A Loss**

In the event of a loss to any property that may be covered by this policy, **you** must:

- a) promptly give **us** or **our** agent notice. Report any theft to the police as soon as possible. If the loss involves a credit card or charge plate give written notice to the company or bank that issued the card or plate.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give **us** a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give **us** all accounting records, bills, invoices and other vouchers, or certified copies, which **we** may reasonably request to examine and permit **us** to make copies.
- e) produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records supporting any claim for loss of rental income.
- f) as often as **we** reasonably require:
 - 1) show **us** the damaged property.
 - 2) at **our** request, submit to examinations under oath, separately and apart from any other person defined as **you** or **insured person** and sign a transcript of the same.
 - 3) produce representatives, employees, members of the insured's household or

- others to the extent it is within the **insured person's** power to do so; and
- g) within 60 days after the loss, give **us** a signed, sworn proof of the loss. This statement must include the following information:
- 1) the date, time, location and cause of loss;
 - 2) the interest **insured persons** and others have in the property, including any encumbrances;
 - 3) the actual cash value and amount of loss for each item damaged, destroyed or stolen;
 - 4) any other insurance that may cover the loss;
 - 5) any changes in title, use, occupancy or possession of the property that have occurred during the policy period;
 - 6) at **our** request, the specifications of any damaged **building structure** or other structure;
 - 7) evidence supporting any claim under the Credit Card or Check Forgery protection. State the cause and amount of loss.

4. **Our Settlement Options**

In the event of a covered loss, **we** have the option to:

- a) repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- b) pay for all or any part of the damaged, destroyed or stolen property as described in Condition 5. "How We Pay For A Loss. "

Within 30 days after **we** receive **your** signed, sworn proof of loss **we** will notify **you** of the option or options **we** intend to exercise.

5. **How We Pay For A Loss**

Under **Coverage A — Dwelling Protection, Coverage B — Other Structures Protection** and **Coverage C — Personal Property Protection**, payment for covered loss will be by one or more of the following methods.

- a) Special Payment. At **our** option, **we** may make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen property if:
 - 1) the whole amount of loss for property covered under **Coverage A — Dwelling Protection** and **Coverage B — Other Structures Protection**, without deduction for depreciation, is less than \$2,500 and if the property is not excluded from the Building Structure Reimbursement provision, or;
 - 2) the whole amount of loss for property covered under **Coverage C — Personal Property Protection**, without deduction for depreciation, is less than \$2,500 and if **your** Policy Declarations shows that the Personal Property Reimbursement provision applies, and the property is not excluded from the Personal Property Reimbursement provision.
- b) Actual Cash Value. If **you** do not repair or replace the damaged, destroyed or stolen property, payment will be on an actual cash value basis. This means there may be a deduction for depreciation. Payment will not exceed the limit of liability shown on the Policy Declarations for the coverage that applies to the damaged, destroyed or stolen property, regardless of the number of items involved in the loss.

You may make claim for additional payment as described in paragraph "c, " and paragraph "d" below, if applicable, if you repair or replace the damaged, destroyed or stolen covered property within 180 days of the actual cash value payment.

- c) Building Structure Reimbursement. Under **Coverage A — Dwelling Protection** and **Coverage B — Other Structures Protection**, **we** will make additional payment to reimburse **you** for cost in excess of actual cash value if you repair, rebuild or replace damaged, destroyed or stolen covered

property within 180 days of the actual cash value payment. This additional payment includes the reasonable and necessary expense for treatment or removal and disposal of contaminants, toxins or pollutants as required to complete repair or replacement of that part of a **building structure** damaged by a covered loss.

Building Structure Reimbursement will not exceed the smallest of the following amounts:

- 1) the replacement cost of the part(s) of the **building structure(s)** with equivalent construction for similar use on the same premises;
- 2) the amount actually and necessarily spent to repair or replace the damaged **building structure(s)** with equivalent construction for similar use on the same **residence premises**; or
- 3) the limit of liability applicable to the **building structure(s)** as shown on the Policy Declarations for **Coverage A — Dwelling Protection** or **Coverage B — Other Structures Protection**, regardless of the number of **building structures** and structures other than **building structures** involved in the loss.

If **you** replace the damaged **building structure(s)** at an address other than shown on the Policy Declarations through construction of a new structure or purchase of an existing structure, such replacement will not increase the amount payable under Building Structure Reimbursement described above. The amount payable under Building Structure Reimbursement described above does not include the value of any land associated with the replacement structure(s).

Building Structure Reimbursement payment will be limited to the difference between any actual cash value payment made for the covered loss to **building structures** and the smallest of 1), 2) or 3) above.

Building Structure Reimbursement will not apply to:

- 1) property covered under **Coverage C — Personal Property Protection**;
- 2) property covered under **Coverage B — Other Structures Protection** that is not a **building structure**;
- 3) land.

Payment under "a," "b," or "c" above will not include any increased cost due to the enforcement of building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, relocation or demolition of **building structures** or other structures.

- d) Personal Property Reimbursement. When the Policy Declarations show that the Personal Property Reimbursement provision applies under **Coverage C — Personal Property Protection**, we will make additional payment to reimburse you for cost in excess of actual cash value if you repair, rebuild or replace damaged, destroyed or stolen covered personal property or wall-to-wall carpeting within 180 days of the actual cash value payment.

Personal Property Reimbursement payment will not exceed the smallest of the following amounts:

- 1) the amount actually and necessarily spent to repair or replace the property with similar property of like kind and quality;
- 2) the cost of repair or restoration; or
- 3) the limit of liability shown on the Policy Declarations for **Coverage C — Personal Property Protection**, or any special limit of liability described in the policy, regardless of the number of items of personal property involved in the loss.

Personal Property Reimbursement will be limited to the difference between any actual cash value payment made for the covered

loss to personal property and the smallest of 1), 2), or 3) above.

Personal Property Reimbursement will not apply to:

- 1) property insured under **Coverage A — Dwelling Protection** and **Coverage B — Other Structures Protection**, except wall-to-wall carpeting;
- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced;
- 3) articles whose age or history contribute substantially to their value. This includes but is not limited to memorabilia, souvenirs and collector's items; or
- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss.

6. **Our Settlement Of Loss**

We will settle any covered loss with **you** unless another payee is named in the policy. **We** will settle within 60 days after the amount of loss is finally determined. This amount may be determined by an agreement between **you** and **us**, an appraisal award or a court judgment.

7. **Appraisal**

If **you** and **we** fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand, each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to **you** and to **us**, the amount agreed

upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award agreed upon by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses.

8. **Abandoned Property**

We are not obligated to accept any property or responsibility for any property abandoned by an **insured person**.

9. **Permission Granted To You**

- a) The **residence premises** may be vacant or unoccupied for any length of time, except where a time limit is indicated in this policy for specific perils. A **building structure** under construction is not considered vacant.
- b) **You** may make alterations, additions or repairs, and **you** may complete structures under construction.

10. **Our Rights To Recover Payment**

When **we** pay for any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them. **You** may waive **your** rights to recover against another person for loss involving the property covered by this policy. This waiver must be in writing prior to the date of loss.

11. **Our Rights To Obtain Salvage**

We have the option to take all or any part of the damaged or destroyed covered property upon replacement by **us** or payment of the agreed or appraised value.

We will notify **you** of **our** intent to exercise this option within 30 days after **we** receive **your** signed sworn, proof of loss.

When **we** settle any loss caused by theft or disappearance, **we** have the right to obtain all or part of any property which may be recovered. An **insured person** must protect this right and

inform **us** of any property recovered. **We** will inform **you** of **our** intent to exercise this right within 10 days of **your** notice of recovery to **us**.

12. **Suit Against Us**

No suit or action may be brought against **us** unless there has been full compliance with all policy terms. Any suit or action must be brought within one year after the inception of loss or damage.

13. **Loss To A Pair Or Set**

If there is a covered loss to a pair or set, **we** may:

- a) repair or replace any part of the pair or set to restore it to its actual cash value before the loss; or
- b) pay the difference between the actual cash value of the pair or set before and after the loss.

14. **Glass Replacement**

Payment for loss to covered glass includes the cost of using safety glazing materials when required by law.

15. **No Benefit To Bailee**

This insurance will not benefit any person or organization who may be caring for or handling **your** property for a fee.

16. **Other Insurance**

If both this insurance and other insurance apply to a loss, **we** will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance. However, in the event of a loss by theft, this insurance shall be excess over any other insurance that covers loss by theft.

17. **Property Insurance Adjustment**

When the Policy Declarations indicates that the Property Insurance Adjustment condition applies:

The limit of liability shown on the Policy Declarations for **Coverage A—Dwelling Protection** will be revised at each policy anniversary to reflect the rate of change in the Index identified on the Policy Declarations.

The limit of liability for **Coverage A—Dwelling Protection** for the succeeding premium period will be determined by changing the existing limit in proportion to the change in the Index between the time the existing limit was established and the time the change is made. The resulting amount will be rounded to the nearest \$1,000.

Adjustment in the limit of liability for **Coverage A—Dwelling Protection** will result in an adjustment in the limit of liability for **Coverage B—Other Structures Protection** and **Coverage C—Personal Property Protection** in accordance with the **Allstate** manual of Rules and Rates.

We will not reduce the limit of liability shown on the Policy Declarations without **your** consent.

Any adjustment in premium resulting from the application of this condition will be made based on premium rates in use by **Allstate** at the time a change in limits is made.

Allstate has the right to change to another cost index or to withdraw this condition as of a policy anniversary date by giving **you** at least 30 days notice. This applies only if the change or withdrawal applies to all similar policies issued by **Allstate** in **your** state.

18. **Mortgagee**

A covered loss will be payable to the mortgagees named on the Policy Declarations, to the extent of their interest and in the order of precedence. All provisions of **Section I** of this policy apply to these mortgagees.

We will:

- a) protect the mortgagee's interest in a covered **building structure** in the event of an increase in hazard, intentional or criminal acts of, or directed by, an **insured person**, failure by any **insured person** to take all reasonable steps to save and preserve property after a loss, a change in ownership, or foreclosure if the mortgagee has no knowledge of these conditions; and
- b) give the mortgagee at least 10 days notice if **we** cancel this policy.

The mortgagee will:

- a) furnish proof of loss within 60 days after notice of the loss if an **insured person** fails to do so;
- b) pay upon demand any premium due if an **insured person** fails to do so;
- c) notify **us** in writing of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- d) give **us** the mortgagee's right of recovery against any party liable for loss; and
- e) after a loss, and at **our** option, permit **us** to satisfy the mortgage requirements and receive full transfer of the mortgage.

This mortgagee interest provision shall apply to any trustee or loss payee or other secured party.

Section II—Family Liability and Guest Medical Protection

Coverage X Family Liability Protection

Losses We Cover Under Coverage X:

Subject to the terms, conditions and limitations of this policy, **Allstate** will pay damages which an **insured person** becomes legally obligated to pay because of **bodily injury** or **property damage** arising from an **occurrence** to which this policy applies, and covered by this part of the policy.

We may investigate or settle any claim or suit for covered damages against an **insured person**. If an **insured person** is sued for these damages, **we** will provide a defense with counsel of **our** choice, even if the allegations are groundless, false or fraudulent. **We** are not obligated to pay any claim or judgment after **we** have exhausted **our** limit of liability.

Losses We Do Not Cover Under Coverage X:

1. **We** do not cover any **bodily injury** or **property damage** intended by, or which may reasonably

be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:

- a) such **insured person** lacks the mental capacity to govern his or her own conduct;
- b) such **bodily injury** or **property damage** is of a different kind or degree than intended or reasonably expected; or
- c) such **bodily injury** or **property damage** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.

2. **We** do not cover **bodily injury** to an **insured person** or **property damage** to property owned by an **insured person** whenever any benefit of this coverage would accrue directly or indirectly to an **insured person**.
3. **We** do not cover **bodily injury** to any person eligible to receive benefits required to be provided or voluntarily provided by an **insured person** under any workers' compensation, non-occupational disability or occupational disease law.
4. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.
5. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:
 - a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
 - b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is being used away from an **insured premises**;
 - c) a motorized wheel chair;

- d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
 - e) a golf cart owned by an **insured person** when used for golfing purposes;
 - f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
 - g) lawn and garden implements under 40 horsepower;
 - h) **bodily injury** to a **residence employee**.
6. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:
- a) has inboard or inboard-outboard motor power of more than 50 horsepower;
 - b) is a sailing vessel 26 feet or more in length;
 - c) is powered by one or more outboard motors with more than 25 total horsepower;
 - d) is designated as an airboat, air cushion, or similar type of watercraft; or
 - e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

7. **We** do not cover **bodily injury** or **property damage** arising out of:
- a) the negligent supervision by an **insured person** of any person; or
 - b) any liability statutorily imposed on any **insured person**
- arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, motor vehicle or trailer which is not covered under **Section II** of this policy.

8. **We** do not cover any **bodily injury** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

We do cover **bodily injury** which results from such discharge if the discharge is sudden and accidental.

9. **We** do not cover any **property damage** consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
10. **We** do not cover any **bodily injury** or **property damage** arising out of any liability statutorily imposed upon any **insured person** in any manner, consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
11. **We** do not cover **bodily injury** or **property damage** arising out of the rendering of, or failure to render, professional services by an **insured person**.
12. **We** do not cover **bodily injury** or **property damage** arising out of the past or present **business** activities of an **insured person**.
- We** do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age.
13. **We** do not cover **bodily injury** or **property damage** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. This exclusion does not apply to **bodily injury** to a **residence employee**.
14. **We** do not cover **property damage** to property rented to, occupied or used by, or in the care of, an **insured person**. This exclusion does not apply

if the **property damage** is caused by fire, explosion or smoke.

15. **We** do not cover any liability an **insured person** assumes arising out of any contract or agreement.
16. **We** do not cover **bodily injury** or **property damage** caused by war or warlike acts, including, but not limited to insurrection, rebellion or revolution.

Coverage Y

Guest Medical Protection

Losses We Cover Under Coverage Y:

Allstate will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services; ambulance, hospital, licensed nursing and funeral services; and prosthetic devices, eye glasses, hearing aids, and pharmaceuticals. These expenses must be incurred and the services performed within three years from the date of an **occurrence** causing **bodily injury** to which this policy applies, and is covered by this part of the policy.

Each person who sustains **bodily injury** is entitled to this protection when that person is:

1. on the **insured premises** with the permission of an **insured person**; or
2. off the insured premises, if the bodily injury:
 - a) arises out of a condition on the **insured premises** or immediately adjoining ways;
 - b) is caused by the activities of an **insured person** or a **residence employee**;
 - c) is caused by an animal owned by or in the care of an **insured person**; or
 - d) is sustained by a **residence employee**.

Losses We Do Not Cover Under Coverage Y:

1. **We** do not cover any **bodily injury** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:

- a) such **insured person** lacks the mental capacity to govern his or her own conduct;
- b) such **bodily injury** is of a different kind or degree than intended or reasonably expected; or
- c) such **bodily injury** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.

2. **We** do not cover **bodily injury** to any **insured person** or regular resident of the **insured premises**. However, this exclusion does not apply to a **residence employee**.
3. **We** do not cover **bodily injury** to any person eligible to receive any benefits voluntarily provided, or required to be provided, under any workers' compensation, non-occupational disability or occupational disease law.
4. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.
5. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:
 - a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
 - b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is being used away from an **insured premises**;
 - c) a motorized wheel chair;
 - d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;

- e) a golf cart owned by an **insured person** when used for golfing purposes;
 - f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
 - g) lawn or garden implements under 40 horsepower;
 - h) **bodily injury** to a **residence employee**.
6. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:
- a) has inboard or inboard-outboard motor power of more than 50 horsepower;
 - b) is a sailing vessel 26 feet or more in length;
 - c) is powered by one or more outboard motors with more than 25 total horsepower;
 - d) is designated as an airboat, air cushion, or similar type of watercraft; or
 - e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

7. **We** do not cover **bodily injury** arising out of:
- a) the negligent supervision by any **insured person** of any person; or
 - b) any liability statutorily imposed on any **insured person**

arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, motorized land vehicle or trailer which is not covered under **Section II** of this policy.

8. **We** do not cover any **bodily injury** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

We do cover **bodily injury** which results from such discharge if the discharge is sudden and accidental.

9. **We** do not cover **bodily injury** arising out of the rendering of, or failure to render professional services by, an **insured person**.
10. **We** do not cover **bodily injury** arising out of the past or present **business** activities of an **insured person**.

We do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age.

11. **We** do not cover **bodily injury** to any person on the **insured premises** because of a **business** activity or professional service conducted there.
12. **We** do not cover **bodily injury** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. This exclusion does not apply to **bodily injury** to a **residence employee**.

13. **We** do not cover **bodily injury** caused by war or warlike acts, including, but not limited to insurrection, rebellion, or revolution.

Additional Protection

We will pay, in addition to the limits of liability:

1. Claim Expenses

We will pay:

- a) all costs **we** incur in the settlement of any claim or the defense of any suit against an **insured person**;
- b) interest accruing on damages awarded until such time as **we** have paid, formally offered, or deposited in court the amount for which **we** are liable under this policy; interest will be paid only on damages which do not exceed **our** limits of liability;
- c) premiums on bonds required in any suit **we** defend; **we** will not pay bond premiums in an amount that is more than our limit of

liability; **we** have no obligation to apply for or furnish bonds;

- d) up to \$100 per day for loss of wages and salary, when **we** ask **you** to attend trials and hearings;
- e) any other reasonable expenses incurred by an **insured person** at **our** request.

2. **Emergency First Aid**

We will pay reasonable expenses incurred by an **insured person** for first aid to other persons at the time of an accident involving **bodily injury** covered under this policy.

3. **Damage To Property Of Others**

At **your** request, **we** will pay up to \$250 each time an **insured person** causes **property damage** to someone else's property. At **our** option, **we** will pay the cost to either repair or replace the property damaged by an **insured person**, without deduction for depreciation.

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

- a) to property covered under **Section I** of this policy;
- b) to property intentionally damaged by an **insured person** who has attained the age of 13;
- c) to property owned by or rented to an **insured person**, any tenant of an **insured person**, or any resident in **your** household; or
- d) arising out of:
 - 1) past or present **business** activities;
 - 2) any act or omission in connection with a premises, other than an **insured premises**, owned, rented or controlled by an **insured person**; or
 - 3) the ownership or use of a motorized land vehicle, trailer, aircraft or watercraft.

- a) Promptly notify **us** or **our** agent stating:
 - 1) **your** name and policy number;
 - 2) the date, the place and the circumstances of the loss;
 - 3) the name and address of anyone who might have a claim against an **insured person**;
 - 4) the names and addresses of any witnesses.
- b) Promptly send **us** any legal papers relating to the accident.
- c) At **our** request, an **insured person** will:
 - 1) cooperate with **us** and assist **us** in any matter concerning a claim or suit;
 - 2) help **us** enforce any right of recovery against any person or organization who may be liable to an **insured person**;
 - 3) attend any hearing or trial.
- d) Under the **Damage To Property Of Others** protection, give **us** a sworn statement of the loss. This must be made within 60 days after the date of loss. Also, an **insured person** must be prepared to show **us** any damaged property under that person's control.

Any **insured person** will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others at the time of the loss as provided for in this policy.

2. **What An Injured Person Must Do — Coverage Y — Guest Medical Protection**

If someone is injured, that person, or someone acting for that person, must do the following:

- a) Promptly give **us** written proof of the loss. If **we** request, this must be done under oath.
- b) Give **us** written authorization to obtain copies of all medical records and reports.
- c) Permit doctors **we** select to examine the injured person as often as **we** may reasonably require.

3. **Our Payment Of Loss — Coverage Y — Guest Medical Protection**

We may pay the injured person or the provider of the medical services. Payment under this coverage is not an admission of liability by **us** or an **insured person**.

Section II Conditions

1. **What You Must Do After An Accidental Loss**

In the event of **bodily injury** or **property damage**, you must do the following:

4. **Our Limits Of Liability**

Regardless of the number of **insured persons**, injured persons, claims, claimants or policies involved, **our** total liability under **Coverage X—Family Liability Protection** for damages resulting from one occurrence will not exceed the limit shown on the Policy Declarations. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to the same general conditions is considered the result of one **occurrence**.

Our total liability under **Coverage Y—Guest Medical Protection** for all medical expenses payable for **bodily injury**, to any one person, shall not exceed the "each person" limit shown on the Policy Declarations.

5. **Bankruptcy**

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**.

6. **Our Rights To Recover Payment—Coverage X—Family Liability Protection**

When **we** pay any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them.

7. **Suit Against Us**

- a) No suit or action can be brought against **us** unless there has been full compliance with all the terms of this policy.
- b) No suit or action can be brought against **us** under **Coverage X—Family Liability Protection** until the obligation of an **insured person** to pay is finally determined either by judgment against the **insured person** after actual trial, or by written agreement of the **insured person**, injured person, and **us**.
- c) No one shall have any right to make **us** a party to a suit to determine the liability of an **insured person**.

8. **Other Insurance—Coverage X—Family Liability Protection**

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

Section III—Optional Protection

Optional Coverages You May Buy

The following Optional Coverages may supplement coverages found in **Section I** or **Section II** and apply only when they are indicated on the Policy Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms and conditions of the specific Optional Coverage.

1. **Coverage BC**

Building Codes

We will pay up to 10% of the amount of insurance on the Policy Declarations under **Coverage A—Dwelling Protection** to comply with local building codes after covered loss to **dwelling** or when repair or replacement results in increased cost due to the enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair or demolition of the **dwelling**.

2. **Coverage DP**

Increased Coverage On Electronic Data Processing Equipment

The \$3,000 limitation on electronic data processing equipment under **Coverage C—Personal Property Protection**, and the recording or storage media used with that equipment, is increased to the amount shown on the Policy Declarations.

3. **Coverage F**

Fire Department Charges

The \$250 limit applying to the fire department service charges under **Additional Protection** is increased to the amount shown on the Policy Declarations.

4. Coverage G

Loss Assessments

If **your residence premises** includes a **building structure** which is constructed in common with one or more similar buildings, and **you** are a member of, and subject to the rules of, an association governing the areas held in common by all building owners as members of the association, the **insured premises** means the **building structure** occupied exclusively by **your** household as a private residence, including the grounds, related structures and private approaches to them.

We will pay **your** share of any special assessments charged against all building owners by the association up to the limit of liability shown on the Policy Declarations, when the assessment is made as a result of:

- a) sudden and accidental direct physical loss to the property held in common by all building owners caused by a loss **we** cover under **Section I** of this policy; or
- b) **bodily injury** or **property damage** covered under **Section II** of this policy.

Any reduction or elimination of payments for losses because of any deductible applying to the insurance coverage of the association of building owners collectively is not covered under this protection.

Allstate will pay only when the assessment levied against the **insured person**, as a result of any one loss, for **bodily injury** or **property damage** exceeds \$250 and then only for the amount of such excess. This coverage is not subject to any deductible applying to **Section I** of this policy.

In the event of an assessment, this coverage is subject to all the exclusions applicable to **Sections I** and **II** of this policy and the **Sections I** and **II Conditions**, except as otherwise noted.

This coverage is excess over any insurance collectible under any policy or policies covering the association of building owners.

5. Coverage J

Extended Coverage On Jewelry, Watches and Furs

Coverage C — Personal Property Protection is extended to pay for sudden and accidental direct physical damage to the following property, subject to the provisions in this coverage:

- a) jewelry, watches, gems, precious and semi-precious stones, gold, platinum; and
- b) furs, including any item containing fur which represents its principal value.

The total amount of coverage and per item limit is shown on the Policy Declarations. This amount is not in addition to the amount of insurance applying to **Coverage C — Personal Property Protection**. However, in no event will coverage be less than would have applied in the absence of **Coverage J**.

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any insured person, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.
- b) wear and tear, gradual deterioration, inherent vice, insects or vermin;
- c) nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered a loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

- d) war or warlike acts, including, but not limited to insurrection, rebellion or revolution.
- e) failure by any **insured person** to take all reasonable steps to preserve property during and after a loss or when the property is endangered by a loss **we** cover.

Any deductible shown on the Policy Declarations applicable to **Coverage C — Personal Property Protection**, also applies to a loss under this coverage.

6. **Coverage K**
Incidental Office, Private School Or Studio

- a) **Coverage C — Personal Property Protection** is extended to cover the equipment, supplies and furnishings used in a described office, private school or studio at **your residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.

The **Coverage K** limits are shown on the Policy Declarations. The first limit applies to property on the **residence premises**. The second limit applies property while away from the **residence premises**. This coverage does not include property held for sample, sale or delivery after sale.

- b) **Coverage X — Family Liability Protection** and **Coverage Y — Guest Medical Protection** are extended to cover a described office, private school or studio occupied by an **insured person**. The occupancy of the described property shall not be considered a **business**.

We do not cover **bodily injury** to:

- a) any employee other than a **residence employee**, or
b) any person arising out of corporal punishment administered by or at the direction of an **insured person**.

7. **Coverage LR**
Lock Replacement
Coverage A — Dwelling Protection is extended to include reasonable expenses **you** incur to replace or re-key exterior door locks at the **residence premises** with locks or cylinders of like kind and quality. Coverage is provided when a key to a lock is stolen as part of a covered theft loss. The limit of liability under this coverage following any one theft loss is \$250.

8. **Coverage M**
Increased Coverage On Money
The \$100 limitation on money, bullion, bank notes, coins and other numismatic property under **Coverage C — Personal Property Protection** is increased to the amount shown on the Policy Declarations.

9. **Coverage P**
Business Pursuits
Coverage X — Family Liability Protection and **Coverage Y — Guest Medical Protection** are extended to cover specified **business** pursuits of an **insured person**.

We do not cover:

- a) **bodily injury** or **property damage** arising out of the **business** pursuits of an **insured person** when the **business** is owned or financially controlled by the **insured person**. This also means a partnership or joint venture of which an **insured person** is a partner or member;
b) **bodily injury** or **property damage** arising out of the rendering or failure to render a professional service of any nature, other than teaching;
c) **bodily injury** to a fellow employee of an **insured person** arising out of and in the course of employment;
d) **bodily injury** or **property damage** when an **insured person** is a member of a teaching staff or faculty of any school or college and the **bodily injury** or **property damage** arises out of the maintenance or use of saddle animals, vehicles used with saddle animals, motorized land vehicles, aircraft or watercraft when owned, hired or operated by an **insured person** or used for the purpose of instruction; or
e) **bodily injury** to any person arising out of corporal punishment administered by or at the direction of an **insured person** when an **insured person** is a member of the teaching staff or faculty of any school of instruction.

10. **Coverage S**

Increased Coverage On Securities

The \$500 limitation on accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets, or stamps, including philatelic property, covered under **Coverage C — Personal Property Protection**, is increased to the amount shown on the Policy Declarations.

11. **Coverage SD**

Satellite Dish Antennas

Coverage C — Personal Property Protection is extended to pay for sudden and accidental direct physical loss to satellite dish antennas and their systems on **your residence premises** subject to the provisions of **Coverage C — Personal Property Protection**.

The amount of coverage is shown on the Policy Declarations.

12. **Coverage SE**

Portable Cellular Communication Systems

Coverage C — Personal Property Protection is extended to portable cellular communications systems in or upon a motorized land vehicle or watercraft. This coverage applies only to portable systems that can be powered by electricity from a motorized land vehicle or watercraft. Coverage applies whether or not the portable cellular communication system is used in a **business**.

The amount of coverage is shown on the Policy Declarations.

13. **Coverage ST**

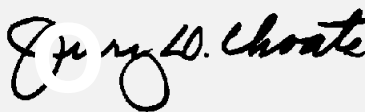
Increased Coverage On Theft Of Silverware

The \$1,000 limitation on theft of silverware, pewterware and goldware under **Coverage C — Personal Property Protection** is increased to the amount shown on the Policy Declarations.

IN WITNESS WHEREOF, **Allstate** has caused this policy to be signed by its Secretary and its President at Northbrook, Illinois, and if required by state law, this policy shall not be binding unless countersigned on the Policy Declarations by an authorized agent of **Allstate**.



Secretary



President,
Allstate Personal Property & Casualty Company