



Automobile Club of Southern California

P.O. Box 25001, Santa Ana, CA 92799-5001

AAA.com

July 25, 2024

AAA YOURHOME ADVANTAGE RENEWAL OFFER

Policy Number: CHO 076878109



ESQUIVEL, JOSE AND ESQUIVEL, JOSEFINA
525 DE ANZA WAY
OXNARD CA 93033-6566

Thank you for your membership with the Auto Club and for choosing us to help meet your insurance needs. We would like to remind you that it is time to renew your homeowners policy.

The Auto Club has a long history of providing high-quality products and services so you can be confident you will continue to receive the same peace of mind we have been providing for years.

Enclosed is your homeowners policy renewal which provides **Guaranteed Replacement Cost Coverage**. With this unique coverage, we will pay the amount necessary to rebuild or restore your home in the event of a covered loss, even if it is more than your policy limit.

Since it is important for you to continue to maintain adequate amounts of insurance for your home, please make sure that the coverages and limits for your policy renewal continue to meet your insurance needs.

We appreciate your business and are pleased to continue assisting you with your insurance needs.

Sincerely,

Greg L. Backley
President and CEO

YOUR PREMIUM DISCOUNTS

- Multi-Policy
- Single Story
- Fire Alarm
- Mature Homeowners
- Roof Type
- Loyalty

QUESTIONS?

- **Click** AAA.com/myaccount to access your policy and **pay your bill online**
- **Visit** or call your local Auto Club branch - AAA.com/branches
- **Call (866) 886-2272**
Weekdays 7 a.m. - 9 p.m.
Saturday 8 a.m. - 5 p.m.



INTERINSURANCE EXCHANGE of the Automobile Club

P.O. Box 25448, Santa Ana, California 92799-5448
AAA.com/billpay
1-877-422-2100

AAA YOURHOME ADVANTAGE - HOMEOWNERS INSURANCE BILLING STATEMENT - RENEWAL BILL THIS BILLING STATEMENT AND THE INFORMATION IT CONTAINS ARE PART OF YOUR INSURANCE POLICY DECLARATIONS

INSURANCE BILLING STATEMENT

ESQUIVEL, JOSE AND ESQUIVEL, JOSEFINA
525 DE ANZA WAY
OXNARD CA 93033

POLICY NUMBER: **CHO 076878109**

PAYMENT NO. 0000
POLICY EFFECTIVE DATE: 09-28-2024
BILLING DATE: 07-25-2024
DUE DATE: 09-28-2024

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

1. PREVIOUS BALANCE:	\$0.00	6. REFUNDS:	\$0.00
2. PREMIUM CREDITS:	\$0.00	7. TERM/ADDITIONAL PREMIUMS:	\$942.00
3. PAYMENTS:	\$0.00	8. NEW BALANCE:	\$942.00
4. INSTALLMENT FEE:*	\$0.00	9. MINIMUM DUE:	\$942.00
5. OTHER FEES:	\$0.00		

* Please refer to information on the back regarding any applicable installment fees.

If you have a California Earthquake Authority policy, you will receive a separate bill for that premium.

NATIONS LENDING CORPORATION #32416 ISAOA
/ATIMA
4 SUMMIT PARK DR STE 200
INDEPENDENCE OH 44131

MORTGAGEE LOAN NUMBER: 30602108562766

Company Number: 050
Billing Number: 176584845

THIS IS NOT A BILL. YOUR MORTGAGEE HAS BEEN BILLED.

Note - See Reverse Side for Important Information

TO ENSURE PROPER HANDLING, INCLUDE STATEMENT WITH PAYMENT.
DETACH HERE.

HOMEOWNERS INSURANCE RENEWAL BILLING STATEMENT
RENEWAL BILL

JOSE M ESQUIVEL
525 DE ANZA WAY
OXNARD CA 93033
Email: **JMESQUIVEL805@GMAIL.COM** (Please Verify)

Company Number: 050

Billing Date: 07-25-2024

CHANGE CONTACT INFO BELOW / UPDATE EMAIL AT **AAA.com/UpdateEmail**

STREET () PHONE
CITY STATE ZIP
EMAIL

Please write policy number on check.
Include alpha and numeric characters.
Policy Number: CHO 076878109

Make Check Payable to:
ACSC
Or Pay Online at AAA.com/billpay

TO PAY IN FULL
PAY THIS AMOUNT

BALANCE

\$942.00

AMOUNT PAID

MINIMUM DUE

\$942.00

DUE DATE

09-28-2024



P.O. BOX 25448
SANTA ANA, CA 92799-5448

10902 076878109 092824 000942000009420000095000 000942007

205142072315 00574 2-10 CH0076878109

CAH0700A
E20200901
072524

CAH0700A E20200901 072524

IMPORTANT INFORMATION REGARDING BILLING

The full balance or at least the Minimum Due is payable by the due date. You must pay the outstanding balance in full to avoid paying any installment fees. Each installment billed (with the exception of the initial renewal installment) is subject to a \$6 fee. The installment fee for policies set up on our automatic payment plan (AAA Auto Pay) is \$1 if payments are debited from a checking account or \$3 if payments are debited to a debit card. Payments received will be applied first to any fees due. The remainder of your payment will be applied to the premium due. All returned payments, whether by check, electronic transaction, or other form of payment, may be re-presented electronically for payment. Each late payment is subject to a \$7 fee and each returned payment is subject to a \$15 fee. Installment payment plans and all fees are subject to change without notice. An adverse payment record (such as a late payment, a returned payment, or a nonpayment) may reduce the number of remaining installments and increase the minimum due, or result in a request to pay the entire balance of the policy bill in full. Whenever a payment is returned by your financial institution, we may, at our option, notify you in writing that the entire outstanding premium balance is immediately due and payable in cash or by cashier's check or bank money order at one of the Auto Club's district offices. In addition, the payment record during the current policy period will determine the payment terms offered at the next policy renewal.



Interinsurance Exchange of the Automobile Club

AAA YourHome Advantage - Homeowners Policy Coverages and Limits

Renewal Declarations - Form 3

We are pleased to offer you a renewal for your homeowners insurance policy. To renew your policy, send at least the minimum payment on or before the due date. Insurance is in effect only for the coverages and limits of liability shown on this declarations page and as set forth in the insurance policy and endorsements. These declarations, together with the contract and the endorsements in effect, complete your policy.

YOUR NAME AND MAILING ADDRESS (Named Insured)

ESQUIVEL, JOSE AND ESQUIVEL, JOSEFINA
525 DE ANZA WAY
OXNARD CA 93033-6566

HOMEOWNERS POLICY NUMBER
CHO 076878109

POLICY PERIOD (PACIFIC STANDARD TIME)

THIS POLICY IS EFFECTIVE

FROM: 09-28-2024 12:01 A.M.
TO: 09-28-2025 12:01 A.M.

LOCATION OF RESIDENCE PREMISES (if different from mailing address above)

YEAR BUILT: 1962

COVERAGES AND LIMITS OF LIABILITY - Coverages are subject to all conditions of this policy.

Part I Property Coverages

Description		Deductible*	Limits***
Dwelling	Coverage A**	Yes	\$368,000
Other Structures	Coverage B**	Yes	\$36,800
Unscheduled Personal Property	Coverage C	Yes	\$276,000
Loss of Use	Other Coverages 1. (20% of the amount of Coverage A)	Yes	
Building Code Upgrade	Other Coverages 5. (10% of the amount of Coverage A)	Yes	

The limit of liability for this structure (Coverage A) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home.

*A deductible of \$500 applies to any covered loss resulting from discharge, leakage or overflow of water or steam from any plumbing, heating, air conditioning or fire sprinkler system, or any fixture or appliance. A deductible of \$500 applies to any other covered loss.

Part I limits may have been increased using an inflation factor.

** Coverage A and Coverage B - Guaranteed Replacement Cost Included

*** Lower limits may apply to specific losses. Please review your policy and endorsements for any limitations.

Part II Liability Coverages

Description		Limits
Personal Liability	Coverage D (Bodily Injury and Property Damage) - Each Occurrence (Personal Injury) in the Aggregate	\$500,000
Medical Payments to Others	Coverage E - Each Person	\$1,000

Part IV Workers' Compensation and Employers' Liability Coverages

Description	
Workers' Compensation	Coverage F - Statutory
Employers' Liability	Coverage G (per Conditions Part IV Provision 3)
Residence Employees - Outservant(s) 00 / Inservant(s) 00	

PREMIUM DISCOUNTS APPLIED TO YOUR POLICY

Multi Policy Roof Type Mature Fire Alarm Single Story Loyalty 12 yrs

PREMIUM SUMMARY

Basic Coverages	Less Discounts	Liability	Medical Payments	Residence Employees	Endorsements	CIGA Assessment	TOTAL PREMIUM +
\$1,930	- \$1,050	\$42	+	+	+	\$20	= \$942

♦ If you choose to pay less than the full outstanding balance, a \$6 fee applies to each installment billed, as stated in your billing statements which are part of these declarations. The fee may be reduced if you select to pay using our automatic payment plan.

THIS POLICY INCLUDES BUILDING CODE UPGRADE COVERAGE. PLEASE SEE THE ENCLOSED DISCLOSURE THAT STATES THE TERMS, LIMITS, CONDITIONS, AND RESTRICTIONS OF THIS COVERAGE.

THIS POLICY DOES NOT PROVIDE COVERAGE AGAINST THE PERIL OF EARTHQUAKE.

CAH0200A
E20210219
072524

PROCESS DATE: 07-25-2024

PLEASE KEEP WITH YOUR POLICY

(SEE REVERSE)

205142072315 00574 3-10 CH0076878109

Interinsurance Exchange of the Automobile Club
AAA YourHome Advantage - Homeowners Policy Coverages and Limits
Renewal Declarations - Form 3 (Continued)

HOMEOWNERS POLICY NUMBER: CHO 076878109

POLICY EFFECTIVE FROM: 09-28-2024 TO: 09-28-2025

ENDORSEMENTS IN EFFECT

Endorsement Number	Description	Limits	Premium
HO-404	AAA YOURHOME ADVANTAGE PACKAGE ENDORSEMENT		Included
HO-48	ADDITIONAL LIMIT - OTHER STRUCTURES	\$20,000	\$20
HO-216	ALARM OR FIRE PROTECTION SYSTEM		
HO-2395	AMENDATORY ENDORSEMENT		
438BFU	LENDER'S LOSS PAYABLE ENDORSEMENT		

Any loss under Part I - PROPERTY COVERAGES - is payable as interest may appear to you and the following listed:

MORTGAGEE **LOAN NO.: 30602108562766**

NATIONS LENDING CORPORATION #32416 ISAOA
/ATIMA
4 SUMMIT PARK DR STE 200
INDEPENDENCE OH 44131-2583

PERSON DESIGNATED TO RECEIVE NONPAYMENT OF PREMIUM NOTICES:

An individual designated by a policyholder to receive notice of lapse, termination, expiration, nonrenewal, or cancellation of the policy for nonpayment of premium does not have any rights, whether as an additional insured or otherwise, to any benefits under the policy, other than the right to receive notice.



INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB

BUILDING ORDINANCE OR LAW COVERAGE DISCLOSURE – FORM 3

Policy Number: CHO 076878109

This disclosure is required by California law. The information in this disclosure provides the terms, limits, conditions, or restrictions related to Building Ordinance or Law coverage which is part of your Members' Homeowners Policy. Certain words and phrases have a defined meaning when printed in ***bold italic*** type. The defined meaning of these words and phrases are in the Definitions section of the policy contract. In case of a difference between this disclosure and the policy contract, the policy contract will prevail.

BUILDING ORDINANCE OR LAW COVERAGE

If a cause of loss covered under WHAT LOSSES ARE COVERED – PART I results in direct damage to the dwelling, and a building ordinance or law that was in effect at the time of the loss is enforced because of that loss, and:

a. You elect not to repair or replace the dwelling, or you elect to replace the dwelling at a location other than the ***residence premises***, we will pay:

- (1) the additional cost actually and necessarily incurred by you in connection with the direct damage to the dwelling and resulting from the enforcement of any applicable ordinance or law requiring the demolition, meaning the tearing down of the entire undamaged portion of the dwelling, and the removal of its debris;
- (2) for loss to the undamaged portion of the dwelling demolished because of the enforcement of any ordinance or law.

Our limit of liability under this option shall not exceed 10% of the amount of the limit of liability of COVERAGE A for:

- (1) the cost actually and necessarily incurred by you under (1) above; and
- (2) the ***replacement cost*** less ***depreciation***, but not less than the fair market value at the time of the loss, of the undamaged portion of the dwelling under (2) above.

b. You elect to repair or replace the dwelling at the location of the ***residence premises*** or, if ordinance or law mandates relocation, you replace the dwelling at a location subject to generally the same building ordinances or laws as the ***residence premises***, we will pay the additional cost actually and necessarily incurred by you in connection with the direct damage to the dwelling and resulting from the enforcement of any applicable ordinance or law:

- (1) regulating the repair or replacement of the damaged portion of the dwelling;
- (2) requiring the demolition, meaning the tearing down and removing the debris of, and regulating the reconstruction of:
 - (a) the entire undamaged portion of the dwelling; or
 - (b) any part of the undamaged portion of the dwelling if necessary to:
 - i. repair the damaged portion;
 - ii. bring the undamaged portion into conformity with any applicable ordinance or law.

However, until repair or replacement is completed, we will pay no more than:

- (a) the cost actually and necessarily incurred by you for the demolition of any undamaged portion of the dwelling, including the removal of its debris; and
- (b) the ***replacement cost*** less ***depreciation*** of any undamaged portion of the dwelling.

Our limit of liability under this option shall not exceed 10% of the amount of the limit of liability of COVERAGE A for the additional cost actually and necessarily incurred by you under (1) and (2) above.

BUILDING ORDINANCE OR LAW COVERAGE DISCLOSURE – FORM 3
(CONTINUED)

- c. In the event of a total loss of the dwelling and you elect to replace the dwelling at a location other than the **residence premises**, we will pay the additional cost actually and necessarily incurred by you in connection with the direct damage to the dwelling and resulting from the enforcement of any ordinance or law applicable to the **residence premises**:

- (1) regulating the repair or replacement of the damaged portion of the dwelling;
- (2) requiring the demolition, meaning the tearing down and removing the debris of, and regulating the reconstruction of:
 - (a) the entire undamaged portion of the dwelling; or
 - (b) any part of the undamaged portion of the dwelling if necessary to:
 - i. repair the damaged portion;
 - ii. bring the undamaged portion into conformity with any applicable ordinance or law.

However, until replacement is completed, we will pay no more than:

- (a) the cost actually and necessarily incurred by you for the demolition of any undamaged portion of the dwelling, including the removal of its debris; and
- (b) the **replacement cost** less **depreciation** of any undamaged portion of the dwelling.

Our limit of liability under this option shall not exceed 10% of the amount of the limit of liability of COVERAGE A for the additional cost actually and necessarily incurred by you under (1) and (2) above.

We do not cover:

- a. any additional cost resulting from the enforcement of any ordinance or law:
 - (1) you were required to comply with before the loss to the dwelling occurred, but failed to do so;
 - (2) requiring or regulating:
 - (a) the replacement, rebuilding, stabilization or other restoration of the land supporting the dwelling, or the application of any device or treatment to any land for the purpose of adding, protecting or restoring the stability of the dwelling;
 - (b) the testing for, cleanup or removal of, or other specified treatment of **pollutants**;
- b. any lessening of the value of the dwelling resulting from the enforcement of any ordinance or law.



PRIVACY NOTICE

This Privacy Notice describes how we handle your personal information as an insurance carrier and agent and the steps taken to protect your privacy. We send a privacy notice annually, as required by law. We reserve the right to modify this Notice at any time. A separate privacy notice would apply to information collected through other means including from the use of our website, AAA mobile applications, AAA membership, AAA OnBoard telematic services, and affiliate partner products and services. You should consult those notices if necessary.

Information We Collect. We collect, from you and from other sources, your personal information during the entire insurance life cycle from solicitation, application, underwriting, policy purchase and change, policy maintenance, claims submission and handling, renewal and termination. This includes information such as your name, home and email address, driver's license number and telephone number. Personal information does not include (i) privileged information or (ii) any information that is publicly available. We also collect information about your transactions with us, our affiliates and others, such as insurance policy information, premiums, and payment history. We may also collect information, such as your driving record, claims history, medical information and credit information. As allowed by law, we may ask for consumer reports concerning your application or any renewal of your insurance. Information given to us by an insurance support organization, including consumer reporting agency, may be retained by them and disclosed to other persons.

Information We Share. We may share your personal information with our affiliates and non-affiliates. We do not disclose your information unless allowed by law. We may share the following categories of your information without your consent:

1. To a person other than an insurance institution (hereinafter referred to as "insurer"), agent or insurance-support organization (ISO) if needed to:
 - a. Perform a business, professional, or insurance function;
 - b. Determine your eligibility for an insurance benefit or payment;
 - c. Detect or prevent crime, fraud, material misrepresentation or material nondisclosure with an insurance transaction.
2. To an insurer, agent, ISO, or self-insurer to:
 - a. Detect or prevent crime, fraud, material misrepresentation or nondisclosure with an insurance transaction;
 - b. Perform an insurance transaction involving you.
3. To any medical care institution or medical professional to:
 - a. Verify insurance coverage or benefits;
 - b. Inform you of a medical problem you may not be aware of;
 - c. Conduct an operations or services audit.
4. To an insurance regulatory authority (e.g., Department of Insurance).
5. To law enforcement or other government authority.
6. In response to an order (including a search warrant or subpoena) or as otherwise required by law.
7. For actuarial or research studies if:
 - a. Your identity is not given in any reports that may be produced;
 - b. Materials that can identify you are returned or destroyed when they are no longer needed;
 - c. The group conducting the study agrees not to disclose it further unless permitted by law.
8. To someone who only uses your information in the marketing of a product or service if you have been given the opportunity for your information to not be shared and the person receiving it agrees to use it only for marketing. We will not disclose:
 - a. Medical record information;
 - b. Privileged information;
 - c. Personal information relating to your character, personal habits, mode of living, or general reputation;
 - d. Any classification derived from such information.

9. To an affiliate who uses your information only in connection with an audit of our operations or for the marketing of insurance products or services if they agree not to disclose your information further.
10. To a group policyholder to report claims experience or to conduct an audit of our operations.

Your right to access your information. You have the right to inspect your information if we can reasonably locate and retrieve it. Your right to access extends to that information which has been collected and maintained by us in connection with your insurance transactions. Your access rights do not extend to your information that was collected in reasonable anticipation of a claim or civil or criminal proceeding in which you are involved. Your request must be in writing. Please send your request to:

**Interinsurance Exchange of the Automobile Club
P.O. Box 25001
Santa Ana, CA 92799-5001
Attention: Underwriting Projects**

You must provide your name, address, phone number, policy number, and a description of your recorded information that you wish to access. We will reply within 30 business days of receipt. Our reply will:

- Inform you of the nature and substance of your information collected;
- Offer the choice to either see or copy your information or receive a copy of it by mail (we may charge a reasonable fee);
- Provide a plain language explanation if your information is in code;
- Provide the identity of persons to whom we disclosed your information over the prior 2 years, or if the identity was not recorded, we will provide the names of insurers, agents, ISOs or others to whom we normally disclose your information;
- Provide a summary of the process to request to correct, amend, or delete your recorded information.

If your information is from an institutional source or is medical record information from a medical care institution or a medical professional, we will state who provided it.

Your rights to correct, amend, or delete information. Once you inspect your recorded information, you can request that we correct, amend, or delete it. Your right applies to information regarding your insurance transactions.

Your request must be in writing. We will respond within 30 business days of receipt and will either agree or refuse your request.

If we correct, amend, or delete the portion of your recorded information in dispute, we will notify you in writing and furnish the change to:

- Those you designate who may have received your information within the past 2 years;
- Any ISO whose primary source of information is from insurers (subject to certain conditions), if the ISO regularly received your information and maintains it;
- Any ISO that gave your recorded information to us.

If we refuse your request, we will tell you why. If you disagree, you can file a concise consumer statement of:

- What you think is the correct, relevant, or fair information, and
- The reasons you disagree with our refusal.

Your consumer statement will be filed with your disputed information. We will clearly identify the matter in dispute, and:

- Ensure those reviewing your disputed information are aware of and have access to your statement;
- Provide your statement whenever we subsequently disclose your disputed information;
- Furnish your statement to the same persons or groups that would receive a correction, amendment, or deletion.

Information Protection. We maintain physical, electronic and procedural safeguards to protect your information. We require employees and vendors to keep your personal information confidential. Access to such information is provided to those who need it for their duties. We review the information security practices of vendors with whom we share personal information.

This Notice is provided on behalf of: Automobile Club of Southern California, ACSC Management Services Inc., and Interinsurance Exchange of the Automobile Club.



PLEASE NOTE: The Interinsurance Exchange of the Automobile Club (Exchange) does not write earthquake insurance. The offer below is made by the California Earthquake Authority (CEA), established and managed as an instrumentality of the state of California. As an insurer participating in the CEA, the Exchange provides policyholder and claims services for the CEA.

OFFER OF EARTHQUAKE COVERAGE - CALIFORNIA EARTHQUAKE AUTHORITY HOMEOWNERS BASIC EARTHQUAKE POLICY

EXCHANGE POLICY NUMBER: CHO 076878109

DATE OF NOTICE: 07-25-2024

Your residential property insurance policy does not cover earthquake damage to your home or its contents.

To cover earthquake damage to your home and its contents you need to purchase a separate earthquake insurance policy. The coverage provided by an earthquake insurance policy is different from, and typically more limited than, the coverage provided by your residential property insurance policy.

California law requires insurance companies to offer earthquake insurance in conjunction with a residential property insurance policy. If you do not accept the offer of earthquake insurance below within 30 days of the mailing of this notice, your insurance company shall presume that you have not accepted this offer of earthquake insurance.

You may purchase earthquake insurance coverage on the following terms:

(A) Amount of Dwelling/Building Coverage Limit:	\$368,000
(B) Deductible:	\$55,200
(C) Contents Coverage Limit:	\$5,000
(D) Additional Living Expenses Coverage Limit:	\$1,500
(E) Estimated Annual Premium:	\$600

The deductible represents the amount of damage your covered property must incur before the earthquake insurance coverage begins. If your covered loss is less than the applicable deductible, you may not receive any payment.

If you choose not to accept this offer within the 30-day period, you may apply for earthquake coverage at a later date.

Your insurance company contracts with the California Earthquake Authority (CEA) to offer earthquake insurance to its customers. For an additional premium, you can choose CEA coverage options such as higher limits for Contents or Additional Living Expenses, increased building code upgrade limits, or a lower deductible. You can also choose to buy certain CEA coverages separately.

Contact an insurance representative at your local Auto Club Branch Office or call 1-877-422-2100 to obtain details regarding this offer of earthquake insurance and other coverage options.

*For an additional premium, the CEA offers several options for supplemental coverage.
You may also qualify for a discount on your homeowners policy if you purchase a policy with the CEA.
Please ask your agent for details.*

SEE REVERSE

California Earthquake Authority

Availability of Hazard Reduction Premium Discount

The California Earthquake Authority (CEA) offers a Hazard Reduction Premium Discount to policyholders who have followed qualifying procedures to retrofit their houses to make them more resistant to earthquake damage. The following describes requirements and available discounts:

1. If your home is a single-family dwelling (house)

You may be eligible for a 10 to 25 percent Hazard Reduction Premium Discount if the insured dwelling meets all of the following requirements:

1.1 Basic requirements (all must be met)

- a. the dwelling is of wood-frame construction, built before 1980; **and**
- b. the dwelling is built on a **raised** or **other** foundation type ; **and**
- c. the dwelling is anchored to the **raised** or **other** foundation type in accordance with California Building Code (CBC) standards using approved anchor bolts or foundation anchors; **and**
- d. the water heater is secured to the building frame in accordance with Guidelines for Earthquake Bracing of Residential Water Heaters (California Department of General Services, Division of the State Architect). Tankless water heaters shall be installed in accordance with the manufacturer's requirements.

1.2 Additional mandatory requirements (based on home construction)

- a. **If** the dwelling has cripple walls, they all must be braced in accordance with CBC standards, as determined by an inspection conducted in accordance with the CEA DRV Requirements; or the home has a valid Brace + Bolt verification number.
- b. **If** the dwelling has a post-and-pier, post-and-beam, or unreinforced masonry brick/stone foundation, the dwelling must, in compliance with CBC standards, have foundations that are placed continuously under all exterior bearing walls, be anchored to the perimeter foundation, and have all cripple walls braced.

Discount procedure: To obtain discounts, policyholders are required to submit a completed CEA Earthquake Insurance Dwelling Retrofit Verification form (CEADRV (01-2019)) to the Participating Insurer. A completed form must have either of the following: signed by a licensed general contractor or a civil or structural engineer; or, has a valid Brace + Bolt verification number. Please contact your agent, broker, or residential insurer for details or to obtain the necessary form.

Note: Dwellings built on a “slab” foundation type do not qualify for the discount.

*Compliance with the California Building Code means that modern bracing and anchoring measures have been properly installed in accordance with building codes or approved plan sets. Modern provisions for bracing and anchoring of cripple walls can be found in:

- | | |
|---|--|
| <input type="checkbox"/> 1997 Uniform Building Code (UBC) | <input type="checkbox"/> 2000 International Building Code (IBC) |
| <input type="checkbox"/> 1997 Uniform Code for Building Conservation (UCBC) | <input type="checkbox"/> CBC Appendix Chapter A3 (latest edition) |
| <input type="checkbox"/> Plan Set A (if adopted by local bldg. dept.) | <input type="checkbox"/> Los Angeles Standard Plan Set No. 1 (if adopted by local bldg. dept.) |

California Residential Property Insurance Bill of Rights

A consumer is entitled to receive information regarding residential property insurance. The following is a limited overview of information that your insurance company can provide:

- The insurance company's customer service telephone number for underwriting, rating, and claims inquiries.
- A written explanation for any cancellation or nonrenewal of your policy.
- A copy of the insurance policy.
- An explanation of how your policy limits were established.
- In the event of a claim, an itemized, written scope of loss report prepared by the insurer or its adjuster within a reasonable time period.
- In the event of a claim, a copy of the Unfair Practices Act and, if requested, a copy of the Fair Claims Settlement Practices Regulations.
- In the event of a claim, notification of a consumer's rights with respect to the appraisal process for resolving claims disputes.
- An offer of coverage and premium quote for earthquake coverage, if eligible.

A consumer is also entitled to select a licensed contractor or vendor to repair, replace, or rebuild damaged property covered by the insurance policy.

The information provided herein is not all inclusive and does not negate or preempt existing California law. If you have any concerns or questions, contact your agent, broker, insurance company, or the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

This insurer reports claim information to one or more claims information databases. The claim information is used to furnish loss history reports to insurers. If you are interested in obtaining a report from a claims information database, you may do so by contacting:

DATABASE NAME	TELEPHONE NUMBER	WEB ADDRESS
ISO Claim Search, Customer Support Department	1-800-888-4476, Option 3	https://citizeninquiry.iso.com
LexisNexis® Consumer Center	1-800-456-6004	https://www.consumerdisclosure.com

CONSUMER AFFAIRS INFORMATION

INTERINSURANCE EXCHANGE of the Automobile Club
3333 Fairview Rd., Costa Mesa, CA 92626-1698
Mailing address: P.O. Box 25001, Santa Ana, CA 92799-5001
Toll free telephone number 1-800-924-6141

We will try to resolve any complaint you may have in connection with this insurance.

California law requires us to notify you that the California Department of Insurance maintains a unit within the department that deals with consumer affairs, including insurance. The Consumer Affairs Department should be contacted only after we have failed to produce a satisfactory solution to your problem.

You may forward any unresolved complaint to:

California Department of Insurance
Consumer Affairs Department
300 South Spring Street
Los Angeles, CA 90013
Toll free telephone number 1-800-927-4357
www.insurance.ca.gov



Interinsurance Exchange of the Automobile Club

Wildfire Risk Classification Disclosure

Policy Number: CHO 076878109

This disclosure is required by California law. Your insurance premium considers your exposure to brushfires. For many of our policyholders, this risk is very low and produces either no charge or a nominal charge.

California law states that we must provide the following in writing.

1. The range of such scores or classifications that could possibly be assigned to any policyholder or applicant.

The range of classifications that are assigned to any policyholder or applicant are based on zip codes grouped into rating territories. The range of classifications are territories 1 through 19.

2. The relative position of the score or classification assigned to the policyholder or applicant in question within that range of possible scores or classifications, and the impact of the score or classification on the rate or premium.

Your classification is territory 1. The rate associated with your classification is 0.000 per \$1,000 of total insurance coverage purchased (Dwelling, Other Structures, Unscheduled Personal Property, Loss of Use).

3. A detailed written explanation of why the policyholder or applicant received the assigned score or classification; the explanation shall make specific reference to the features of the property in question that influenced the assignment of the score or classification.

The insurer shall provide, in addition, the following information:

(A) Which mitigation measure or measures can be taken by the policyholder or applicant to lower the wildfire risk score or classification; and

(B) The amount of premium reduction the policyholder or applicant would realize as a result of performing each such measure under the insurer's rating plan that is in effect at the time.

You received the assigned classification based on the zip code of your residence. As the zip code is set by the United States Postal Service, this part of your premium cannot be increased or decreased based upon your actions. At this time, there are no mitigation measures that can be taken by you to lower your wildfire risk classification. While state insurance regulations allow you the right to appeal this determination, only a correction to your zip code can produce a change in the premium. Please review the address on your policy to make sure it is accurate. If it is, no action is required on your part in response to this disclosure.

You have the right to appeal the classification that has been assigned to you by mailing your appeal to Interinsurance Exchange of the Automobile Club, Attention: Underwriting Member Relations, PO Box 25001, Santa Ana, CA 92799-5001, or by calling 1-877-422-2100.



INTERINSURANCE EXCHANGE OF THE AUTOMOBILE CLUB

NOTICE TO CONSUMERS – CALIFORNIA RESIDENTIAL INSURANCE DISCLOSURE

POLICY NO. CHO 076878109

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

PRIMARY FORMS OF RESIDENTIAL DWELLING COVERAGE

You have purchased the coverage(s) checked below. NOTE: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.

The coverages checked below only pertain to your residential property insurance under the policy number shown above and do not describe the coverages selected for any other policy, including any earthquake insurance policy issued by the California Earthquake Authority (CEA).

 ACTUAL CASH VALUE COVERAGE for either a total or partial loss to the structure or its contents pays the amount it would cost you to repair, rebuild, or replace the thing lost or injured, less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less. A deduction for physical depreciation applies only to components of a structure that are normally subject to repair and replacement during the useful life of that structure.

 REPLACEMENT COST COVERAGE is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy.

 EXTENDED REPLACEMENT COST COVERAGE is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies.

 X **GUARANTEED REPLACEMENT COST COVERAGE** covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declarations page.

 X **BUILDING CODE UPGRADE COVERAGE**, also called Ordinance and Law coverage, covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply.

READ YOUR POLICY AND POLICY DECLARATIONS PAGE CAREFULLY: The policy declarations page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declarations page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

INFORMATION YOU SHOULD KNOW ABOUT RESIDENTIAL DWELLING INSURANCE

AVOID BEING UNDERINSURED: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

THE RESIDENTIAL DWELLING COVERAGE LIMIT: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed.

Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include, but are not limited to, the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting, and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses, and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being underinsured.

DEMAND SURGE: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies, and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

CHANGES TO PROPERTY: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

FIRE SAFETY DISCOUNTS: Discounts are available if your home is equipped with fire alarms or smoke alarms. Certain homes may also qualify for a discount if your home has a type of roof made of material other than wood. Contact your agent, broker, or insurance company if you have questions about which discounts can be applied.

EXCLUSIONS: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

CONTENTS (PERSONAL PROPERTY) COVERAGE DISCLOSURE: This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable, such as jewelry, art, or silverware. Contact your agent, broker, or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

CONSUMER ASSISTANCE: If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.



Interinsurance Exchange of the Automobile Club

What You Need to Know About Your Homeowners Policy Renewal

RATE REVISION

While we maintain ongoing efforts to keep insurance costs as low as possible, prices have been rising steadily everywhere. This trend has also affected the insurance industry, making it necessary to increase our rates, on an overall basis, to keep pace with inflation. Today, many insurance companies are having to adjust their rates to keep up with increased costs.

We are confident that even with this increase, our prices make our insurance among the most competitive to meet your insurance needs. Please refer to the enclosed declarations to see how this rate revision affects your policy premium.

FACTORS THAT CAN AFFECT YOUR RENEWAL INSURANCE PREMIUM

At each renewal of your homeowners policy, your premium can be affected by changes that may have occurred during the policy period, such as recent claims activity, upgrades made to your home, or adjustments to account for revised reconstruction cost estimates.

- **Claims Activity** – At each renewal, certain types of new claims may cause your premium to increase. Not all covered claims cause your premium to go up. If your premium increases due to a covered claim, the premium increase will generally apply for three to five policy periods. The amount of additional premium charged will vary depending on the type of claim and when the claim occurred. Certain claims activity may also affect your deductibles. Based on your loss history, the minimum deductibles required for your policy may be increased (at renewal) for up to five policy terms.
- **Upgrades to Your Home** – A remodel, addition, or new construction increases the estimated reconstruction costs of your home, and your policy's coverage limits should reflect these upgrades. If you remodel or add on to your home or other covered buildings, or have new construction, and these changes will increase the cost to replace covered buildings by \$15,000 or more, you must contact us at least 30 days before the completion of the work to update your coverage limits. Please refer to the provisions of your policy contract for more information on your duty to notify us of additions, remodels, or new construction of covered dwellings and other buildings.
- **Revised Reconstruction Costs Due to Inflation** – The estimated amount to rebuild your home in the event of a covered total loss can fluctuate year to year because of changes in reconstruction costs. Currently, inflation has been rising faster than usual impacting all of us with higher prices, including labor and building materials (such as lumber, cement, and copper).

If your renewal offer includes an estimate of the dwelling's replacement cost, we have taken into account your home's general building features that were disclosed to us in addition to updated information on reconstruction costs in your home's region to determine the estimated replacement cost for your home which the Coverage A – Dwelling limit is based upon.

If your renewal offer does not include an estimate of the dwelling's replacement cost, other factors for the general increase in prices have been taken into account to adjust your Coverage A – Dwelling limit. Every other year, you have the right to request from us a new estimate of the replacement cost for the dwelling.

An increase in your dwelling and other coverage limits may be required to keep pace with inflation and the rise in the estimated reconstruction cost. Please keep in mind that the actual cost to rebuild your home may be significantly different from the estimated reconstruction cost or the adjustment for inflation, and it is your responsibility to select and maintain adequate amounts of insurance to rebuild your home. For an additional premium, you may select higher coverage limits for Coverage A – Dwelling and Coverage B – Other Structures by visiting your local Auto Club branch or calling us at 866-886-2272.

PREMIUM PAYMENT OPTIONS AND FEES

Insureds may pay the annual premium in full or in installments. Each installment billed (with the exception of the initial renewal installment) is subject to a \$6 fee. The installment fee for policies set up on our automatic payment plan (AAA Auto Pay) is \$1 if payments are debited from a checking account or \$3 if payments are debited to a debit card. You must pay the outstanding balance in full in order to avoid paying any additional installment fees.

Each late payment is subject to a \$7 fee and each returned payment is subject to a \$15 fee. Installment payment plans and all fees are subject to change without notice. An adverse payment record (such as a late payment, a returned payment, or a nonpayment) may reduce the number of remaining installments and increase the minimum due, or result in a request to pay the entire balance of the policy bill in full. In certain situations, we may not offer the installment plan.

YOUR RIGHT TO SELECT ANOTHER PERSON TO RECEIVE NOTICES OF NONPAYMENT OF PREMIUM

California State law allows you the option to designate one additional person to receive notices of lapse, termination, expiration, non-renewal, or cancellation of your insurance policy for nonpayment of premium. If you choose to designate another person to receive notices of nonpayment of premium, this person will appear as the “Person Designated to Receive Nonpayment of Premium Notices” on your Declarations page.

Nonpayment of premium notices sent to the person you designate will be *in addition to* the notices mailed to you, the policyholder. Adding a designated person to your policy is optional and you may change or remove a designated person at any time. Adding, changing, or removing a designated person has no effect on your policy coverages or premium. An individual designated by you, the policyholder, will not have any rights, whether as an additional insured or otherwise, to any benefits under the policy, other than the right to receive notice of lapse, termination, expiration, nonrenewal, or cancellation of the policy for nonpayment of premium.

If you are interested in designating another person to receive nonpayment of premium notices, please contact us at 800-924-6141 or stop by your local Auto Club to obtain a “Notice of Nonpayment of Premium—Designee Selection Form.”



INTERINSURANCE EXCHANGE of the Automobile Club

MEMBERS' HOMEOWNERS POLICY – FORM 3

IMPORTANT NOTICE!

Please read this policy for important coverage limitations and exclusions, which include water damage, mold, certain terrorist events, and specific breeds of dog.

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AGREEMENT

We will provide the insurance you have selected in return for the premium due us and compliance with all applicable policy provisions. The enclosed declarations page shows the policy period, the premises to which this insurance applies, the coverages and limits you have chosen, and your premiums. Insurance under this policy is provided only for the coverages for which a premium is stated in the declarations. The declarations page is part of this policy.

DEFINITIONS

Throughout this policy:

1. "We", "us" or "our" means the Interinsurance Exchange of the Automobile Club.
2. "You" or "your" means any Named Insured in the declarations. If there is only one Named Insured in the declarations and that insured is a natural person, "you" or "your" includes:
 - a. a spouse of the Named Insured; or
 - b. a person who is a registered domestic partner, under California law, with the Named Insured;if a resident of the same household.

3. Certain words and phrases have a defined meaning when printed in **bold italic** type:

Bodily injury – means bodily harm, sickness or disease, including death therefrom.

Business – means any full or part time activity intended for economic gain. **Business** includes but is not limited to commercial enterprise, trade, profession, occupation or employment, and the renting, leasing or holding for rental or lease of any part of any premises by any **insured**.

Depreciation – means the lessening of the economic value of any property because of wear and tear and obsolescence.

Drug – means any substance listed in the schedules of controlled substances in Chapter 13 of Title 21 of the United States Code.

Insured – means you and the following residents of your household:

- a. Your relatives by blood, marriage, adoption or domestic partnership registered under California law.
- b. Any other person under the age of 21 who is in the care of you or any person included under a. above.

Under PART II, **insured** also means:

- c. With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in a. or b. above. A person or organization using or having custody of these animals or watercraft in the course of any **business** or without permission of the owner is not an **insured**.
- d. With respect to any vehicle to which this policy applies:
 - (1) any person while engaged in your employment or the employment of any person included in a. or b. above; or
 - (2) any other person using the vehicle on an **insured location** with your permission.

Insured location – means:

- a. The **residence premises**.
- b. Under PART II, **insured location** also means that part of any other premises, other structures and grounds you acquire during the policy period for your use as a residence.
- c. Any premises used by you in connection with any premises listed in a. or b. above.
- d. Any part of any premises not owned by any **insured** where an **insured** is temporarily residing.

- e. Vacant land, other than farm land, owned by or rented or leased to any **insured**.
- f. Land owned by or rented or leased to any **insured** on which a one or two family dwelling is being constructed as a residence for any **insured**.
- g. Individual or family cemetery plots or burial vaults of any **insured**.
- h. Any part of a premises occasionally rented to any **insured** for other than **business** purposes.

Occurrence – means an accident, including continuous or repeated injurious exposure to essentially the same conditions, which, during the policy period, results in **bodily injury** or **property damage**. Continuous or repeated injurious exposure to essentially the same conditions is considered to be one **occurrence**.

Personal injury – means injury which, during the policy period, arises out of one or more of the following:

- a. false arrest, detention or imprisonment;
- b. malicious prosecution, provided all actions of or on behalf of any **insured** which gave rise to the claim of malicious prosecution occurred during the time that **insured** has been continuously insured under this or any other homeowners policy issued by us;
- c. libel, slander or defamation of character, provided the first publication or utterance which gave rise to the claim of libel, slander or defamation of character was made by or on behalf of any **insured** during the time that **insured** has been continuously insured under this or any other homeowners policy issued by us;
- d. invasion of privacy, wrongful eviction or wrongful entry.

Pollutant – means any solid, liquid, vaporous, gaseous or thermal irritant or contaminant, including but not limited to asbestos, radon, carbon monoxide gas, fuel oil, gasoline, lead paint, PCB and waste.

Property damage – means physical injury to or destruction of tangible property, including the loss of use arising out of the injury to or destruction of tangible property.

Remediation – means the reasonable and necessary treatment, containment, removal or disposal of mold, fungus, wet rot, dry rot, or bacteria. **Remediation** also includes any testing to detect, measure or evaluate mold, fungus, wet rot, dry rot, or bacteria. **Remediation** does not include any consequential physical damage incurred to repair or replace property covered under PART I.

Replacement cost – means:

- a. With respect to buildings and structures that are not buildings, the lesser of the cost, at the time of the loss, to repair or to replace covered damaged or destroyed property:
 - (1) at the location of the **residence premises**; and
 - (2) for the same use; and
 - (3) with materials of like or reasonably similar kind and quality.

Replacement cost does not include:

- (1) loss to any property;
 - (2) the cost of repairing, reconstructing or demolishing any property;
 - (3) the cost of removing the debris of any property;
- occurring as a result of the enforcement of any building ordinance or law.

Limited building ordinance or law coverage for the dwelling is provided under provision 5. of OTHER COVERAGES – PART I.

- b. With respect to personal property, awnings, wall-to-wall carpeting, household appliances, outdoor antennas and outdoor equipment, the cost, at the time of the loss, of new property:
 - (1) identical to the lost or damaged property; or
 - (2) of like or reasonably similar kind and quality and of comparable usefulness as the lost or damaged property if identical property is not obtainable.

Residence employee – means:

- a. under PARTS I and II:

an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**;
- b. under PART IV:

any person employed by any **insured** whose duties are incidental to the ownership, maintenance or use of the **residence premises**, including the performance of

household domestic services, or who performs elsewhere duties of a similar nature, or whose duties are personal and not in the course of the **business** of any **insured** and who has:

- (1) actually been engaged in such employment by an **insured** for no less than 52 hours; and
- (2) earned from an **insured** no less than one hundred dollars (\$100) in wages;

during the 90 calendar days immediately preceding the date of injury.

Residence premises – means:

- a. the one or two family dwelling, other structures and grounds; or
- b. that part of any other building;

that is used by you as a residence and that is shown as the "residence premises" in the declarations.

Terrorist event – means any act or series of acts that are violent or dangerous to human life, in violation of the criminal laws of the United States of America or of any State, to intimidate or coerce a government, the civilian population, or any segment thereof, in furtherance of political, ideological, religious, or social objectives.

Theft – means the unlawful taking and carrying away of property from another person with the intent to deprive the other person of that property. **Theft** includes attempted **theft** and loss of property from a known location when it is likely that the property has been stolen.

Theft does not include the conversion, embezzlement or secretion of another's property by any person to whom possession was entrusted. This applies whether or not entrustment was obtained by trick or false pretense.

PART I – PROPERTY COVERAGES

COVERAGE A – DWELLING

COVERAGE B – OTHER STRUCTURES

COVERAGE C – PERSONAL PROPERTY

WHAT PROPERTY IS COVERED – COVERAGE A AND COVERAGE B

1. Under COVERAGE A we cover:

- a. The dwelling on the **residence premises** shown in the declarations, used principally as a private residence, including structures attached to the dwelling. This shall not include attached driveways, walkways, patios, fences, and external walls not part of the perimeter of the dwelling and not necessary for the structural integrity of the dwelling.
- b. Materials and supplies located on or next to the **residence premises** for use in constructing, altering or repairing the dwelling or other structures on the **residence premises**.
- c. Wall-to-wall carpeting installed in the dwelling on the **residence premises**.
- d. Outdoor antennas on the **residence premises**.

2. Under COVERAGE B we cover:

- a. Driveways, walkways, patios and fences attached to the dwelling.
- b. External walls attached to but not part of the perimeter of the dwelling and not necessary for the structural integrity of the dwelling.

- c. Other structures on the **residence premises**, either set apart from the dwelling by clear space or connected to the dwelling only by a fence, utility line or similar connection.
- d. Wall-to-wall carpeting installed in other buildings on the **residence premises**.

WHAT PROPERTY IS NOT COVERED – COVERAGE A AND COVERAGE B

1. Under COVERAGES A and B we do not cover:

- a. any land, including the land supporting the dwelling or other structures;
- b. the cost to replace, rebuild, stabilize or otherwise restore land;
- c. the cost of any device or treatment applied to land for the purpose of adding, protecting or restoring the stability of any structure supported by that land.

2. In addition, under COVERAGE B we do not cover structures used in whole or in part in **business**; however, this shall not apply to:

- a. structures rented, leased or held for rental or lease to any person who is a tenant of the dwelling;
- b. garages rented, leased or held for rental or lease for use as private parking garages.

WHAT PROPERTY IS COVERED – COVERAGE C

Under Coverage C we cover personal property owned or used by any **insured** while it is anywhere in the world.

At your request, we also cover personal property:

1. owned by others, while the property is on the part of the **residence premises** occupied solely by persons defined as **insureds**;
2. owned by a guest or a **residence employee** while the property is in any residence occupied by an **insured**.

Our limit of liability for personal property usually situated at a location other than the **residence premises** is 10% of the amount of the limit of liability for COVERAGE C. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 calendar days immediately after you begin to move the property there.

WHAT PROPERTY IS COVERED SUBJECT TO INDIVIDUAL LIMITS OF LIABILITY – COVERAGE C

Individual limits of liability apply to certain categories of personal property. These limits do not increase the COVERAGE C limit of liability. The limit shown below for each category is the most we will pay for each loss to all property in that category. The lowest applicable limit shall apply to property that falls into more than one category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, medals, coins, coin collections and other numismatic property.
2. \$1,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, checks and other negotiable instruments, stored value cards, manuscripts, passports, tickets, personal records, personal data, stamps, stamp collections and other philatelic property.

This limitation:

- a. applies regardless of the type of medium (such as paper, films, tapes or discs) on which these items are stored; and
 - b. includes the cost of researching, retrieving, restoring or replacing any lost, damaged or destroyed information in these items.
3. \$1,000 on camper bodies, slide-on campers or camper shells not permanently attached to a motor vehicle.
 4. \$1,000 on watercraft, including their trailers, furnishings, equipment and outboard motors.
 5. \$1,000 on trailers not used with watercraft.
 6. a. \$2,500 on property used at any time during the policy period or intended for use in **business** while that property is located on the **residence premises**.
 - b. \$250 on property used at any time during the policy period or intended for use in **business** while that property is located away from the **residence premises**.

This category does not include:

- a. electronic data processing equipment;
 - b. **business** records or **business** data.
7. \$1,500 for loss by **theft** of:
 - a. jewelry, watches, precious and semiprecious stones, including items that derive their principal value from precious or semiprecious stones;
 - b. furs, whether used for utilitarian or ornamental purposes, including items that derive their principal value from fur.
 8. \$2,500 for loss by **theft** of silverware, silver-plated ware, goldware and gold-plated ware including:
 - a. flatware, hollowware, tea or coffee sets, trays, trophies and similar items;
 - b. other utilitarian items made of or including silver or gold.

9. \$2,000 for loss by **theft** of firearms.
10. \$2,500 for loss by **theft** of valuable rugs, carpets, tapestries and wallhangings, whether used for utilitarian or ornamental purposes.
11. a. \$10,000 for loss by **theft** of tools from the **residence premises**.
- b. \$2,500 for loss by **theft** of tools while located away from the **residence premises**.
12. a. \$5,000 on electronic data processing equipment, meaning:
 - (1) computer hardware, including internal and external components and peripheral devices, and storage or recording media;
 - (2) computer software, meaning computer programs and applications;whether or not used in **business**, while located on the **residence premises**.
- b. \$1,000 on property identified under (1) and (2) above while located away from the **residence premises**.
13. \$1,000 on collectibles that have no intrinsic monetary value but derive their value solely from their desirability to collectors, such as sports cards, campaign buttons and similar political memorabilia, comic books and movie posters.

WHAT PROPERTY IS NOT COVERED – COVERAGE C

Under COVERAGE C we do not cover:

1. Property specifically insured and separately described either individually or as a class in this or any other insurance.
2. Animals of any kind.
3. Motor vehicles or any other motorized land conveyances including:
 - a. equipment permanently attached;
 - b. equipment designed for use with a motor vehicle or other motorized land conveyance as a means of transportation while located in or upon a motor vehicle or other motorized land conveyance;
 - c. camper bodies, slide-on campers or camper shells while located in or upon but not permanently attached to a motor vehicle.

We do cover motor vehicles or any other motorized land conveyances not subject to motor vehicle registration and:

- a. designed to assist and used by the physically handicapped;
 - b. used exclusively to service an **insured's** residence.
4. Any devices or instruments for the transmission, recording, reception or reproduction of sound and/or pictures if permanently installed in a motor vehicle, other motorized land conveyance, trailer or watercraft, including:
 - a. their accessories and antennas;
 - b. tapes, cassettes, wires, records, discs, cartridges or other media for use with any such devices or instruments;while located in or upon the motor vehicle, other motorized land conveyance, trailer or watercraft.

5. Aircraft and parts. Aircraft means any contrivance used or designed for navigation of or flight in the air, except model aircraft of the hobby variety not used or designed to carry people or cargo.

6. Property of roomers, boarders or other regular residents of the **residence premises** not related to any **insured**.
7. Property contained in an apartment regularly rented, leased or held for rental or lease to others by any **insured**.
8. Property rented, leased or held for rental or lease to others away from the **residence premises**.
9. **Business** records or **business** data, regardless of the type of medium (such as paper, films, tapes or discs) on which they are stored. We will pay for blank or unexposed media of the type used for the storage of the lost or damaged **business** records or **business** data.
10. Computer software that at the time of the loss cannot be replaced on the retail market with other of like or reasonably similar kind and quality, including later releases of the same software. We will pay for blank or unexposed media of the type used for the storage of computer software that cannot be replaced.
11. Credit cards or fund transfer cards except as provided under OTHER COVERAGES – PART I, provision 12.

OTHER COVERAGES – PART I

1. LOSS OF USE

- a. If a loss covered under PART I makes the **residence premises** unfit to live in by rendering it unsafe for human habitation or by creating a condition that prevents the performance of any of the functions necessary for human habitation, we will pay:
 - (1) Any reasonable and necessary increase in living expenses actually incurred by you while that part of the **residence premises** that you occupy is unfit to live in.
 - (2) Actual loss of rental income while that part of the **residence premises** that is actually rented or leased to others is unfit to live in. Our payment shall be reduced by the expenses that do not continue while the rented part of the **residence premises** is unfit to live in.

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

- b. If a civil authority prohibits you from occupying the **residence premises** as a result of direct damage to neighboring premises by a cause of loss covered under PART I, we will pay any reasonable and necessary increase in living expenses as described under (1) above, and actual loss of rental income as described under (2) above for a period not exceeding two weeks during which occupancy is prohibited.

The periods of time under a. and b. above are not limited by the expiration of the policy; however, the events causing the **residence premises** to become unfit to live in, or the order of civil authorities prohibiting you from occupying the **residence premises** must occur during the policy period.

We do not cover:

- a. Loss of use due to the **residence premises** becoming unfit to live in more than twelve months after the date of the physical loss that gave rise to the claim for loss of use.
However, if the event that caused the covered loss has been declared a state of emergency, as defined in section 8558 of the Government Code, we do not cover loss of use for your increase in living expenses due to the **residence premises** becoming unfit to live in more than twenty four months after the date of the physical loss that gave rise to the claim for loss of use.

- b. Loss of use due to the **residence premises** becoming unfit to live in because of the presence or **remediation** of mold, fungus, wet rot, dry rot, or bacteria, except as specifically covered under provision 14. of OTHER COVERAGES – PART I.
- c. Loss or expense due to the cancellation of a lease or agreement.

Our limit of liability under provision 1. shall not exceed 20% of the amount of the limit of liability stated in the declarations for COVERAGE A.

This coverage is additional insurance.

2. REMOVAL OF FALLEN TREES

We will pay the reasonable expense actually incurred by you in the removal of fallen trees from the **residence premises** if:

- a. coverage is not afforded under provision 3. of OTHER COVERAGES – PART I; or
- b. the tree is not covered by this policy;

provided the tree damages covered property, and a loss covered under COVERAGE C is the cause of the tree falling.

Our limit of liability shall not exceed \$500 in the aggregate for any one loss.

This coverage is additional insurance.

3. TREES, SHRUBS AND OTHER PLANTS

We cover outdoor trees, outdoor shrubs, outdoor plants or lawns on the **residence premises** for loss by the following: fire or lightning, explosion, riot or civil commotion, aircraft, vehicles not owned or operated by a resident of the **residence premises**, vandalism or malicious mischief or **theft**.

We do not cover property grown for **business** purposes.

Our limit of liability shall not exceed 5% of the amount of the limit of liability of COVERAGE A for all outdoor trees, outdoor shrubs, outdoor plants or lawns, nor more than \$500 for any one tree, shrub or plant.

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 the fire department service charges actually incurred when the fire department is called to save or protect covered property from a covered loss.

We will not pay 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.

5. BUILDING ORDINANCE OR LAW

If a cause of loss covered under WHAT LOSSES ARE COVERED – COVERAGE A AND COVERAGE B results in direct damage to the dwelling, and a building ordinance or law that was in effect at the time of the loss is enforced because of that loss, and:

- a. You elect not to repair or replace the dwelling, or you elect to replace the dwelling at a location other than the **residence premises**, we will pay:
 - (1) the additional cost actually and necessarily incurred by you in connection with the direct damage to the dwelling and resulting from the enforcement of any applicable ordinance or law requiring the demolition, meaning the tearing down of the entire undamaged portion of the dwelling, and the removal of its debris;
 - (2) for loss to the undamaged portion of the dwelling demolished because of the enforcement of any ordinance or law.

Our limit of liability under this option shall not exceed 10% of the amount of the limit of liability of COVERAGE A for:

- (1) the cost actually and necessarily incurred by you under (1) above; and
- (2) the **replacement cost** less **depreciation**, but not less than the fair market value at the time of the loss, of the undamaged portion of the dwelling under (2) above.

b. You elect to repair or replace the dwelling at the location of the **residence premises** or, if ordinance or law mandates relocation, you replace the dwelling at a location subject to generally the same building ordinances or laws as the **residence premises**, we will pay the additional cost actually and necessarily incurred by you in connection with the direct damage to the dwelling and resulting from the enforcement of any applicable ordinance or law:

- (1) regulating the repair or replacement of the damaged portion of the dwelling;
- (2) requiring the demolition, meaning the tearing down and removing the debris of, and regulating the reconstruction of:
 - (a) the entire undamaged portion of the dwelling; or
 - (b) any part of the undamaged portion of the dwelling if necessary to:
 - i. repair the damaged portion;
 - ii. bring the undamaged portion into conformity with any applicable ordinance or law.

However, until repair or replacement is completed, we will pay no more than:

- (a) the cost actually and necessarily incurred by you for the demolition of any undamaged portion of the dwelling, including the removal of its debris; and
- (b) the **replacement cost** less **depreciation** of any undamaged portion of the dwelling.

Our limit of liability under this option shall not exceed 10% of the amount of the limit of liability of COVERAGE A for the additional cost actually and necessarily incurred by you under (1) and (2) above.

We do not cover:

- a. any additional cost resulting from the enforcement of any ordinance or law:
 - (1) you were required to comply with before the loss to the dwelling occurred, but failed to do so;
 - (2) requiring or regulating:
 - (a) the replacement, rebuilding, stabilization or other restoration of the land supporting the dwelling, or the application of any device or treatment to any land for the purpose of adding, protecting or restoring the stability of the dwelling;
 - (b) the testing for, cleanup or removal of, or other specified treatment of **pollutants**;
- b. any lessening of the value of the dwelling resulting from the enforcement of any ordinance or law.

This coverage is additional insurance.

6. LOCKS

We will pay up to \$250 in the aggregate per policy period for reasonable expenses actually incurred by you for the necessary rekeying or replacement of locks when the keys to locks on any outside door of the dwelling were stolen, lost or misplaced.

This coverage is additional insurance.

7. REMOVAL OF DEBRIS AND VOLCANIC ASH

We will pay reasonable expenses actually incurred by you in the removal of:

- a. debris of covered property, provided the loss to the property is from a cause of loss identified under WHAT LOSSES ARE COVERED – COVERAGE A AND COVERAGE B, or WHAT LOSSES ARE COVERED – COVERAGE C, as applicable to the property;
- b. that portion of volcanic ash, dust or particulate matter that has caused direct loss to a building or to property contained in a building covered under PART I.

The expense for the removal of debris and volcanic ash is included in the amount of the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for the removal of debris and volcanic ash exceeds the amount of the limit of liability for the damaged property, an additional 5% of the amount of that limit of liability will be available to cover the expense of removing debris and volcanic ash.

8. REMOVAL OF PROPERTY

We will pay reasonable expenses actually incurred by you in the removal of covered property which is imminently endangered by a loss covered under PART I and which otherwise would have been damaged or destroyed.

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

9. REASONABLE EMERGENCY MEASURES

We will pay reasonable expenses actually incurred by you for necessary emergency measures taken solely to protect covered property from further damage after a loss covered under PART I. If this involves repair to property other than the property to be protected, we will pay only for the repair of other property that is covered under PART I and damaged by a cause of loss covered under PART I.

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

10. PROPERTY REMOVED

We will cover property insured under PART I while being removed from premises endangered by a loss covered under PART I. We will cover that removed property for up to 30 calendar days for direct loss from any cause.

This coverage does not increase the limit of liability applicable to the property being removed.

11. REFRIGERATED FOOD SPOILAGE

We will pay up to \$500 in the aggregate per policy period for damage to or spoilage of perishable foods owned by any **insured** and kept in a refrigerator or freezer located on the **residence premises** if the loss results from:

- a. interruption of power to the refrigerator or freezer caused by damage to or failure of the generating or transmitting equipment;
- b. mechanical breakdown of the refrigerator or freezer.

This coverage:

- a. is voided by the negligence of any **insured** in:
 - (1) maintaining:
 - (a) the refrigerator or freezer in working condition;
 - (b) the supply of electricity to the refrigerator or freezer;
 - (2) protecting food after a known loss;
- b. does not increase the limit of liability of COVERAGE C.

12. CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY

We will pay up to \$2,500 for:

- a. the legal obligation of any **insured** to pay because of the **theft** or unauthorized use of any credit card issued to or registered in any **insured's** name;
- b. loss resulting from the **theft** or unauthorized use of any fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in any **insured's** name;
- c. loss to any **insured** caused by the forgery or alteration of that **insured's** check or other negotiable instrument;
- d. loss to any **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.

We do not cover:

- a. the **theft** or unauthorized use of any credit or fund transfer card by:
 - (1) an **insured** or any other regular resident of the **residence premises**;
 - (2) any person who has been entrusted with the credit or fund transfer card;
 - (3) any person if any **insured** has not complied with all terms and conditions under which the credit or fund transfer card is issued;
- b. loss to any **insured** caused by the forgery or alteration of any **insured's** check or other negotiable instrument by an **insured** or any other regular resident of the **residence premises**;
- c. loss to any **insured** caused by any **insured's** acceptance of any check or other negotiable instrument that has been altered or forged, or that is dishonored by the financial institution upon which it is drawn;
- d. loss arising out of the **business** or dishonesty of any **insured**.

If a suit is brought:

- a. against any **insured** for liability under the CREDIT CARD or FUND TRANSFER CARD coverage, we will provide a defense at our expense by lawyers of our choice;
- b. for the enforcement of payment under the FORGERY coverage, we have the option to defend, at our expense, an **insured** or an **insured's** financial institution.

We may make settlement of any claim or lawsuit as we think appropriate. Our obligation to defend any claim or suit ends when the amount we pay for the loss equals our limit of liability.

This coverage is additional insurance.

13. COLLAPSE OF A BUILDING OR ANY PART OF A BUILDING

We will cover property insured under PART I against accidental direct physical loss from the collapse of a building or part of a building if caused by or resulting from:

- a. any cause of loss identified under WHAT LOSSES ARE COVERED – COVERAGE C;
- b. weight of ice, snow or sleet, or weight of rain which collects on a roof;
- c. hidden decay;
- d. hidden insect or vermin damage;
- e. weight of contents, equipment, people or animals;
- f. use of defective materials or methods in construction, repair, remodeling or renovation if the collapse occurs during the construction, repair, remodeling or renovation.

Collapse means the sudden and accidental complete falling down or caving in of a building or any part of a building but does not include cracking, shrinking, bending, bulging, expansion or settling, whether at a uniform or differential rate, unless combined with the complete falling down or caving in of a building or any part of a building.

Loss to an awning, fence, patio, driveway or walkway, spa, swimming pool, pond, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, pier, bulkhead, wharf or dock, all whether or not attached to the dwelling or any other building on the **residence premises**, is not covered unless the loss is a direct result of the collapse of a building or any part of it.

This coverage does not increase the amount of the limit of liability applicable to the property damaged or destroyed by collapse.

14. MOLD, FUNGUS, WET ROT, DRY ROT, OR BACTERIA

We will pay for:

- a. The reasonable and necessary **remediation** of mold, fungus, wet rot, dry rot, or bacteria as required to repair or replace property covered under PART I, if the mold, fungus, wet rot, dry rot, or bacteria is caused by or results from a loss covered under PART I. We will not pay for any consequential physical damage incurred to repair or replace property covered under PART I.
- b. The reasonable and necessary increase in living expense actually incurred by you while that part of the **residence premises** that you occupy is unfit to live in due to the **remediation** of mold, fungus, wet rot, dry rot, or bacteria, if the mold, fungus, wet rot, dry rot, or bacteria is caused by or results from a loss covered under PART I.

Our limit of liability under provision 14. shall not exceed \$5,000. This coverage does not increase the amount of the limit of liability applicable to the property damaged or destroyed.

WHAT LOSSES ARE COVERED – COVERAGE A AND COVERAGE B

Except as excluded under WHAT LOSSES ARE NOT COVERED – PART I, we cover:

- 1. all loss from FIRE AND LIGHTNING; and
- 2. accidental direct physical loss from other causes of loss;

to the property described under WHAT PROPERTY IS COVERED – COVERAGE A and COVERAGE B.

WHAT LOSSES ARE COVERED – COVERAGE C

Except as excluded under WHAT LOSSES ARE NOT COVERED – PART I, we cover the following losses to personal property described under WHAT PROPERTY IS COVERED – COVERAGE C:

1. all loss from FIRE AND LIGHTNING; and
2. accidental direct physical loss from:

a. WINDSTORM OR HAIL.

We do not cover loss from sand, dust, rain, snow or sleet to property contained in a building unless the direct force of wind or hail damages the building, causing an opening in a roof or wall, and the sand, dust, rain, snow or sleet enters through this opening.

We do not cover loss from windstorm or hail to watercraft and their trailers, furnishings, equipment and outboard motors while not inside a fully enclosed building.

b. EXPLOSION.

c. RIOT OR CIVIL COMMOTION.

d. AIRCRAFT, including self-propelled missiles and spacecraft.

e. VEHICLES.

f. SUDDEN AND ACCIDENTAL DAMAGE FROM SMOKE.

We do not cover loss caused by smoke from agricultural smudging or industrial operations.

g. VANDALISM OR MALICIOUS MISCHIEF.

We do not cover vandalism or malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. For the purposes of this provision, a dwelling being constructed is not considered vacant.

h. **THEFT.**

We do not cover loss caused by **theft**:

- (1) committed by or at the direction of any **insured** or any other regular resident of the **residence premises**, except a **residence employee**;
- (2) in or to a dwelling or other structure under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied;
- (3) from that part of the **residence premises** rented or leased by any **insured** to other than an **insured**;
- (4) occurring away from the **residence premises**:
 - (a) of property while at any other residence owned by, rented or leased to or occupied by any **insured**, except while an **insured** is temporarily residing there;
 - (b) of watercraft, including their furnishings, equipment and outboard motors;
 - (c) of trailers including their furnishings and equipment;
 - (d) of camper bodies, slide-on campers or camper shells not permanently attached to a motor vehicle, including their furnishings and equipment.

i. FALLING OBJECTS.

We do not cover loss to personal property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. We do not cover loss to the falling object itself.

j. WEIGHT OF ICE, SNOW OR SLEET which causes damage to property contained in a building.

k. SUDDEN AND 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. We do not cover loss:

- (1) caused by or resulting from freezing;
- (2) to the appliance from which the water or steam escaped;
- (3) on the **residence premises** caused by or resulting from accidental discharge or overflow which occurs off the **residence premises**.

l. 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.

m. FREEZING of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

We do not cover loss on the **residence premises** while the dwelling is unoccupied and you have not used reasonable care to maintain heat in the building or shut off the water supply and drain the system and appliances of water.

n. SUDDEN AND ACCIDENTAL changes in the electric power supply to electrical appliances, devices, fixtures and wiring.

o. FRAGMENTS OF BROKEN GLASS or safety glazing material which is part of a building, storm door or storm window.

We do not cover loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. For the purposes of this provision, a dwelling being constructed is not considered vacant.

p. VOLCANIC ERUPTION other than loss caused by earthquake, land shock waves or tremors. One or more volcanic eruptions occurring within a 168-hour period shall be considered one volcanic eruption.

WHAT LOSSES ARE NOT COVERED – PART I

1. EARTHQUAKE

In compliance with California Insurance Code Section 10088, we do not cover any loss to property insured under COVERAGES A, B or C when earthquake, including land shock waves or tremors before, during or after a volcanic eruption, is a proximate cause, regardless of whether the loss also directly or indirectly results from or is contributed to concurrently or in any sequence by any other proximate or remote cause, whether or not insured under this policy.

We do cover accidental direct physical loss by fire or explosion resulting from or occurring as a consequence of earthquake.

2. We do not cover any loss to property insured under COVERAGES A, B or C that is caused by, resulting from, contributed to or consisting of:

- a. EARTH MOVEMENT OTHER THAN EARTHQUAKE, meaning landslide, mudflow, subsidence, mine subsidence, sinkhole, erosion, earth expanding, contracting, sinking, rising or shifting, all however caused or whether combined with water or not.

This exclusion applies regardless of whether the loss is caused by or results from human, animal, or naturally occurring forces, or however caused.

We do cover accidental direct physical loss by fire or explosion resulting from or occurring as a consequence of earth movement other than earthquake.

- b. BUILDING ORDINANCE OR LAW, meaning the enforcement, whether or not in connection with a physical loss to buildings or other structures covered under PART I, of any ordinance or law:

- (1) Requiring or regulating the demolition, construction, repair, reconstruction, remodeling, renovation, placement, stabilization or use of buildings or other structures unless specifically covered under provision 5. of OTHER COVERAGES – PART I, or under provision 6. of CONDITIONS – PART I.

For the purposes of section b.(1), loss means:

- (a) loss or damage caused directly or indirectly by the enforcement of any building ordinance or law;
- (b) any additional cost of repair, reconstruction, demolition or debris removal incurred to comply with any building ordinance or law.

- (2) Requiring or regulating the testing for, cleanup or removal of, or other specified treatment of **pollutants**.

- (3) Resulting in a lessening of the value of any property insured under PART I.

We do cover direct physical loss caused by or resulting from the actions of civil authorities to prevent the spread of fire unless the fire itself is a loss not covered under PART I.

- c. WATER DAMAGE, meaning:

- (1) flood, surface water, waves, tidal water, storm surge, tsunami, seiche, overflow of a body of water or spray from any of these, whether or not driven by wind;
- (2) any liquid or semiliquid material or substance from outside the plumbing system on the **residence premises** that enters the **residence premises** through sewers or drains;
- (3) water below the surface of the ground, including water which exerts pressure on or seeps or leaks or flows through a building, sidewalk, driveway, foundation, swimming pool, spa or other structure;
- (4) damage to the interior of a building from rain, snow or sleet unless the walls or roof of the building have first sustained a loss from a cause of loss covered under PART I that created an opening through which the rain, snow or sleet entered;
- (5) water which is released, overflows or escapes from a dam, levee, or other structure designed to contain surface water;

whether caused by or resulting from human, animal, or naturally occurring forces, or however caused.

We do cover direct physical loss by fire, explosion or **theft** resulting from or occurring as a consequence of water damage.

- d. NEGLECT, meaning neglect of the **insured** to take all reasonable steps to save and preserve property at and after the time of a loss, or when the property is endangered by a cause of loss we cover.

- e. WAR, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

- f. NUCLEAR HAZARD, including any nuclear reaction, nuclear radiation or radioactive contamination, whether controlled or uncontrolled or however caused, including any consequence of any of these. Loss by fire, explosion or smoke caused by nuclear hazard will be considered nuclear hazard and will not be covered under PART I, except direct loss by fire.

- g. INCREASED HAZARD, meaning loss while the hazard is increased by any means within the control or knowledge of the **insured**.

- h. INTENTIONAL LOSS, meaning loss arising out of any act or omission committed by or at the direction of any **insured** with the intent to cause loss, or that could reasonably be expected to cause loss.

- i. INTERRUPTION OF POWER or other utility service if that interruption takes place away from the **residence premises**, unless specifically covered under provision 11. of OTHER COVERAGES – PART I.

We do cover loss resulting from or occurring as a consequence of power or utility service interruption if that resulting loss is covered under PART I and occurs on the **residence premises**.

- j. COLLAPSE, unless specifically covered under provision 13. of OTHER COVERAGES – PART I.

- k. MOLD, fungus, wet rot, dry rot, or bacteria, except as specifically covered under provision 14. of OTHER COVERAGES – PART I.

We do not cover any consequential physical damage incurred as a result of **remediation** required to repair or replace property covered under PART I.

3. We do not cover any loss to property insured under COVERAGES A or B that is caused by, resulting from, contributed to or consisting of:

- a. (1) FREEZING of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or a household appliance; or

- (2) leakage, discharge or overflow from within the system or appliance caused by freezing;

while the dwelling is vacant, unoccupied or being constructed, and you have not used reasonable care to maintain heat in the building or shut off the water supply and drain the system and appliances of water.

- b. FREEZING, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

- (1) fence, driveway, walkway, patio, spa, swimming pool or pond;

- (2) foundation, retaining wall or bulkhead;

- (3) pier, wharf or dock.

- c. **THEFT** in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied.

- d. VANDALISM or malicious mischief, or breakage of glass or safety glazing materials if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. For the purposes of this provision, a dwelling being constructed is not considered vacant.
- e. (1) WEAR AND TEAR, marring, deterioration;
- (2) continuous or repeated seepage or leakage of water or steam over weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
- (3) inherent vice, latent defect, mechanical breakdown;
- (4) smog, rust, corrosion or other decay;
- (5) smoke from agricultural smudging or industrial operations;
- (6) presence, release, discharge or dispersal of:
 - (a) **pollutants**;
 - (b) soil corrosives, including but not limited to chemicals, compounds, elements, suspensions, gels or crystals forming in the soil;
- (7) cracking, shrinking, sagging, bulging, bending, expansion or settling of driveways, walkways, patios, foundations, walls, floors, roofs or ceilings;
- (8) birds, vermin, rodents, insects or domestic animals;
- (9) growth of, or pressure from the roots of trees, shrubs or other plants.

If a loss excluded under e. above causes or results in water to escape suddenly and accidentally from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we do cover the direct physical loss caused by the water, including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

If a loss excluded under 3. above results in direct physical loss to property covered under PART I, we will cover that resulting loss if it is not itself excluded under PART I.

- 4. We do not cover any loss to property insured under COVERAGES A or B in which any of the events listed below cause or aggravate or contribute concurrently or in any sequence to a loss excluded under 2. or 3. above:
 - a. WEATHER CONDITIONS.
 - b. ACTS OR DECISIONS, including the failure to act or decide, whether intentional or unintentional, or whether negligent, wrongful or without fault, of any person, group, organization or governmental body, whether an **insured** or not.

This provision does not apply to an **insured's** acts or decisions, including the failure to act or decide, excluded under provision 2., sections d. and h. above.
 - c. FAULTY, DEFECTIVE OR INADEQUATE:
 - (1) planning, zoning, development, surveying or siting;
 - (2) establishment or enforcement of building codes or standards for construction or materials;
 - (3) design, specifications, construction, renovation, remodeling, repair, grading, compaction or workmanship;

- (4) materials, parts or equipment used in construction, renovation, remodeling, repair, grading or compaction;

- (5) maintenance;

of part or all of any property whether on or off the **residence premises**. This exclusion does not apply to the use of defective materials or methods for which coverage is afforded under section f. of provision 13. of OTHER COVERAGES – PART I.

- 5. We do not cover any loss to property insured under COVERAGES A, B, or C arising out of any **terrorist event** which causes, contributes to, creates or results in:
 - a. NUCLEAR HAZARD, meaning any nuclear reaction, nuclear discharge, nuclear radiation, nuclear or radioactive pollution, or nuclear or radioactive contamination, whether controlled or uncontrolled or however caused, including any consequence of any of these;
 - b. BIOLOGICAL HAZARD, meaning the presence, release, discharge, or dispersal of any pathogenic material, contaminant or pollutant, such as anthrax, cholera, smallpox, and botulinum; or
 - c. CHEMICAL HAZARD, meaning the presence, release, discharge, or dispersal of any chemical material, contaminant or pollutant, such as a nerve agent, choking agent, blood agent, or blister agent.

This exclusion shall apply only when the amount of damage to all commercial, residential, and personal property attributable to any **terrorist event** exceeds \$100,000,000 in the aggregate. Damage includes all loss of use and business interruption losses.

This exclusion does not supercede any other exclusion under PART I, including but not limited to Exclusion 2.e. WAR and Exclusion 2.f. NUCLEAR HAZARD for any nuclear, biological, or chemical hazard which does not arise out of any **terrorist event**.

CONDITIONS – PART I

- 1. Insurable Interest

Even if more than one person has an insurable interest in the property covered under PART I, we shall not be liable in any one loss to any **insured** for an amount greater than that **insured's** interest at the time of loss.

- 2. Deductible

We will pay only when the amount of a loss covered under PART I, or an expense covered under OTHER COVERAGES – PART I exceeds the amount of the deductible stated in the declarations, and then we will pay only the amount exceeding the deductible.

The deductible shall apply to all losses except losses paid under the following provisions of OTHER COVERAGES – PART I:

- 1. LOSS OF USE.
- 4. FIRE DEPARTMENT SERVICE CHARGE.
- 6. LOCKS.
- 8. REMOVAL OF PROPERTY.
- 11. REFRIGERATED FOOD SPOILAGE.
- 12. CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY.

3. Your Duties After Loss

After a loss:

- a. Notification must be given promptly:
 - (1) to us; and
 - (2) in case of **theft**, to the police; and
 - (3) in case of loss under the CREDIT CARD or FUND TRANSFER CARD coverage, to the credit card or fund transfer card company.
- b. Any **insured** must protect the property from further damage, take reasonable and necessary measures required to protect the property, and keep an accurate record of the cost of these measures.
- c. Any **insured** must prepare an inventory of damaged or destroyed personal property showing in detail the quantity, description, date of acquisition, acquisition cost, fair market value, **replacement cost** or **replacement cost less depreciation**, as applicable to the property, and the amount of loss claimed. All bills, receipts and related documents that substantiate the figures in the inventory must be attached to the inventory.
- d. Any **insured** must as often as we reasonably require:
 - (1) make the damaged property available for our inspection; and
 - (2) provide us with records and documents we request, and permit us to make copies; and
 - (3) submit to examinations under oath, not in the presence of any other **insured**, and sign and return to us the transcript of such examinations; and
 - (4) answer oral or written interrogatories.
- e. You must, within 60 calendar days after the loss, submit to us your signed, sworn proof of loss providing us with:
 - (1) information on:
 - (a) the time and cause of loss;
 - (b) the interest of any **insured** and of all others in the property involved, and all liens on the property;
 - (c) other insurance which may cover the loss;
 - (d) changes in title, use, occupancy, location, possession of or exposure to the property during the term of the policy;
 - (e) specifications and plans of any damaged or destroyed building, and detailed estimates for repair of the damage;
 - (2) an inventory of damaged or destroyed personal property as described in c. above;
 - (3) receipts for additional living expenses incurred, and records supporting the loss of rental income;
 - (4) evidence or affidavit supporting a claim under the CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY coverage, stating the amount and cause of loss.
- f. Any **insured** who has made claim under this policy must notify us if they wish to obtain copies of any claims-related documents that relate to the evaluation of their claim.

Claims-related documents include, but are not limited to, repair and replacement estimates and bids, appraisals, scopes of loss, drawings, plans, reports, third party findings on the amount of loss, covered damages, and cost of repairs, and all other valuation, measurement, and loss adjustment calculations of the amount of loss, covered damage, and cost of repairs. However, attorney work product and attorney-client privileged documents, and documents that indicate fraud by the **insured** or that contain medically privileged information, are excluded from the documents we are required to provide.

Any claims-related documents that are requested will be provided within 15 days.

4. Loss Settlement and Limit of Liability

- a. We will settle covered losses to the following articles of personal property:
 - (1) medals, coins, coin collections and other numismatic property;
 - (2) stamps, stamp collections and other philatelic property;
 - (3) jewelry;
 - (4) antiques, fine arts, paintings and similar rare or antique articles;
 - (5) collectibles that have no intrinsic monetary value but derive their value solely from their desirability to collectors;
 - (6) memorabilia, souvenirs, collectibles other than as defined in (5) above, and similar articles whose age or history contribute to their value;
 - (7) articles not maintained in good or workable condition;
 - (8) articles that are outdated or obsolete and are stored or not being used;

for the lowest of the following at the time of the loss:

- (1) the fair market value of the lost or damaged property;
- (2) the cost to repair the damaged property;
- (3) the cost to replace the lost or damaged property with property of the same kind, of reasonably similar quality and usefulness, and in the same condition;
- (4) the limit of liability applicable to the lost or damaged property.

- b. We will settle covered losses to:

- (1) personal property other than as described under a. above;
- (2) awnings, wall-to-wall carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached or otherwise connected to buildings;

for the lowest of the following at the time of the loss:

- (1) the **replacement cost less depreciation**, but not less than the fair market value of the lost or damaged property;
- (2) the cost to repair the damaged property;
- (3) the cost to replace the lost or damaged property with property of the same kind, of reasonably similar quality and usefulness, and in the same condition;
- (4) the limit of liability applicable to the lost or damaged property.

c. We will settle covered losses to structures that are not buildings for the lower of:

- (1) the **replacement cost** less **depreciation**, but not less than the fair market value at the time of the loss, of the damaged or destroyed part of the structure;
- (2) the limit of liability stated in the declarations for COVERAGE B.

d. We will settle covered losses to buildings as follows:

- (1) If the amount of a covered loss does not exceed \$5,000, we may, at our option, pay the **replacement cost** of the damaged or destroyed part of the building before repair or replacement is made.
- (2) If the loss is not subject to payment under (1) above, and:
 - (a) If you elect not to repair or replace, we will settle for the lower of:
 - i. the **replacement cost** less **depreciation**, but not less than the fair market value at the time of the loss, of the damaged or destroyed part of the building;
 - ii. the limit of liability stated in the declarations for COVERAGE A for loss to the dwelling, or for COVERAGE B for loss to other buildings.
 - (b) If you elect to repair or replace, we will settle for the lower of:
 - i. the **replacement cost** less **depreciation**;
 - ii. the limit of liability stated in the declarations for COVERAGE A for loss to the dwelling, or for COVERAGE B for loss to other buildings;

until repair or replacement is completed as required.

After repair or replacement is completed as required, we will settle on a **replacement cost** basis for any additional cost you actually and necessarily incurred to repair or replace the damaged or destroyed part of the building, not to exceed the amount of the limit of liability stated in the declarations for COVERAGE A for loss to the dwelling, or for COVERAGE B for loss to other buildings.

Repair or replacement is considered completed as required if:

- i. it was completed within 18 months of the date of the first payment described under (a) above; or
- ii. in the event of a state emergency, as defined in section 8558 of the Government Code, it was completed within 24 months of the date of the first payment described under (a) above.

Extensions of six months to complete the repair or replacement shall be provided for good cause.

Any loss claimed under (b) above that becomes ineligible for **replacement cost** settlement because repair or replacement was not completed as required will be settled as described under (a) above.

Our limit of liability for loss to any property insured under PART I shall not be increased because more than one person has an insurable interest in the property.

5. Loss to a Pair or Set

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

- a. repair or replace any part to restore the pair or set to its value before the loss; or
- b. pay the difference between the value established for the property under provision 4. above before and after the loss.

6. Glass Replacement

We will replace glass damaged in a loss covered under PART I with safety glazing material when required by ordinance or law.

7. Appraisal

If you and we fail to agree on the amount of a covered loss, either can make a written request that the amount of loss be set by appraisal. If either you or we make a written request for appraisal that is accepted, each shall select a competent and disinterested appraiser and notify the other of the appraiser's identity within 20 calendar days of receipt of the request. In the event of a government-declared disaster, as defined in the California Government Code, appraisal may be requested by either you or we but shall not be compelled.

Appraisal proceedings will be informal unless you and we mutually agree otherwise. Informal means that no formal discovery shall be conducted, including depositions, interrogatories, requests for admission, or other forms of formal civil discovery, no formal rules of evidence shall be applied, and no court reporter shall be used for the proceedings.

The two appraisers shall then select a competent and disinterested umpire. If the two appraisers are unable to agree upon an umpire within 15 calendar days, you or we can request a judge of the Superior Court of California to select an umpire.

The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written award signed by any two of these three shall set the amount of the loss.

Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

8. Other Insurance

If there is other applicable insurance for a loss covered under PART I, we will pay only our share of the loss. Our share is the proportion that the limit of liability applicable under PART I bears to the total amount of insurance covering the loss.

9. Suits Against Us

We may not be sued unless all terms of this policy have been fully complied with. In addition, legal action may not be brought against us under PART I unless the action is started within one year after the date of loss.

10. Our Option

At our option, we may take part or all of the covered damaged property at the agreed or appraised value. We may also repair or rebuild or replace covered damaged or destroyed property with property of like or reasonably similar kind and quality. We will notify you of our intention in writing within 30 calendar days after we receive your signed, sworn proof of loss.

11. Loss Payment

We will pay you unless another payee is named in the policy or is legally entitled to receive payment. Loss is payable within 30 calendar days after we receive your signed, sworn proof of loss and:

- a. reach agreement with you; or
- b. an appraisal award is filed with us; or
- c. a final judgment is entered.

12. Abandonment of Property

We need not accept any property abandoned by any **insured**.

13. Mortgage Clause

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under COVERAGE A or COVERAGE B shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order or precedence of the mortgages.

If we deny your claim, that denial shall not apply to a valid, covered 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;
- c. submits a signed, sworn proof of loss within 60 calendar days after we notify the mortgagee of your failure to submit the required proof of loss.

Policy conditions relating to Appraisal, Suits Against Us and Loss Payment apply to the mortgagee.

If the policy is cancelled or nonrenewed by us, the mortgagee shall be notified at least 10 calendar days before the date cancellation or nonrenewal will become effective.

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 shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

14. No Benefit to Bailee

This insurance shall not in any way benefit any person or organization who may be holding, storing or transporting property for a fee.

15. 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, our loss payment will be adjusted based on the amount of the payment we made for the recovered property.

16. Adjusters

If, within a six-month period, we assign a third or subsequent adjuster to be primarily responsible for a claim, we, in a timely manner, shall provide the **insured** with a written status report. The written status report shall include a summary of any decisions or actions that are substantially related to the disposition of the claim, including, but not limited to, the amount of the losses to structures or contents, the retention or consultation of design or construction professionals, the amount of coverage for losses to structures or contents and all items of dispute.

17. Your Duty to Select and Maintain Policy Limits

At each policy renewal date, the amount of the limit of liability stated in the declarations for COVERAGE A may be adjusted to account for inflation, current building costs, changes in the cost of items of personal property, and other factors. Any adjustment of the amount of the COVERAGE A limit of liability will result in proportionate adjustments of the amounts of limits of liability of COVERAGE B and COVERAGE C, and the amounts of the limits of liability of those OTHER COVERAGES – PART I, for which the limits of liability are stated in the policy as a percentage of the COVERAGE A limit of liability. It is your duty, however, to select and maintain adequate amounts of insurance.

Any adjustment in the limits of liability listed above do not, in any way, represent, warrant, or guarantee that these adjustments will accurately account for inflation or that the amounts of coverage are adequate to repair or replace the damaged or destroyed property.

18. Our Right to Inspect

We reserve the right to conduct inspections of your **residence premises** upon reasonable notice as often as we deem reasonably necessary. We may conduct inspections to determine insurability and the premiums to be charged. You must permit inspections and cooperate with us during the inspection process.

19. Your Duty to Notify Us of Increase in Value

You must notify us within 30 calendar days prior to completion of:

- a. the remodeling of or any addition to the dwelling covered under COVERAGE A; or
- b. the construction of new buildings or remodeling of or addition to existing buildings covered under COVERAGE B;

that will increase the cost to replace the buildings covered under COVERAGE A and COVERAGE B by \$15,000 or more.

PART II – LIABILITY COVERAGES

COVERAGE D – PERSONAL LIABILITY

COVERAGE E – MEDICAL PAYMENTS TO OTHERS

WHAT LOSSES ARE COVERED – COVERAGE D

1. We will pay damages which any **insured** is legally liable to pay because of:

- a. **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies;
- b. **personal injury** to which this coverage applies.

Damages do not include criminal fines, penalties or restitution orders.

2. We will defend any suit claiming damages for **bodily injury**, **property damage** or **personal injury** to which this coverage applies. We will defend suit even if the allegations are groundless, false or fraudulent. Defense lawyers will be hired by us. If any **insured** retains a lawyer for any claim, whether or not covered under this coverage, we will not pay the fees and cost charged by that lawyer. Our duty to defend ends when the amount we pay for damages resulting from one **occurrence** equals our limit of liability. We have no duty to defend any **insured** in any criminal action or proceeding in which the recovery of a fine, penalty or restitution is sought.
3. We may settle any claim or suit as we think appropriate.

WHAT LOSSES ARE COVERED – COVERAGE E

We will pay reasonable expenses actually incurred for necessary medical and funeral services because of **bodily injury** sustained as a result of an accident to which this coverage applies. We will pay only for services actually rendered within 3 years from the accident date.

This coverage applies to:

1. persons on the **insured location** with the permission of any **insured**;
2. persons off the **insured location** if the **bodily injury**:
 - a. arises out of a condition in the **insured location** or the ways immediately adjoining; or
 - b. is caused by the activities of any **insured**; or
 - c. is caused by a **residence employee** in the course of that **residence employee's** employment by any **insured**; or
 - d. is caused by an animal owned by or in the care or custody of any **insured**;
3. **residence employees**.

WHAT LOSSES ARE NOT COVERED – PART II

1. Under COVERAGES D and E we do not cover:
 - a. **Bodily injury** or **property damage** arising out of:
 - (1) Acts or omissions committed by or at the direction of any **insured** with the intent to produce **bodily injury** or **property damage** of any kind and in any degree.
 - (2) Intentional acts or omissions committed by or at the direction of any **insured** that could reasonably be expected to result in **bodily injury** or **property damage** of any kind and in any degree. This applies whether or not the **insured** forms the intent or has the mental capacity to form the intent to cause **bodily injury** or **property damage**.
 - (3) Criminal acts or omissions committed by or at the direction of any **insured** that could reasonably be expected to result in **bodily injury** or **property damage** of any kind and in any degree.
 - (4) Acts or omissions committed by or at the direction of any **insured** while under the influence of any **drug**. This exclusion does not apply to any acts or omissions committed while under the influence of any prescription **drug** legally dispensed in the USA and taken under the order of and in compliance with the instructions of a physician licensed in the USA.
 - b. **Bodily injury** or **property damage** arising out of any premises which is or has ever been owned by or rented or leased to any **insured**, other than an **insured location**.

This exclusion does not apply to **bodily injury** to **residence employees** if the injury arises out of and in the course of employment by any **insured**.

- c. **Bodily injury** or **property damage** arising out of or in connection with:
 - (1) The operation of a family day care home.
 - (2) Any other **business** of any **insured**.
This exclusion does not apply:
 - (a) to the renting, leasing or holding for rental or lease of a residence of yours on an occasional basis for the use only as a residence;
 - (b) to the renting, leasing or holding for rental or lease of a residence of yours:
 - i. in part, for the use as a residence by no more than two roomers or boarders;
 - ii. in part, as an office, school, studio or private parking garage;
 - (c) to the renting, leasing or holding for rental or lease for use as a residence of that part of your dwelling on the **residence premises** that you do not occupy. This applies only if the dwelling is a two family dwelling.
 - (d) to any part-time or occasional **business** of any **insured** who is under the age of 18, is self-employed, has no employees, and has received no more than \$2,000 in total compensation during the prior 12 months.
- d. **Bodily injury** or **property damage** arising out of the rendering or failing to render professional services.
- e. **Bodily injury** or **property damage** arising out of the manufacture, sale, delivery or transfer of any **drug** by any **insured**.
- f. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading or unloading of motor vehicles or any other motorized land conveyances, including trailers of any type. This exclusion does not apply to:
 - (1) trailers not towed by, attached to or carried on motor vehicles or other motorized land conveyances;
 - (2) motor vehicles or other motorized land conveyances:
 - (a) designed to assist and used by the physically handicapped if:
 - i. not subject to motor vehicle registration; and
 - ii. not designed, constructed or altered for travel on public roads;
 - (b) stored on an **insured location** and inoperable;
 - (c) used exclusively on an **insured location**;
 - (d) designed for recreational use off public roads, not subject to motor vehicle registration and not owned by any **insured**;
 - (3) motorized golf carts not licensed and not required to be licensed for highway use;
 - (4) **bodily injury** to **residence employees** if the injury arises out of and in the course of employment by any **insured**.
- g. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading or unloading of watercraft:
 - (1) exceeding 26 feet 5 inches in overall length; or
 - (2) powered by any inboard, jet-drive or inboard/outboard motor, and owned by or leased to any **insured**; or

- (3) powered by any inboard, jet-drive or inboard/outboard motor exceeding 50 horsepower, and rented to any **insured**; or
- (4) powered by one or more outboard motors with a total of 25 or more horsepower, and owned by or leased to any **insured**.

This exclusion does not apply:

- (1) while the watercraft is on an **insured location** or stored on land elsewhere;
 - (2) to **bodily injury** to **residence employees** if the injury arises out of and in the course of employment by any **insured**.
- h. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading or unloading of aircraft, meaning any contrivance used or designed for navigation of or flight in the air, except model aircraft of the hobby variety not used or designed to carry people or cargo.
- This exclusion does not apply to **bodily injury** to **residence employees** if the injury arises out of and in the course of employment by any **insured**.
- i. **Bodily injury** or **property damage** arising out of any **insured's**:
- (1) entrustment to any other person; or
 - (2) vicarious parental liability, whether or not imposed by statute, for the actions of a child or minor relating to the operation, maintenance, loading or unloading; or
 - (3) supervision of any other person in the operation, maintenance, loading or unloading;
- of motor vehicles or any other motorized land conveyances, including trailers of any type, or of any watercraft or aircraft not covered under PART II.
- j. **Bodily injury** or **property damage** caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
- k. **Bodily injury** or **property damage** arising out of, in connection with, aggravated by, or consisting of **pollutants**.
- l. **Bodily injury** or **property damage** arising out of the ownership of, custody of, or care for the following pure or mixed breed or pure or mixed type of dogs:
- (1) Any pit bull type of dog (which may be known as American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, Bull Terrier, Miniature Bull Terrier, American Bulldog, Dogo Argentino or Alpha Blue Bulldog);
 - (2) Rottweiler;
 - (3) Akita (which may be known as a Japanese Akita or an Akita Inu); or
 - (4) Canary Dog (which may be known as a Presa Canario or a Perro de Presa Canario).
- m. **Bodily injury** arising out of the transmission by any **insured** of any disease or of any organisms or agents capable of causing such disease through:
- (1) personal physical contact of any **insured** with any other person;
 - (2) the transmission of any **insured's** body fluids to any other person.

- n. **Bodily injury** arising out of:
- (1) sexual misconduct including, but not limited to, sexual harassment, sexual abuse, and sexual molestation;
 - (2) corporal punishment;
 - (3) physical or mental abuse;
- whether or not committed with the intent to produce **bodily injury**.
- o. **Bodily injury** or **property damage** arising out of, in connection with, aggravated by, or consisting of mold, fungus, wet rot, dry rot, or bacteria.
2. In addition, under COVERAGE D, we do not cover:
- a. **Bodily injury** to you and the following residents of your household:
- (1) Your relatives by blood, marriage, adoption or domestic partnership registered under California law.
 - (2) Any other person under the age of 21 who is in the care of you or any person included under (1) above.
- b. **Bodily injury** to any person when the ultimate benefits of indemnification accrue directly or indirectly to you or the following residents of your household:
- (1) Your relatives by blood, marriage, adoption or domestic partnership registered under California law.
 - (2) Any other person under the age of 21 who is in the care of you or any person included under (1) above.
- c. **Bodily injury** or **property damage** if insurance is or can be afforded under a nuclear energy liability policy.
- d. **Bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured** under any workers' compensation law, nonoccupational disability law or occupational disease law.
- e. **Property damage** to property owned by any **insured** or any other resident of your household. This includes any cost or expense incurred by any **insured** or by others to repair, replace, stabilize, restore, maintain or otherwise change the condition of any property owned by any **insured** to prevent injury to a person or property of others, whether on or off an **insured location**.
- f. **Property damage** to property rented or leased to, occupied or used by, or in the care, custody or control of any **insured** unless the **property damage** is caused by fire, smoke or explosion.
- g. Liability:
- (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners.
 - (2) Under any contract or agreement.
- We do cover liability assumed under written contracts that directly relate to the ownership, maintenance or use of an **insured location** unless excluded in (1) above or elsewhere in this policy.
- (3) Arising out of the sale or transfer of real property including but not limited to the following:
 - (a) known or unknown property or structural defects;
 - (b) known or hidden defects in the plumbing, heating, and electrical systems;
 - (c) known or unknown soil conditions or drainage problems; or
 - (d) concealment or misrepresentation of any known defects.

h. **Personal injury:**

- (1) To you and the following residents of your household:
 - (a) Your relatives by blood, marriage, adoption or domestic partnership registered under California law.
 - (b) Any other person under the age of 21 who is in the care of you or any person included under (a) above.
- (2) Sustained by any person as a result of an act directly or indirectly related to that person's selection for, engagement in, or termination of employment by any **insured**.
- (3) Arising out of:
 - (a) criminal acts or omissions committed by or at the direction of any **insured**;
 - (b) any publication or utterance made by, at the direction of, or with the consent of any **insured** having knowledge of its falsity or reason to believe that it was false;
 - (c) the rendering or failing to render professional services;
 - (d) advertising, publishing, broadcasting or telecasting activities conducted by or on behalf of any **insured**;
 - (e) civic or public activities performed for pay by any **insured**;
 - (f) any **insured's** activities:
 - i. as an officer, director, trustee or agent of the United States Government, or of any state, county, school district or any other political subdivision; or
 - ii. as a candidate for public office; or
 - iii. on behalf of a candidate for public office.
- (4) Arising out of or in connection with the **business** of any **insured**.
- (5) Arising out of or in connection with sexual misconduct including, but not limited to, sexual abuse and sexual molestation committed by or at the direction of or on behalf of any **insured**.
- (6) Arising out of any communication, publication or posting by means of the internet, worldwide web or any local intranet.

i. Liability for punitive or exemplary damages. However, if the underlying claim is covered under COVERAGE D, we will defend suit alleging such damages. Defense lawyers will be hired by us. If any **insured** retains a lawyer in any such suit, we will not pay for the fees and cost charged by that lawyer. Our duty to defend ends when:

- (1) the amount we pay for covered nonpunitive damages equals our limit of liability; or
- (2) all claims for covered nonpunitive damages have been resolved by judgments or settlements;

whichever comes first.

3. In addition, under COVERAGE E we do not cover **bodily injury**:

- a. To you or any other person regularly residing on any part of the **insured location**, except **residence employees**.
- b. To **residence employees** if the **bodily injury** occurs off the **insured location** and does not arise out of and in the course of the **residence employee's** employment by any **insured**.

- c. To any person eligible to receive any benefits required to be provided or voluntarily provided under any workers' compensation law, nonoccupational disability law or occupational disease law.
- d. From any nuclear reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or from any consequence of any of these.

ADDITIONAL PAYMENTS – PART II

In addition to the limits of liability, we will pay:

1. CLAIM EXPENSES

We will pay:

- a. All settlement and defense costs we incur.
- b. Interest on damages covered under COVERAGE D on that portion of a judgment that is within our limit of liability, except:
 - (1) if we offer to pay our limit of liability before judgment, we will not pay interest thereafter;
 - (2) if a judgment is rendered, we will not pay interest after our limit of liability has been paid or deposited in court.
- c. Up to \$200 a day for earnings an **insured** actually loses because of attendance at hearings or trials at our request.
- d. Other reasonable expenses an **insured** actually incurs at our request.
- e. Premiums on appeal bonds or attachment bonds required in any suit we defend. We will not pay the premium for:
 - (1) any bond in excess of the limits of liability;
 - (2) an appeal bond for that portion of a judgment that is not covered under COVERAGE D.

We will pay for but not apply for or furnish any such bonds.

2. FIRST AID EXPENSES

We will pay reasonable expenses any **insured** actually incurs for first aid to others because of **bodily injury** covered under PART II. We will not pay for first aid to you or any other **insured**.

3. DAMAGE TO PROPERTY OF OTHERS

We will pay on a **replacement cost** basis up to \$500 per **occurrence** for **property damage** to property of others if that damage is caused by any **insured**.

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

- a. To the extent of any amount recoverable under PART I of this policy.
- b. Caused intentionally by any **insured** age 13 or older.
- c. To property owned by or rented or leased to any **insured**, any other resident of your household or a tenant of any **insured**.
- d. Arising out of or in connection with any **insured's business**.
- e. Arising out of any acts or omissions in connection with any premises which is or has ever been owned by or rented or leased to any **insured**, other than an **insured location**.
- f. Arising out of the ownership, maintenance, use, loading or unloading of motor vehicles or any other motorized land conveyances, including trailers of any type, watercraft or aircraft.

This exclusion does not apply to motor vehicles or other motorized land conveyances designed for recreational use off public roads, not subject to motor vehicle registration, and not owned by any **insured**.

- g. Arising out of any **insured's**:
 - (1) entrustment to any other person; or
 - (2) vicarious parental liability, whether or not imposed by statute, for the actions of a child or minor relating to the maintenance, use, loading or unloading; or
 - (3) supervision of any person in the maintenance, use, loading or unloading;

of motor vehicles or any other motorized land conveyances, including trailers of any type, watercraft or aircraft.
- h. Arising out of the ownership of, custody of, or the care for the following pure or mixed breed or pure or mixed type of dogs:
 - (1) Any pit bull type of dog (which may be known as American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, Bull Terrier, Miniature Bull Terrier, American Bulldog, Dogo Argentino or Alpha Blue Bulldog);
 - (2) Rottweiler;
 - (3) Akita (which may be known as a Japanese Akita or an Akita Inu); or
 - (4) Canary Dog (which may be known as a Presa Canario or a Perro de Presa Canario).

CONDITIONS – PART II

1. Limit of Liability

Regardless of the number of **insureds**, persons injured, persons or organizations who sustain **personal injury**, claims made or suits brought, the limit of liability stated in the declarations for:

- a. COVERAGE D is the most we will pay for:

- (1) **Bodily injury** and **property damage** resulting from any one **occurrence**. If an **insured** has been insured for more than one policy period under this or any other homeowners policy issued by us, and an accident, including continuous or repeated injurious exposure to essentially the same conditions, results in **bodily injury** or **property damage** during more than one of these policy periods, the limits of liability of two or more of these policy periods may not be added together, combined or stacked to increase the coverage for this **bodily injury** or **property damage**.

- (2) **Personal injury**:

- (a) for all damages related to, arising out of or in connection with, or resulting from any one act that first gave rise to the claim under this coverage, regardless of the policy period during which that act occurred; and

- (b) per policy period for all **personal injury** during that policy period;

in the aggregate.

We will not pay any claims for **bodily injury**, **property damage** or **personal injury** after we have paid the amount of the applicable limit of liability.

- b. COVERAGE E is the most we will pay for all medical expenses because of **bodily injury** to one person as the result of any one accident.

2. Duties After Loss

- a. In the event of accident, **occurrence** or **personal injury**, we must be notified promptly and informed of the time, place and circumstances of the accident, **occurrence** or **personal injury**, including the names and addresses of persons involved, injured persons and witnesses.
- b. In case of claim or suit against any **insured**, any legal papers received by any **insured** must be sent to us promptly.

- c. Any **insured** shall cooperate with us in the investigation of any claim and shall, at our request:

- (1) attend hearings and trials;
- (2) assist in:
 - (a) making settlements;
 - (b) securing and giving evidence;
 - (c) obtaining the attendance of witnesses;
 - (d) the conduct of suits;

- (3) submit to examinations under oath, not in the presence of any other **insured**, and sign and return to us the transcript of such examinations;

- (4) authorize us to obtain any documentation we reasonably require in investigating any claim.

- d. **Insureds** shall not, except at their own cost, voluntarily:

- (1) Make any payment or assume any obligation.
- (2) Incur any expense other than for first aid to others at the time of **bodily injury**.

- e. Under provision 3. of ADDITIONAL PAYMENTS – PART II, an **insured** shall, within 60 days after the loss, give us a sworn statement of loss and make the damaged property available for our inspection if the property is within the **insured's** control.

3. Duties of an Injured Person – COVERAGE E

- a. Any injured person or someone acting on behalf of the injured person shall:

- (1) promptly give us written proof of any claim and any further information requested by us, under oath if required;
- (2) execute authorizations to allow us to obtain copies of medical reports and records.

- b. Any injured person shall, when and as often as we reasonably require, submit to physical examinations by physicians we choose.

4. Payment of Claim – COVERAGE E

We may pay the injured person or any person or organization rendering services. Payment by us shall reduce the amount we owe. Payment by us is not an admission:

- a. of liability by us or any **insured**;
- b. that the medical expenses were reasonable or necessary or otherwise covered under PART II.

5. Suits Against Us

We may not be sued until all terms of this policy have been fully complied with. In addition, under COVERAGE D, legal action may not be brought against us until the obligation to pay, by any **insured**, is finally determined either by:

- a. judgment against the **insured** after actual trial; or
- b. written agreement of the **insured**, the claimant and us.

No one has the right to bring us into a suit to determine the liability of any **insured**.

6. Other Insurance – COVERAGE D

This insurance is excess over any other valid and collectible insurance. If there is insurance provided by us under any other policy affording Personal Liability coverage:

- a. the limits of liability of the applicable policies may not be added together, combined or stacked to increase the coverage for any one **occurrence** or any **personal injury**;
- b. the highest limits of any of the policies apply.

This provision does not apply to other insurance written specifically as excess over the limits of liability of this policy.

BANKRUPTCY

Bankruptcy or insolvency of any **insured** shall not relieve us of any obligations under this policy.

CHANGES AND LIBERALIZATION

This policy may not be changed unless we authorize and agree upon the change. We will mail or deliver a written endorsement reflecting the change. Mailing or delivery by us to the insured(s) named in the declarations at the last address on record shall constitute proof of endorsement or notice.

If we make changes under this edition of the policy that broaden coverage without charge, this policy will automatically provide the broadened coverages as of the date we implement them, provided that date is during the policy period. This provision does not apply when we issue a new edition of the policy.

CONCEALMENT OR FRAUD

This entire policy shall be void if either before or after a loss:

1. the **insured** has, with respect to the perils of fire or lightning; or
2. any **insured** has, with respect to any cause of loss other than fire or lightning;

willfully concealed or misrepresented any material fact or circumstance, or intentionally made false statements or engaged in fraudulent conduct concerning or relating to this insurance.

JOINT OBLIGATIONS OF INSUREDS

The terms of this policy impose joint obligations on all persons defined as persons **insured**. This means that the responsibilities, acts and failures to act of any person defined as an **insured** will be binding upon any other person defined as an **insured**.

POLICY PERIOD

This policy applies only to:

1. loss under PART I;
2. **bodily injury, property damage or personal injury** under PART II;

which occurs during the policy period stated in the declarations.

STATEMENTS IN THE APPLICATION FOR INSURANCE

By accepting this policy, you agree:

1. The facts stated in the application for insurance and the declarations are correct and accurate. We have issued the policy in reliance upon the truth of your statements.
2. This policy contains all the agreements between you and us.
3. Except as specifically provided in provision 4. below, you or someone on your behalf will notify us promptly of any change to the facts affecting this insurance, including but not limited to:
 - a. any change of location, title or use of, or exposure to, the **residence premises**;
 - b. any change in the number of **residence employees**.
4. You will notify us within 30 calendar days prior to completion of:
 - a. the remodeling of or any addition to the dwelling covered under COVERAGE A; or
 - b. the construction of new buildings or remodeling of or addition to existing buildings covered under COVERAGE B;

that will increase the cost to replace the buildings covered under COVERAGE A and COVERAGE B by \$15,000 or more.

SUBROGATION

When we pay, any rights of recovery from someone else become ours up to the amount we have paid. Any **insured** must:

1. protect these rights; and
2. help us enforce them.

If we recover damages through subrogation, we will pay you the amount recovered not to exceed the applicable deductible.

You may waive all rights of recovery against any person. This waiver must be executed in writing before a loss occurs.

Subrogation does not apply to COVERAGE E, or to coverage under provision 3. of ADDITIONAL PAYMENTS – PART II.

TERMINATION

This policy is subject to the following termination provisions:

1. Cancellation by You

You may cancel the entire policy by returning the policy (including the declarations) to us, or you may cancel the entire policy or portions of it by giving us notice of what you wish cancelled, and on what future date you wish to stop coverage.

2. Cancellation by Us

We may cancel this policy:

- a. for nonpayment of premium;
- b. for fraud;
- c. when it has been in effect for less than 60 calendar days and is not a renewal, for any other reason not prohibited by law; or
- d. when it has been in effect for 60 or more calendar days or it is a renewal, for any of the following reasons:
 - (1) you have been convicted of a crime having as one of its necessary elements an act increasing any hazard insured against;
 - (2) discovery of fraud or material misrepresentation committed by any insured or his or her representative in obtaining the insurance or by you or your representative in pursuing a claim under the policy;
 - (3) discovery of grossly negligent acts or omissions by any insured or his or her representative substantially increasing any of the risks insured against;
 - (4) physical changes in the property insured under this policy which result in the property becoming uninsurable.

We will mail notice at least:

- a. 10 calendar days prior to the effective date of cancellation when your policy is cancelled for nonpayment of premium or fraud.
- b. 20 calendar days prior to the effective date of cancellation when your policy is cancelled for any other reason.

The mailing time of the notice listed above will be extended by:

- a. 5 calendar days when your last address, on our records, is within the State of California.
- b. 10 calendar days when your last address, on our records, is outside the State of California but within the United States.
- c. 20 calendar days when your last address, on our records, is outside the United States.

3. Nonrenewal

We retain the right to refuse renewal of this policy for any reason not prohibited by law. We will notify you of our intention:

- not to renew this policy; or
- to condition its renewal on the reduction of limits or elimination of coverage;

at least 45 calendar days before the policy period ends.

4. Automatic Termination

If we offer to renew or continue this policy and the premium required to renew or continue the policy is not paid when due, we will assume you have rejected our offer. Coverage under this policy will then terminate on the date and time of expiration stated in the declarations.

5. Method of Mailing Notice

Notice of cancellation or nonrenewal will be in writing and mailed or delivered to the insured(s) named in the declarations at the last address on our records. Mailing of notice shall be sufficient proof of notice.

6. Premium Refund

When this policy is cancelled, a premium refund may be due you. If so, we will mail you the refund. We will make any refund you are due as soon as we are reasonably able to do so. The termination will be effective even if the refund is not made immediately.

If this policy is cancelled during the first policy period:

- by you for any reason; or
- by us for nonpayment of premium;

the cancellation may be short rated. Under the short rate method of cancellation, the premium due us is more than a proportionate share of the annual premium.

Any other cancellation by you or by us will be prorated, meaning the premium due us will be a proportionate share of the annual premium.

TRANSFER OR ASSIGNMENT

This policy or any interests in it may not be assigned without our written consent. In case of your death:

- the deceased's interest in this policy will be transferred to the legal representative of the deceased, but only with respect to the premises and property of the deceased covered under this policy at the time of the death;
- the following persons will be insured under the policy:
 - any member of the deceased's household who is an **insured** at the time of the death, but only while a resident of the **residence premises**;
 - with respect to the property of the deceased that is insured under this policy, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

Coverage under this provision will only be provided until the end of the policy period during which the death occurred. However, if the death occurred after we offered to renew this policy, we will continue coverage until the end of the policy period for which we offered renewal, contingent upon payment of the premium.

YOUR PREMIUM

You agree to pay:

- the premium stated in the declarations for the policy period; and
 - any additional premium resulting during the policy period from:
 - the correction or completion of;
 - any changes to;any information on file that affects the premium for this insurance.
- If a. or b. above results in a premium decrease during the policy period, any refund due will be:
- mailed to you if your premium is paid in full; or
 - applied to your outstanding balance.

PART IV – WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

COVERAGE F – WORKERS' COMPENSATION

COVERAGE G – EMPLOYERS' LIABILITY

WHAT LOSSES ARE COVERED – COVERAGE F AND COVERAGE G

With respect to **residence employees** of any **insured**, we agree:

- Under COVERAGE F, to pay promptly when due all compensation and other benefits required of any **insured** by the California Workers' Compensation Law for **residence employees**.
- Under COVERAGE G, to pay damages which any **insured** is legally liable to pay because of **bodily injury** to a **residence employee** if that **bodily injury** is caused by accident or disease and arises out of and in the course of employment by that **insured**. For the purposes of this provision, **bodily injury** includes damages for which any **insured** is liable because of suits or claims brought against that **insured** by a third party to recover the damages paid by that third party because of **bodily injury** to any **residence employees** of that **insured** that arose out of and in the course of employment.

WHAT LOSSES ARE NOT COVERED – PART IV

- Under COVERAGES F and G we do not cover:
 - any additional compensation imposed on any **insured** under Section 132a, Division I, and under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of:

- the discrimination against, coercion or termination of any **residence employee**;
 - the serious and willful misconduct of any **insured** or any representative of an **insured**;
 - injury to an employee under 16 years of age and illegally employed at the time of injury;
- bodily injury** arising out of or in connection with the **business** of any **insured**;
 - bodily injury** to any person employed by his or her parent, spouse, registered domestic partner or child.
- In addition, under COVERAGE G, we do not cover:
 - bodily injury** by disease, unless written claim is made or suit is brought against any **insured** within 36 months after the end of the policy period;
 - bodily injury** to any **residence employee**:
 - while employed in violation of the law with the knowledge of any **insured**;
 - while acting as a master or member of the crew of any vessel;
 - intentionally caused or aggravated by any **insured**;
 - sustained outside the United States of America, its territories or possessions, or Canada unless the injured **residence employee** is a citizen or resident of the United States of America or Canada who is temporarily outside these countries;

- c. **bodily injury** to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950);
- d. liability assumed by any **insured** under any contract or agreement;
- e. any obligation for which any **insured** or that **insured's** insurer may be held liable under the California Workers' Compensation Law, any other workers' compensation or occupational disease law, any unemployment compensation or disability benefits law, or under any similar law;
- f. any suit brought in or any judgment rendered by any court outside the United States of America, its territories or possessions, or Canada, or any action on such judgment wherever brought;
- g. punitive or exemplary damages because of **bodily injury** to any **residence employee** employed by any **insured** in violation of law;
- h. fines or penalties imposed on any **insured** for the violation of any federal or state law;
- i. damages arising out of the discrimination against, coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or termination of any **residence employee**.

APPLICATION OF COVERAGE AND POLICY PERIOD – PART IV

We will pay for **bodily injury**:

- 1. Resulting from an accident and occurring during the policy period stated in the declarations.
- 2. Resulting from disease caused or aggravated by the conditions of the **residence employee's** employment by any **insured**. The **residence employee's** last day of last exposure to the conditions that caused or aggravated the disease must be during the policy period stated in the declarations.

CONDITIONS – PART IV

- 1. In addition to the conditions listed under 2., 3., 4. and 5. below, only the following provisions of the policy apply to PART IV:
 - a. AGREEMENT.
 - b. DEFINITIONS.
 - c. Bankruptcy, Changes and Liberalization, Statements in the Application for Insurance, Subrogation, Termination, Transfer or Assignment and Your Premium under GENERAL PROVISIONS.
 - d. Agreement for defense and settlement under provision 2. of WHAT LOSSES ARE COVERED – COVERAGE D in PART II.

- e. Claim Expenses under provision 1., and First Aid Expenses under provision 2. of ADDITIONAL PAYMENTS – PART II.
- f. Duties After Loss, Duties of an Injured Person, and Suits Against Us under provisions 2., 3. and 5. of CONDITIONS – PART II.

2. Under COVERAGE F only:

- a. We shall be directly and primarily liable to any **residence employee** of any **insured** entitled to the benefits of the California Workers' Compensation Law under this policy.
- b. When an **insured** knows of or is notified of the occurrence of an injury to a **residence employee**, we will consider that notice or knowledge on our part.
- c. For the purpose of the law imposing liability for compensation, the jurisdiction of an **insured** will be our jurisdiction.
- d. Subject to the provisions, conditions and limitations of PART IV, we will in all things be bound by and subject to the orders, findings, decisions or awards rendered against any **insured** under the provisions of the law imposing liability for compensation. PART IV shall govern as between any **insured** and us as to payments by either in discharge of any **insured's** liability for compensation.
- e. The **residence employee** has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the **residence employee**, we will pay it directly to the **residence employee**. Your obligation to the **residence employee** will be discharged to the extent of such payment.

3. Under COVERAGE G only, our limit of liability will not exceed \$100,000 for all damages:

- a. Because of **bodily injury** sustained by one or more **residence employees** in any one accident.
- b. Arising out of **bodily injury** by disease sustained by one **residence employee**.

Subject to our limit of liability for one **residence employee**, our total limit of liability will not exceed \$500,000 for all damages arising out of **bodily injury** by disease, regardless of the number of **residence employees** who sustain **bodily injury** by disease.

- 4. PART IV does not apply to any loss with respect to which other valid and collectible workers' compensation or employers' liability insurance applies.
- 5. The terms of PART IV which are in conflict with the provisions of the California Workers' Compensation Law are hereby amended to conform to that law.

In Witness Whereof, the Interinsurance Exchange of the Automobile Club has caused this policy to be executed by its Attorney-In-Fact at Costa Mesa, California.

ACSC Management Services, Inc.
ATTORNEY-IN-FACT

By



SECRETARY

By



PRESIDENT AND CHIEF EXECUTIVE OFFICER