

000001
Liberty Mutual
PO Box 958416
Lake Mary, FL 32795-9959



Andrew Razumov
Irina Razumov
3056 Camden Bluff Rd
Frisco TX 75034-4582

Welcome

Thank you for choosing Liberty Mutual.

This package contains your new homeowners insurance policy. Please look over this information and keep it with your important documents.

Be sure to download our mobile app or visit LibertyMutual.com/register and check out our eService options. eService makes it easy to get information and manage your Liberty Mutual account online whenever you like.

This policy does not include flood coverage. To discuss whether a flood policy is available in your area, please call us at 1-800-600-2484.

If you have any questions about your coverage, available discounts or product offerings, please call us at 1-800-225-8285.

Sincerely,
Your Liberty Mutual Service Team



CONTACT US

Questions About
Your Policy

By Phone

For service:

1-800-225-8285

Mon - Fri 8AM-10PM EST

Sat 8AM-8PM EST

Sun 11AM-5PM EST

Visit Us Online

LibertyMutual.com

To Report a Claim

By Phone

1-800-2CLAIMS

(1-800-225-2467)

Online

LibertyMutual.com/Claims

Sign Up for eService

- Pay your bill
 - Go paperless
 - View your policy
 - File or view a claim
- Manage your policy 24/7 at
LibertyMutual.com/register

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CONTINUE TO THE NEXT PAGE
FOR A GUIDE TO YOUR
NEW HOME PACKET



A GUIDE TO YOUR NEW HOME PACKET

PAGE	SECTION
1	Policy Declarations Includes important information about your policy, including insurance information as well as your discounts and benefits.
2	Coverage Information Includes important coverage information. Please review this section in detail to ensure you are fully covered. Contact us with any questions.
4-78	Important Notices & Policy Forms This section includes any notices and policy forms that may change your coverages.



Named Insured:

1. Andrew Razumov
2. Irina Razumov

Policy Number:

H3V-291-484876-70 2 1

Policy Period:

02/27/2022 to 02/27/2023

Mailing Address:

3056 Camden Bluff Rd
Frisco TX 75034-4582

Important Billing Information Enclosed

Have a complaint or need help?

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

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

Liberty Mutual Personal Insurance Company

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

Call: Liberty Mutual Insurance Company

Toll-free: 1-800-872-9043

Online: www.libertymutual.com

Email: TxConsumerInquiry@LibertyMutual.com

Mail: Liberty Mutual Insurance Company

Attn: Presidential Service Team

175 Berkeley Street

Boston, MA 02116

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

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

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

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

To compare policies and prices:

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

¿Tiene una queja o necesita ayuda?

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

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

Liberty Mutual Personal Insurance Company

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

Llame a: Liberty Mutual Insurance Company

Teléfono gratuito: 1-800-872-9043

En línea: www.libertymutual.com

Correo electrónico: TxConsumerInquiry@LibertyMutual.com

Dirección postal: Liberty Mutual Insurance Company

Attn: Presidential Service Team

175 Berkeley Street

Boston, MA 02116

El Departamento de Seguros de Texas

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

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

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

Para comparar pólizas y precios :

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



IMPORTANT INFORMATION REGARDING YOUR HOMEOWNERS, DWELLING, LANDLORD, CONDOMINIUM OR RENTERS POLICY

Thank you for trusting Liberty Mutual Insurance with your insurance needs. Texas law requires that we advise you of the following regarding **flood insurance**:

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

The above summary is for information purposes only and does not provide coverage. Your policy and other applicable endorsements provide complete details of your coverages.



IMPORTANT INFORMATION REGARDING YOUR POLICY

Thank you for insuring your home with Liberty Mutual. In compliance with Texas regulations, we are required to inform you of the following items in your policy:

- Your policy contains exclusions for loss due to pollutants and contaminants. Pollutants and contaminants are defined in your policy to include, among other materials, liquid fuels, lead and asbestos.
- Your policy includes a duty to give prompt notice to us or our agent in case of a loss to covered property. You must file a claim with us within 365 days after the date of loss, unless good cause is shown as to why a claim was filed after the first anniversary of the loss.
- Your policy includes a "Suit Against Us" condition which states that action brought against us must be started from the earlier of two years from the date we accept or reject the claim or three years from the date of the loss that is subject to the claim.

If you have any questions, please contact your agent.

The above summary is for information purposes only and does not provide coverage. Your policy and other applicable endorsements provide complete details of your coverages.



Questions about your Policy?
Call 1-800-225-8285

Policy Number:
H3V-291-484876-70 2 1

Report a Claim:
1-800-2CLAIMS or
LibertyMutual.com/Claims



ACTION REQUIRED:
PLEASE REVIEW AND KEEP FOR YOUR RECORDS.

Policy Declarations

Total 12 Month Premium:* \$2,242.00



Save an estimated \$24
annually by switching to
Paid-in-Full

Policy
Declarations

Bill Frequency: Monthly Installment Fee Per Payment: \$2.00

*Total 12 month policy premium above does not include installment fees.

Your discounts and benefits have been applied. Includes state sales tax and local surcharge where applicable.

Insurance Information

Named Insured:	Andrew Razumov Irina Razumov	Policy Number:	H3V-291-484876-70 2 1
Mailing Address:	3056 Camden Bluff Rd Frisco TX 75034-4582	Policy Period:	02/27/2022-02/27/2023 12:01 a.m. standard time at the address of the Named Insured at Insured Location.
Insured Location:	Same as Mailing address above Declarations Effective: 02/27/2022		

DISCOUNTS AND BENEFITS SECTION

Your discounts and benefits have been applied to your total policy premium.

- Inflation Protection Discount
- Early Shopper Discount
- Multi Policy Discount - Auto
- Electronic Funds Transfer Discount
- Basic Home Safety
- Smart Home
 - Theft Protection
 - Fire Protection
 - Water Protection
- Claims Free Discount
- New Roof Discount
- Multi Policy Discount - Life
- Paperless Policy Discount

**Want to Add a Coverage?**

Call 1-800-225-8285 to talk to your agent about the availability of this coverage and whether it meets your needs.

Policy Number:

H3V-291-484876-70 2 1

Report a Claim:

1-800-2CLAIMS or
LibertyMutual.com/Claims



Coverage Information

Standard Policy

SECTION I COVERAGES	LIMITS	PREMIUM
A. Dwelling	\$ 308,000	
B. Other Structures on Insured Location	\$ 30,800	
C. Personal Property	\$ 184,800	
D. Loss of Use of Insured Location	\$ 61,600	

SECTION II COVERAGES	LIMITS	PREMIUM
E. Personal Liability (each occurrence)	\$ 300,000	
F. Medical Payments to Others (each person)	\$ 1,000	

POLICY DEDUCTIBLES - SECTION I

NOTE: The dollar amount of each percentage deductible is calculated by multiplying the Coverage A, B or C limit of liability shown in your Declarations by the deductible percentage amount. As a result, the calculated dollar amount of each percentage deductible will increase if the Coverage A, B or C limit of liability increases and will decrease if the Coverage A, B or C limit of liability decreases. The Inflation Protection Endorsement, FMHO 2835 or FMHO 660 may increase or decrease your Section I deductibles.

Losses covered under Section I are subject to a deductible of : \$2,000

If losses are a result of Wind/Hail they are subject to a deductible of 1%: \$3,080

If losses are a result of a Named Storm they are subject to a deductible of 1%: \$3,080

Roof Loss Settlement

SETTLEMENT TYPE	YR OF INSTALLATION	SURFACING MATERIAL	LOSS PERCENTAGE
Roof Payment Schedule	2018	Composition	88%

SPECIAL NOTE: The above Roof Loss Settlement information applies to Coverage A. Roof structures under Coverage B are subject to the Roof Surfacing Loss Percentage table as shown in your policy contract.

*If Roof Payment Schedule is shown in your Declarations, any applicable Deductible will be applied after the Roof Payment Settlement Loss Percentage is applied.

Total Standard Policy	\$ 2,237
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ADDITIONAL COVERAGES	DEDUCTIBLE	LIMITS	PREMIUM
CREDIT CARD, FUND TRANSFER CARD, FORGERY \$1,000		\$	0
Fungi, Wet or Dry Rot or Bacteria \$5,000			INCL
Coverage E & F increased limit		\$	5

**Want to Add a Coverage?**

Call 1-800-225-8285 to talk to your agent about the availability of this coverage and whether it meets your needs.

Policy Number:

H3V-291-484876-70 2 1

Report a Claim:

1-800-2CLAIMS or
LibertyMutual.com/Claims



Coverage Information continued

Total 12 Month Policy Premium: \$2,242.00

Policy Forms and Endorsements: The following forms and endorsements are applicable to your policy

LibertyGuard® Deluxe Homeowner Policy
(FMHO 2506TX)

Special Provisions - Texas (FMHO6100TX 1019)

Roof Payment Schedule - Texas
(FMHO4194TX 0520)

Credit Card, Fund Transfer Card, Forgery
(HO 04 53 10 00)

Protective Devices (FMHO 4172 1014)

Amendmt Pol Definitions (FMHO2934TX 0521)

Windstorm or Hail Deductible (FMHO 3366 0815)

Named Storm Deductible (FMHO 4170 0714)

Inflation Protection (FMHO-2835 11 03)

No SecII/Limit I-Day Care (HO 04 96 10 00)

Waiver Of Ded-Theft (FMHO 3160 0815)

Arson Reward (FMHO-993)

LMHC Membership (2340)

Important Messages

Flood Insurance: Your Homeowners policy **does not** provide coverage for damage caused by flood, even if the flood is caused by a storm surge. Liberty Mutual can help you obtain this coverage through the Federal Emergency Management Agency (FEMA) if your community participates in the National Flood Insurance Program. Please call your representative for more information.

Hail/Windstorm Deductible and Named Storm Deductible: This policy contains separate deductibles for windstorm/hail losses and named storm losses. This may result in higher out of pocket expenses. Your deductible will be listed with your Standard Policy in the Policy Deductibles section.

LibertyGuard® Deluxe Homeowners Policy Declarations provided and underwritten by Liberty Mutual Personal Insurance Company (a stock insurance company), Boston, MA.

James MacPhee
President

Mark C. Touhey
Secretary

This policy, including endorsements listed above,
is countersigned by:

Hamid Mirza
Authorized Representative

02/21/2022

INSURANCE
INFORMATION

Important Notice About Your Electronic Payment

Named Insured:
Andrew Razumov

Dear ANDREW RAZUMOV,

Policy Number:
H3V-291-484876-70

You have elected the Electronic Funds Transfer billing method to pay your policy premium.

Policy Period:
02/27/2022
02/27/2023

The payment will be billed to your financial institution on 02/27/2022 for withdrawal from your account within three business days, as noted below.

In the future, payments will be withdrawn within three business days of your originally selected bill day for each installment period, until the insurance premium is satisfied. We will notify you of any change in the payment amount on or before the billing date.

Unsuccessful payments may be subject to a \$25.00 fee. If this should occur your next scheduled withdrawal would include the returned payment amount, plus any applicable fees, along with your next scheduled EFT withdrawal amount.

If your payment account changes, e.g., you open a new account, move to a new financial institution, or change your account number, you must notify a service representative immediately to avoid the \$25.00 fee for returned payments.

If you have any questions, please contact a service representative at 1-800-225-8285.



**ACTION
REQUIRED**

- Make note of the payment amount for your withdrawal.
- If you need to change your payment account, notify us immediately.



CONTACT US

**Questions About
Your Policy**

Policy Number	Policy Name	Payment Amount
H3V-291-484876-70	ANDREW RAZUMOV	\$186.83
Installment Fee Amount:		\$2.00
Billing Date:		02/27/2022
Total Withdrawal Amount:		\$188.83

For service:
1-800-225-8285

Online
LibertyMutual.com

GO PAPERLESS

Manage your policy 24/7
on eService
LibertyMutual.com/register

LibertyGuard Deluxe Homeowners Policy

Please read your policy and each endorsement carefully.

To serve you best...

Liberty Mutual has over 350 service offices throughout the United States and Canada. Please contact your service office shown on your Declarations Page to report losses, or for any changes or questions about your insurance. Payments should be sent to the office indicated on your bill.

THIS POLICY IS NON ASSESSABLE

LIBERTYGUARD DELUXE HOMEOWNERS POLICY HO 00 03 EDITION 10 00

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*These conditions apply only if Liberty Mutual Fire Insurance Company is shown in the Declarations as the insurer.

HOMEOWNERS 3 - SPECIAL FORM

AGREEMENT

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

DEFINITIONS

A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

B. In addition, certain words and phrases are defined as follows:

1. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in b. below, mean the following:

a. Liability for "bodily injury" or "property damage" arising out of the:

- (1) Ownership of such vehicle or craft by an "insured";
- (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
- (3) Entrustment of such vehicle or craft by an "insured" to any person;
- (4) Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
- (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.

b. For the purpose of this definition:

- (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
- (2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

(3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and

(4) Motor vehicle means a "motor vehicle" as defined in 7. below.

2. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.

3. "Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or

b. Any other activity engaged in for money or other compensation, except the following:

- (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
- (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
- (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
- (4) The rendering of home day care services to a relative of an "insured".

4. "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".

5. "Insured" means:

a. You and residents of your household who are:

- (1) Your relatives; or

- (2) Other persons under the age of 21 and in the care of any person named above;
 - b. A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1) 24 and your relative; or
 - (2) 21 and in your care or the care of a person described in a.(1) above; or
 - c. Under Section II:
 - (1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in a. or b. above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
 - (2) With respect to a "motor vehicle" to which this policy applies:
 - (a) Persons while engaged in your employ or that of any person included in a. or b. above; or
 - (b) Other persons using the vehicle on an "insured location" with your consent.
- Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".
- 6. "Insured location" means:
 - a. The "residence premises";
 - b. The part of other premises, other structures and grounds used by you as a residence; and
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the policy period for your use as a residence;
 - c. Any premises used by you in connection with a premises described in a. and b. above;
 - d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an "insured";
 - f. Land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";
 - g. Individual or family cemetery plots or burial vaults of an "insured"; or
 - h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
 - 7. "Motor vehicle" means:
 - a. A self-propelled land or amphibious vehicle; or
 - b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in a. above.
 - 8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. "Bodily injury"; or
 - b. "Property damage".
 - 9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
 - 10. "Residence employee" means:
 - a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or

- b. One who performs similar duties elsewhere not related to the "business" of an "insured".

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

11. "Residence premises" means:

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

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

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

DEDUCTIBLE

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

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

SECTION I - PROPERTY COVERAGES

A. Coverage A - Dwelling

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

B. Coverage B - Other Structures

- 1. We cover other structures on the "residence premises" set apart from the

dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

2. We do not cover:

- a. Land, including land on which the other structures are located;
- b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Other structures from which any "business" is conducted; or
- d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

- 3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C - Personal Property

1. Covered Property

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

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

2. Limit For Property At Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage C, or \$1,000, whichever

is greater. However, this limitation does not apply to personal property:

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

3. Special Limits Of Liability

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

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

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

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.

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

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

4. Property Not Covered

We do not cover:

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

c. "Motor vehicles".

(1) This includes:

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

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

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

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

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

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

e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in E.10. Landlord's Furnishings under Section I - Property Coverages;

h. Property rented or held for rental to others off the "residence premises";

i. "Business" data, including such data stored in:

- (1) Books of account, drawings or other paper records; or
- (2) Computers and related equipment. We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

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

k. Water or steam.

D. Coverage D - Loss Of Use

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

1. Additional Living Expense

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

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

2. Fair Rental Value

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

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

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

E. Additional Coverages

1. Debris Removal

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

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

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

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

- (1) Your tree(s) felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or

- (1) A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s):

- (1) Damage(s) a covered structure; or
- (2) Does not damage a covered structure, but:
 - (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
 - (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

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

This coverage is additional insurance.

2. Reasonable Repairs

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

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

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

3. Trees, Shrubs And Other Plants

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

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

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

This coverage is additional insurance.

4. Fire Department Service Charge

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

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

5. Property Removed

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

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

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

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

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

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

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

b. We do not cover:

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

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

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

7. Loss Assessment

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

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

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

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

- c. Paragraph P. Policy Period under Section I - Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

- a. With respect to this Additional Coverage:

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

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

- (1) The Perils Insured Against named under Coverage C;
- (2) Decay that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
- (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
- (4) Weight of contents, equipment, animals or people;

(5) Weight of rain which collects on a roof; or

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

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

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

9. Glass Or Safety Glazing Material

a. We cover:

(1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;

(2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and

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

b. This coverage does not include loss:

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

(2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2)

above. A dwelling being constructed is not considered vacant.

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

10. Landlord's Furnishings

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

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

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

11. Ordinance Or Law

a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

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

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

(3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or

replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

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

- c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

12. Grave Markers

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

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

SECTION I - PERILS INSURED AGAINST

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

- 1. We insure against risk of direct physical loss to property described in Coverages A and B.

- 2. We do not insure, however, for loss:

- a. Excluded under Section I - Exclusions;
- b. Involving collapse, except as provided in E.8. Collapse under Section I - Property Coverages; or
- c. Caused by:

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

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

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

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

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
 - (c) Retaining wall or bulkhead that does not support all or part of a building or other structure; or

- (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
 - (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or
 - (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

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

- (6) Any of the following:
 - (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;

- (c) Smog, rust or other corrosion, or dry rot;
- (d) Smoke from agricultural smudging or industrial operations;
- (e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.

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

Exception To c.(6)

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

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or
- (ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and

and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

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

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

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

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

B. Coverage C - Personal Property

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

1. Fire Or Lightning

2. Windstorm Or Hail

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

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

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

9. Theft

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

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

(1) Committed by an "insured";

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

(3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or

(4) That occurs off the "residence premises" of:

(a) Trailers, semitrailers and campers;

(b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or

(c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

12. Accidental Discharge Or Overflow Of Water Or Steam

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

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

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

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

14. Freezing

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

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

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

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

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

16. Volcanic Eruption

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

SECTION I - EXCLUSIONS

- A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or

event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

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

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

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

2. Earth Movement

Earth Movement means:

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

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

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

3. Water Damage

Water Damage means:

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

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

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

4. Power Failure

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

5. Neglect

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

6. War

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

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

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

7. Nuclear Hazard

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

8. Intentional Loss

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

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

9. Governmental Action

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

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

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

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

c. Materials used in repair, construction, renovation or remodeling; or

d. Maintenance;

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

SECTION I - CONDITIONS

A. Insurable Interest And Limit Of Liability

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

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

B. Duties After Loss

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

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6.** Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section **I** - Property Coverages;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity,

amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;

7. As often as we reasonably require:
 - a. Show the damaged property;
 - b. Provide us with records and documents we request and permit us to make copies; and
 - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the policy;
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The inventory of damaged personal property described in 6. above;
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - h. Evidence or affidavit that supports a claim under E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I - Property Coverages, stating the amount and cause of loss.

C. Loss Settlement

In this Condition C., the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in E.11. Ordinance Or Law under

Section I - Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;

at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.

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

- b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80%

of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

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

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

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

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

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

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

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

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

D. Loss To A Pair Or Set

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

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

E. Appraisal

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

Each party will:

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

F. Other Insurance And Service Agreement

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

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under

any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

G. Suit Against Us

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

H. Our Option

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

I. Loss Payment

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

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

J. Abandonment Of Property

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

K. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your

failure to do so. Paragraphs **E.** Appraisal, **G.** Suit Against Us and **I.** Loss Payment under Section **I** - Conditions also apply to the mortgagee.

3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

L. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

M. Nuclear Hazard Clause

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

N. Recovered Property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will

be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

O. Volcanic Eruption Period

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

P. Policy Period

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

Q. Concealment Or Fraud

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

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made false statements; relating to this insurance.

R. Loss Payable Clause

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

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

SECTION II - LIABILITY COVERAGES

A. Coverage E - Personal Liability

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

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

B. Coverage F - Medical Payments To Others

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

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

SECTION II - EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (1) Rented to others;
 - (2) Used to carry persons or cargo for a charge; or
 - (3) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.

2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:

- a. In dead storage on an "insured location";
- b. Used solely to service an "insured's" residence;
- c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
- d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions B. 6.a., b., d., e. or h.; or
- e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (c) Cross public roads at designated points to access other parts of the golfing facility; or
 - (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to

the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

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

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

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

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

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

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

Coverages E and F do not apply to the following:

1. Expected Or Intended Injury

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

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

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

2. "Business"

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

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

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

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

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

(b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

(c) In part, as an office, school, studio or private garage; and

(2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

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

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

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

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

5. War

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

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

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

6. Communicable Disease

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

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

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

8. Controlled Substance

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

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

F. Coverage E - Personal Liability

Coverage E does not apply to:

1. Liability:

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

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

(1) That directly relate to the ownership, maintenance or use of an "insured location"; or

(2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in a. above or elsewhere in this policy;

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

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

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

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

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

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

(1) Nuclear Energy Liability Insurance Association;

(2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada;

or any of their successors; or

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

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

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

a. To repay; or

b. Share damages with;

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

G. Coverage F - Medical Payments To Others

Coverage F does not apply to "bodily injury":

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

a. Occurs off the "insured location"; and

b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";

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

a. Workers' compensation law;

b. Non-occupational disability law; or

c. Occupational disease law;

3. From any:

a. Nuclear reaction;

b. Nuclear radiation; or

c. Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

d. Any consequence of any of these; or

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

SECTION II - ADDITIONAL COVERAGES

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

A. Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;

2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;

3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and

4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

B. First Aid Expenses

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

C. Damage To Property Of Others

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

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

a. To the extent of any amount recoverable under Section I;

b. Caused intentionally by an "insured" who is 13 years of age or older;

c. To property owned by an "insured";

- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

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

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

D. Loss Assessment

- 1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II - Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and

- (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

- 2. Paragraph I. Policy Period under Section II - Conditions does not apply to this Loss Assessment Coverage.
- 3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
 - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
- 4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II - CONDITIONS

A. Limit Of Liability

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

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

B. Severability Of Insurance

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

C. Duties After "Occurrence"

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

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. With respect to C. Damage To Property Of Others under Section II - Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;
6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

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

1. The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

E. Payment Of Claim - Coverage F - Medical Payments To Others

Payment under this coverage is not an admission of liability by an "insured" or us.

F. Suit Against Us

1. No action can be brought against us unless there has been full compliance with all of the terms under this Section II.
2. No one will have the right to join us as a party to any action against an "insured".
3. Also, no action with respect to Coverage E can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured"

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

H. Other Insurance

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

I. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

We do not provide coverage to an "insured" who, whether before or after a loss, has:

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

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

SECTIONS I AND II - CONDITIONS

A. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this policy; or
2. An amendatory endorsement.

B. Waiver Or Change Of Policy Provisions

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

C. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.

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

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

- (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
- (2) If the risk has changed substantially since the policy was issued.

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

- d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. Nonrenewal

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

E. Assignment

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

F. Subrogation

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

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

Subrogation does not apply to Coverage F or Paragraph C. Damage To Property Of Others under Section II - Additional Coverages.

G. Death

If any person named in the Declarations or the spouse, if a resident of the same

household, dies, the following apply:

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

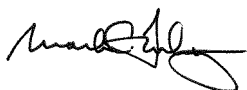
***MUTUAL POLICY CONDITIONS**

You are a member of the Liberty Mutual Fire Insurance Company while this policy is in force. Membership entitles you to vote in person or by proxy at meetings of the company. The Annual Meeting is in Boston, Massachusetts, on the second Wednesday in April each year at 11 o'clock in the morning.

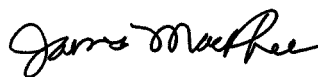
Also, as a member, you will receive any dividends declared on this policy by the Directors. This policy is classified in Dividend Class II.

This policy has been signed by our President and Secretary at Boston, Massachusetts, and countersigned on the Declarations Page by an authorized representative.

*These conditions apply only if Liberty Mutual Fire Insurance Company is shown in the Declarations as the insurer.

A handwritten signature in black ink, appearing to be "Mark R. [unclear]".

SECRETARY

A handwritten signature in black ink, appearing to be "James M. [unclear]".

PRESIDENT

THIS ENDORSEMENT CHANGES YOUR POLICY - PLEASE READ IT CAREFULLY

SPECIAL PROVISIONS - TEXAS

DEFINITIONS

The introductory paragraph of Definitions is amended to read:

A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and:

1. the spouse of the "named insured" shown on the Declarations, if a resident of the same household; or
2. the partner in a civil union, registered domestic partnership, or similar union or partnership, with the "named insured" shown in the Declarations, if a resident of the same household.

Item 2., above, only applies if the civil union, registered domestic partnership or other similar union or partnership is validly entered into under the law of any state, territory or possession of the United States of America, any territory or province of Canada, or the equivalent of a state or province in any other country.

"We", "us" and "our" refer to the Company providing this insurance.

In Section B., the following are added:

"Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" means any type or form of fungus, rot, or bacteria. This includes mold, mildew and any mycotoxins, other microbes, spores, scents or byproducts produced or released by mold, mildew, fungus, rot, or bacteria.

"Remediation" means the reasonable and necessary treatment, containment, decontamination, removal or disposal of "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" caused by a covered water loss as required to complete the repair or replacement of property covered under Section I of the policy. "Remediation" includes payment for any loss of fair rental value or reasonable increase in additional living expenses that is necessary to maintain your normal standard of living if "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" resulting from a covered water loss makes your residence premises uninhabitable. "Remediation" includes testing or investigation to detect, evaluate or measure "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria".

"Business day" means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

"Marring" means any disfigurement, blemish, discoloration, weathering or stretching, or the like, of or to covered property, including, but not limited to, scratching, chipping, cracking, scorching, denting, creasing, gouging, fading, staining, tearing, oxidizing, blistering, or thinning, whether occurring at once or over time.

"Roof Surfacing" means shingles or tiles, cladding, metal or synthetic sheeting or similar materials covering the roof, roof flashing, roof vents and all materials applied to or under the roof surface for moisture protection. This includes all costs associated with securing the "roof surfacing".

"Hostile fire" means a fire that becomes uncontrollable or breaks out from where it was intended to be.

SECTION I - PROPERTY COVERAGES

Paragraph A.1.a in Coverage A - Dwelling is deleted and replaced by the following:

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling, and attached wall-to-wall carpeting;

Coverage C - Personal Property

The introductory paragraph of section 3. **Special Limits of Liability** is replaced with the following:

The special limit for each category below is the total limit for each loss for all property in that category. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply. These special limits do not increase the Coverage C limit of liability. Categories b., c., d., e., f., i., j., and k. are deleted and replaced with the following:

- b. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. \$1000 on watercraft of all types, including their trailers, furnishings, equipment, and outboard engines or motors.
- d. \$1000 on trailers or semitrailers not used with watercraft of all types.
- e. \$1000 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2000 for loss by theft of firearms and related equipment.
- i. \$250 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories j. and k. below.
- j. \$1000 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs, or other media that can be used with any apparatus described in this Category j.

- k. \$1000 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category k.

The following limits are added after item 3.k.:

- l. \$5000 on Electronic Data Processing equipment and recording or storage media or accessories used with that equipment. There is no coverage for said equipment, media, or accessories while located away from the "residence premises" except when said equipment or media are removed from the "residence premises" for the purpose of repair, servicing or temporary use. An "insured" student's equipment and media are covered while at a residence away from home.
- m. \$5000 on any one article and \$10000 in the aggregate for loss by theft of any rug, carpet (excluding attached wall-to-wall carpet), tapestry, wall-hanging or other similar article.
- n. \$2500 in the aggregate for loss of any of the following whether or not they are part of a collection: trading cards, comic books, figurines, stamps, advertising materials, stuffed animals, dolls, sports and entertainment memorabilia, toys, games, militaria, and books.
- o. \$1200 for any one electrical appliance for loss by sudden and accidental damage from artificially generated electrical currents. This special limit does not apply to electronic data processing equipment or storage media.

If endorsement FMHO 3326 is included in the policy, coverage for categories b., c., d., e., f., i., j., k., l., m. and n., are deleted. Coverage for category o. still applies.

Additional Coverages

Item 7. **Loss Assessment** is deleted in its entirety.

Item 10. **Landlord's Furnishings** is deleted in its entirety.

The following is added to Paragraph 11. **Ordinance Or Law**:

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

The final sentence in this section, which reads "This coverage is additional insurance", is deleted.

Item **13. Mold, Fungus, Wet Rot, Dry Rot, or Bacteria** is added:

We will provide up to the amount shown in your Policy Declarations for this coverage for "remediation" of "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" as required to complete the repair or replacement of property under Section I of the policy, that is damaged by a covered water loss. This is not additional insurance and does not increase the limit of liability for Coverage A (Dwelling), Coverage B (Other Structures), Coverage C (Personal Property), or Coverage D (Loss of Use).

SECTION I - PERILS INSURED AGAINST

Coverage A - Dwelling And Coverage B - Other Structures

Item **A.2.c.(5)** is deleted and replaced by the following:

- (5) Seepage, meaning a gradual, continuous, or repeated seepage or leakage of water, steam or fuel over a period of 14 days or more, resulting in damage to the structure, whether hidden or not.

Item **A.2.c.(6)(a)** is deleted and replaced by the following:

- (a) Wear and tear, "marring", or deterioration;

Item **A.2.c.(6)(c)** is deleted and replaced by the following:

- (c) Smog, rust or other corrosion, wet or dry rot;

The following is added to **A.2.c.(6)(e)**:

This exclusion does not apply to damage caused by or arising from a covered fire including "hostile fire", common household chemicals used to maintain the "residence premises" or pollutants that escape from heating and air conditioning systems and appliances (HVAC).

The following item is added to **A.2.c.(6)**:

- (i) Growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;

The Exception to **A.2.c.(6)** is deleted and replaced by the following:

Unless otherwise excluded we cover damage to A - Dwelling and B - Other Structures from a Sudden and Accidental Discharge or overflow of Water or Steam from within a plumbing or drain system, heating system, air conditioning system, or household appliance, subject to the following:

- a. We do not cover loss caused directly or indirectly by or resulting from seepage, meaning a gradual, continuous, or repeated seepage or leakage of water, steam or fuel over a period of fourteen days or more, resulting in damage to the structure, whether hidden or not:
 - (1) From a plumbing, heating, air conditioning or automatic fire protection system or from within a domestic appliance; or
 - (2) From within or around any plumbing fixtures, including, but not limited to, shower stalls, shower pans, shower baths, tub installations, sinks or other fixtures, including ceilings, walls, or floors.
- b. We do not cover any loss or damage to foundations or foundation slabs resulting from any seepage, leakage or other discharge or overflow of water or steam.
- c. We do not cover loss to the system or appliance from which the water or steam escaped. We will cover the cost of tearing out and replacing any part of the building necessary to repair or replace the heating system, air conditioning system, plumbing supply or drain system, or household appliance. However, such tear out and replacement coverage only applies if the water or steam causes actual damage to a building on the "residence premises".

There is no coverage for any testing of the foundation or plumbing within the foundation, tear out, repair or replacing of the foundation or foundation slab .
- d. We do not cover loss caused by or resulting from water or sewage from outside the "residence premises" plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area.

Item **B.12.b.(4)** is deleted and replaced by the following:

- (4) Caused by seepage, meaning a gradual, continuous, or repeated seepage or leakage of water, steam or fuel over a period of 14 days or more, resulting in damage, whether hidden or not.

SECTION I - EXCLUSIONS

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

A.2. Earth Movement, meaning movement of the earth, whether combined with water or not, in any direction, including but not limited to:

- a. Earthquake, including land shock waves or tremors before, during, or after a volcanic eruption;
- b. Landslide, mud slide, or mud flow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement, including earth sinking, rising, shifting, expanding, contracting, or eroding;

caused by or resulting from manmade, animal, or natural actions, events, or conditions.

If direct loss by fire or explosion ensues, we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

Item **A.8. Intentional Loss** is deleted and replaced by the following:

A.8. Intentional Loss

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

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

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

- (1) Filed a police report; and

- (2) Cooperated with law enforcement investigation or prosecution relating to any other "insured" causing the intentional loss.

- c. If we pay a claim pursuant to Paragraph 8.b., our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a secured interest in the policy. In no event will we pay more than the limit of liability. As a condition of payment for intentional loss caused by another "insured" under this exception to the exclusion, we may require an assignment of rights of recovery to the extent that payment is made by us.

The following is added to item **A.**:

10. "Mold, Fungus, Wet Rot or Bacteria".

- a. This exclusion applies to the cost:

- (1) To remove "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" from property covered under Section I - Property Coverages;
- (2) To tear out and replace any part of the building or other covered property as needed to gain access to the "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria"; and
- (3) Of testing of air or property to confirm the absence, presence or level of "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria";

- b. Exclusion **10.a.** applies unless the "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" are located upon the portion of covered property that must be repaired or replaced because of direct physical damage resulting from sudden and accidental discharge or overflow of water that would otherwise be covered under this policy.
- c. However, the exception to the exclusion described in **10.b.** does not include:
 - (1) The cost to treat, contain, remove or dispose of the "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" beyond that which is required to repair or replace the covered property physically damaged by water;
 - (2) The cost of any testing of air or property to confirm the absence, presence or level of "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" whether performed prior to, during or after removal, repair, restoration or replacement;
 - (3) The cost of any decontamination of the "residence premises"; and
 - (4) Any increase in loss under Coverage **D** - Loss of Use and Additional Coverage **1**. Debris Removal resulting from c.(1), (2) and (3).

Direct loss by fire, smoke, or explosion resulting from "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria" is covered.

The following is added:

Pre-existing Damage

Pre-existing damage means any damage that occurred prior to the policy inception, including damage arising out of workmanship, repairs and/or lack of repairs from damage that occurred prior to policy inception. This exclusion applies regardless of whether such damage was apparent at the time of the inception of the policy.

Cosmetic loss or damage, meaning any loss that alters only the physical appearance of "metal materials" but:

- a. does not result in the penetration of water through the "metal materials"; or
- b. does not result in the failure of the "metal materials" to perform their intended function of keeping out the elements.

For purposes of this exclusion, "metal materials" means:

- a. all metal roofing materials that are part of the dwelling; or
- b. all "metal materials" that are part of an other structure.

This exclusion does not apply to non-roof "metal materials" that are primarily decorative, prominent and visible from the ground.

SECTION I - CONDITIONS

A. Insurable Interest And Limit of Liability is replaced with the following:

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

- 1. to the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- 2. for more than the applicable limit of liability.

Each time there is a loss to any building insured under Coverage A (Dwelling), the amount of insurance applicable to that building for loss by fire will be reduced by the amount of the loss. As repairs are made, the amount of insurance will be reinstated up to the limit of liability shown on the declarations page.

POLICY A LIQUIDATED DEMAND

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

B. Duties After Loss is deleted and replaced by the following:

B. Duties After Loss

1. Your Duties After Loss

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

- a. Give prompt notice to us or our agent. With respect to a loss caused by the peril of windstorm or hail, that notice must occur no later than 365 days after the date of loss unless the person filing the claim shows good cause as to why the claim was filed after the first anniversary of the date of loss;
- b. Notify the police in case of a loss by theft and provide them with a full, complete and accurate inventory of the property damaged, stolen or removed.
- c. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage under Section I - Property Coverages**;
- d. Protect the property from further damage. If repairs to the property are required, you must:
 - (1) Make reasonable repairs and necessary repairs to protect the property; and
 - (2) Keep an accurate record of repair expenses;
- e. Cooperate with us in the investigation of a claim;
- f. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- g. As often as we reasonably require:
 - (1) Show the damaged property;
 - (2) Authorize us to obtain records and documents we request and permit us to make copies; and
 - (3) Submit to examination under oath, while not in the presence of any other "insured", and sign and swear to the same. If the "insured" is a minor, a parent or legal representative may be present;
- h. Send to us, within 91 days after our request, your signed, sworn proof of loss on a standard form supplied by us.
 - (1) This proof of loss shall set forth, to the best of your knowledge and belief:
 - (a) The time and cause of loss;
 - (b) The interests of all "insureds" and all others in the property involved and all liens on the property;
 - (c) Other insurance which may cover the loss;
 - (d) Changes in the title or occupancy of the property during the term of the policy;
 - (e) Specifications of the damaged buildings and detailed repair estimates;
 - (f) The inventory of damaged personal property described in **B.1.f.** above;
 - (g) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - (h) Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I - Property Coverages**, stating the amount and cause of loss.

The following section is added to item **B.1.h.**:

- (2) If you elect to make claim under the Replacement Cost Coverage of this policy, this proof of loss shall also state, to the best of your knowledge and belief:
 - (a) The replacement cost of the described dwelling;
 - (b) The replacement cost of any other building on which loss is claimed; or
 - (c) The full cost of repair or replacement of loss without deduction for depreciation.

2. Our Duties After Loss

- a. No later than 15 days after we receive your written notice of claim, we must:
 - (1) Acknowledge receipt of the claim;
If our acknowledgment of the claim is not in writing, we will keep a record of the date, means and content of our acknowledgment;
 - (2) Begin any investigation of the claim;
 - (3) Specify the information you must provide in accordance with Paragraph B.1. Your Duties After Loss above;
We may request more information, if during the investigation of the claim such additional information is necessary.
- b. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:
 - (1) Within 15 "business days"; or
 - (2) Within 30 days if we have reason to believe the loss resulted from arson;
- c. If we do not approve payment of your claim or require more time for processing your claim, we must:
 - (1) Give the reason for denying your claim;
 - (2) Give the reasons we require more time to process your claim. But we must either approve or deny your claim within 45 days after requesting more time.

C. Loss Settlement is deleted and replaced by the following:

C. Loss Settlement. Covered property losses are settled as follows:

- 1. Our limit of liability and payment for covered losses to personal property will not exceed the smallest of the following:
 - a. The limit of liability under this policy that applies to the damaged or destroyed property;
 - b. For property that is repairable, the cost to repair or replace the damaged property with material of like kind and quality, with no deduction for depreciation; or
 - c. The interest of the "insured"; or
 - d. The replacement cost at the time of loss.
- We do not pay replacement cost for:
- (1) property which cannot be replaced.
 - (2) property not maintained in good or workable condition.
 - (3) property that is either obsolete or useless to the "insured" at the time of loss.
 - (4) property that is not repaired or replaced.
 - (5) For property covered under Coverage C:
 - (a) We will pay you:
 - (i) the replacement cost of your damaged property up to \$1,500; and
 - (ii) the actual cash value of your remaining damaged property

within 5 "business days" after we notify you that we will pay the claim.

If you repair or replace the damaged property, you may make claim for reimbursement on a replacement cost basis for the replacement cost of your property exceeding \$1,500.

You must repair, restore or replace the property within 365 days after the loss. Reimbursement will be made within 5 "business days" after we receive proof that the property has been repaired, restored, or replaced.

- (b) In lieu of (a) above, we may offer and you may accept or reject our offer to provide a replacement item of like kind and quality for your damaged property.
2. Our limit of liability and payment for covered losses to dwelling (including wall to wall carpeting) and other structure(s) under Coverage **A** (Dwelling) and Coverage **B** (Other Structures), not including items listed in Loss Settlement paragraph **C.4.** below, will be at replacement cost subject to the following:
- a. If, at the time of loss, the amount of insurance in this policy on the damaged building structure(s) is 80% or more of the full replacement cost of the building structure(s) immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
- (1) The limit of liability under this policy that applies to the damaged or destroyed building structure(s);
 - (2) The cost to repair or replace that part of the building structure(s) damaged, with material of like kind and quality and for the same use and occupancy on the same premises; or
 - (3) The necessary amount actually spent to repair or replace the damaged building structure(s).
- b. If, at the time of loss, the amount of insurance in this policy on the damaged building structure(s) is less than 80% of the full replacement cost of the building structure(s) immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building structure(s):
- (1) The actual cash value of that part of the building structure(s) damaged; or
 - (2) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building structure(s) damaged, which the total amount of insurance in this policy on the damaged building structure(s) bears to 80% of the replacement cost of the building structure(s).
- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building structure(s) immediately before the loss, do not include the value of:
- (1) excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor;
 - (2) those supports in 2.c.(1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (3) underground flues, pipes, wiring and drains.
- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss according to the provisions of 2.a. and 2.b. above.
- However, if the cost to repair or replace the damage is both:
- (1) less than 5% of the amount of insurance in this policy on the building structure(s); and
 - (2) less than \$2,500

We will settle the loss according to the provisions of 2.a. and 2.b. above whether or not actual repair or replacement is complete.

You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to building structure(s) on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability according to the provisions of this Condition C. **Loss Settlement**.

3. We will not pay for the cost to replace and/or match any undamaged siding, "roof surfacing" and/or windows due to any mismatch between the existing undamaged siding, "roof surfacing" and/or windows on a covered dwelling or other structure and any new materials used to repair or replace the damaged siding, roof and/or windows on a covered dwelling or other structure because of:
 - a. wear and tear, marring, scratching or deterioration;
 - b. fading, weathering, oxidizing or color;
 - c. texture or dimensional differences;
 - d. obsolescence or unavailability of materials; or
 - e. inherent vice, latent defect, mechanical breakdown.
4. Our limit of liability and payment for covered losses to:
 - a. awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - b. structures that are not buildings;
 - c. grave markers, including mausoleums; and
 - d. fences

will be at actual cash value at the time of loss but not more than the amount required to repair or replace.

5. Loss Settlement does not include payment for any actual or perceived decrease in market or resale value resulting from loss to or repair of your covered property.

This condition, C.5., applies to this policy and to any Loss Settlement provision in any other endorsement applicable to this policy:

D. Loss to a Pair Or Set is deleted and replaced by the following:

D. Loss To A Pair Or Set

1. In case of loss to a pair or set other than jewelry we may elect to:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between actual cash value of the property before and after the loss.
2. Loss to a jewelry pair or set will be settled at replacement cost at the time of loss without deduction for depreciation.

E. Appraisal is deleted and replaced by the following:

E. Appraisal

1. If you and we do not agree on the amount of the loss, including the amount of actual cash value or replacement cost, then, on the written demand of either, each shall select a qualified appraiser and notify the other of the appraiser selected within 20 days of such demand.

2. In order for a person to be qualified to act as an appraiser, the person must be competent, independent, neutral and impartial.
3. A person shall not be qualified to act as an appraiser:
 - a. who has performed, or who is employed by any entity which has performed any work, or a person who has provided any service for either you or us in relation to any claimed loss under this policy, whether or not such work or service has been or will be paid; or
 - b. who has or may perform, or who is employed by an entity which has or may perform repairs or replacement of your property;
4. The appraisers shall first select a qualified umpire. In order for a person to be qualified to act as an umpire, such person must meet the same qualifications required to act as an Appraiser.
5. If, after 15 days, the appraisers are unable to agree upon such umpire, then, on request of you or the company after notice of hearing to the non-requesting party by certified mail, such umpire shall be selected by a judge of a court of record in the county in which the property covered is located.
6. The appraisers shall then resolve the issues surrounding the loss, appraise the loss, stating separately the actual cash value and replacement cost of each item, and failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two of these three, when filed with us shall determine the amount of loss.
7. Upon our receipt of an appraisal award, in conformance with the Appraisal provision of this policy, payment by us of the award, or any part of the award, within the time required in this policy estops any contractual or extra-contractual claim by you which may directly or indirectly arise from or may be related to the failure of you and us to agree as to the actual cash value and/or replacement cost of your claimed loss.

Your failure or refusal to accept our payment of the award, or partial payment does not affect estoppel. Our payment of the award, or partial payment, binds you and us to that part paid and estops any contractual or extra-contractual claim as to that part paid.
8. Each party will:
 - a. pay its own appraiser; and
 - b. bear the other expenses of the appraisal and umpire equally.
9. Any demand for appraisal must be made either within the contractual suit limitations period stated in this policy or during the pendency of a timely filed lawsuit related to the claimed loss.

Otherwise, neither you nor we may demand an appraisal.
10. If you or we timely demand an appraisal, then upon request made by either you or us for abatement of any suit for or involving the claimed loss, the suit shall be abated until after an appraisal award is made in accord with this appraisal clause.
11. Even after an appraisal award, we retain the right to deny any claimed loss, or any part thereof.

G. Suit Against Us is deleted and replaced by the following:

G. Suit Against Us

No suit or action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy. Action brought against us must be started from the earlier of two years from the date we accept or reject the claim or three years from the date of the loss that is subject to the claim.

I. Loss Payment is deleted and replaced by the following:

I. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to payment.

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

J. **Abandonment of Property** is replaced with the following:

J. **Abandonment of Property**. There can be no abandonment of property to us.

K. **Mortgage Clause** is deleted and replaced by the following:

K. **Mortgage Clause (Without Contribution)**

1. We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown on the declarations page as interests appear;
2. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building structure;
3. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgagee has the right to receive loss payment if the mortgagee:
 - a. At our request, pays any premium due under this policy, if you have failed to do so;
 - b. Submits a signed, sworn statement of loss within 91 days after receiving notice from us of your failure to do so;
 - c. Has notified us within 60 days of any changes in ownership, occupancy or substantial changes in risk known to the mortgagee;

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

Failure of the mortgagee to comply with 3.a., 3.b., or 3.c. above shall void this policy as to the interest of the mortgagee.

4. If we pay the mortgagee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
 - a. The mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay.
 - b. The mortgagee's right to recover the full amount of the mortgagee's claim will not be impaired.

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

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

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

If you cancel the policy, we will give the mortgagee notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after the date we mail the notice.

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

6. If the property described under Coverage A - Dwelling or Coverage B - Other Structures is foreclosed upon under the deed of trust, the mortgagee may cancel this policy of insurance and will be entitled to any unearned premium from this policy.

The mortgagee must credit any unearned premium against any deficiency owed by the borrower and return any unearned premium not so credited to the borrower. The unearned premium will be figured using the customary pro rata procedures.

The following Conditions are added:

Salvage Rights. If we notify you that we will pay your claim or part of your claim, the notice must also state whether we will or will not take all or any part of the damaged property. We must bear the expense of our salvage rights.

Residential Community Property Clause

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

Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, each claim handling deadline shown in **B. Duties After Loss** and **I. Loss Payment** is extended for an additional 15 days.

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

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

Notice of Settlement

We shall notify the named insured in writing of initial offer to compromise or settle a claim against the insured made under a casualty policy issued to the named insured - notice must be given not later than the 10th day after the date on which the offer is made. In addition, we shall notify the named insured in writing of any settlement of a claim against the insured made under a casualty policy issued to the named insured - notice must be given not later than the 30th day after the date of the settlement. EXCEPTION - This article does not apply to a casualty policy that requires the insured's consent to settlement of a claim against an insured or to fidelity, surety or guaranty bonds or to marine insurance as defined by Section 1807.001.

SECTION II - EXCLUSIONS

E. Coverage E - Personal Liability and Coverage F - Medical Payments to Others

Paragraph E.1. Expected Or Intended Injury is deleted and replaced by the following:

1. Expected or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured".

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

Paragraph E.6. Communicable Disease is deleted and replaced by the following:

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of sickness or disease by an "insured" through sexual contact;

Paragraph E.7. Sexual Molestation, Corporal Punishment or Physical or Mental Abuse is deleted and replaced by the following:

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

For the purpose of this endorsement, abuse means an act which is committed with the intent to cause harm.

"Bodily injury" or "property damage" arising out of the actual or attempted:

- a. abuse, molestation, exploitation, assault or other mistreatment of any person; or
- b. rape, sexual assault, or other sexual abuse of any person; or

The following exclusions are added to Item E. **Coverage E - Personal Liability** and **Coverage F - Medical Payments to Others**:

"Bodily Injury" or "property damage" consisting of, resulting from, arising out of, aggravated by or in any way caused by, in whole or in part, by "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria".

Liability imposed upon any "insured" by any governmental authority for "bodily injury" or "property damage" consisting of, resulting from, arising out of, aggravated by or in any way caused by, in whole or in part, by "Mold, Fungus, Wet Rot, Dry Rot, or Bacteria".

SECTION II - ADDITIONAL COVERAGES

Item D. **Loss Assessment** is deleted in its entirety.

SECTION II - CONDITIONS

Under C. **Duties After "Occurrence"**, item 5. is deleted and replaced by the following:

5. With respect to C. **Damage To Property Of Others** under **Section II - Additional Coverages**, submit to us within 90 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;

SECTION I AND II - CONDITIONS

C. **Cancellation** is deleted and replaced by the following:

C. Cancellation

1. You may cancel this policy at any time by notifying us of the date cancellation is to take effect. We will refund the appropriate portion of any unearned premium not later than the 15th "business day" after the effective date of cancellation or termination of this policy.
2. We may cancel this policy at any time for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.
 - a. If this policy has been in effect for less than 60 days and is not a renewal policy, we may not cancel this policy unless:
 - (1) We identify a condition that:
 - (a) Creates an increased risk of hazard;
 - (b) Was not disclosed in the application for insurance coverage; and
 - (c) Is not the subject of a prior claim;
 - (2) Before the effective date of the policy we do not accept a copy of a required inspection report that:
 - (a) Was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and
 - (b) Is dated not earlier than the 90th day before the effective date of the policy.An inspection report is deemed accepted unless we reject it before the 11th day after the date we receive it;
 - (3) You do not pay the premium or any portion of the premium due;
 - (4) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state;
 - (5) You submit a fraudulent claim; or
 - (6) There is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.The effective date of cancellation cannot be before:
 - (1) The 10th day after we mail notice if we cancel for reasons (3), (4), (5), or (6) above.
 - (2) The 30th day after we mail notice if we cancel for any other reason.
 - b. If this policy has been in effect 60 days or more, or at any time if it is a renewal policy, we may not cancel this policy unless:
 - (1) You do not pay the premium or any portion of the premium due.

The effective date of cancellation cannot be before:

- (1) The 10th day after we mail notice if we cancel for reasons (3), (4), (5), or (6) above.
- (2) The 30th day after we mail notice if we cancel for any other reason.

- b. If this policy has been in effect 60 days or more, or at any time if it is a renewal policy, we may not cancel this policy unless:
 - (1) You do not pay the premium or any portion of the premium due.

- (2) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
 - (3) You submit a fraudulent claim.
 - (4) There is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.
3. When this Policy is canceled, we will send you any refund due not later than the 15th "business day" after the effective date of cancellation.
 4. The premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 5. If we cancel, our notice to you will state that if this refund is not included with the notice, it will be returned on demand and not later than the 15th "business day" after the date of cancellation.
 6. We may not cancel this policy solely because you are an elected official.
- D. **Nonrenewal** is deleted and replaced by the following:
- D. **Refusal to Renew**
1. We may not refuse to renew this policy because of claims for losses resulting from natural causes.
 2. We may not refuse to renew this policy solely because you are an elected official.
 3. We may refuse to renew this policy if you have filed three or more claims under the policy in any three-year period that do not result from natural causes.
- If you have filed two claims in a period of less than three years, we may notify you in writing, that if you file a third claim during the three-year period, we may refuse to renew this policy by providing you proper notice of our refusal to renew as provided in 4. below.
- If we do not notify you after the second claim, we may not refuse to renew this policy because of losses.
- A claim does not include a claim that is filed but is not paid or payable under the policy.
4. If we refuse to renew this policy, we must deliver to you, or mail to you at your mailing address shown on the declarations page and any mortgagee named on the declarations page, written notice of our refusal to renew not later than the 30th day before the date on which this policy expires. Proof of mailing will be sufficient proof of notice. If we fail to give you proper notice of our decision not to renew, you may require us to renew the policy.

The introductory paragraph of **G. Death** is amended to read:

If any person named in the Declarations or the spouse, if a resident of the same household; or the partner in a civil union, registered domestic partnership or similar union or partnership, if a resident of the same household, dies:

The following Condition is added:

Concealment or Fraud. This policy was issued in reliance upon the information provided on your application. We may deny coverage under this policy if you or an "insured" have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time application was made or any time during the policy period. If false statements were made in the application for the policy or in the policy, we may void the policy if it is shown at trial that the matter misrepresented was material to the risk or contributed to the contingency or event on which the policy became due and payable.

We may deny coverage for a loss or "occurrence" if you or an "insured" have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with presentation or settlement of a claim. We may void this policy if at the time of trial it is shown the misrepresentation was fraudulently made, misrepresented a fact material to the question of coverage under the policy and misled us and caused us to waive or lose a valid defense to the policy.

We may deny coverage because of fraud or material misrepresentation even after a loss or "occurrence". This means we will not be liable for any claims or damages which would otherwise be covered. If we make a payment, we may request that you reimburse us if so, you must reimburse us for any payments we may have already made.

SMALL BOAT AND MOTOR FORM

If endorsement **FMHO 696** is included in the policy, the following applies:

6. Peril Insured Against, item **(h)** is deleted and replaced by the following

- (h)** Loss or damage intentionally caused by an insured. However, this exclusion does not apply to an insured who did not cooperate in or contribute to the creation of the loss if that insured has:
 - 1. Filed a police report; and
 - 2. Cooperated with law enforcement investigating or prosecution relating to any other insured causing the intentional loss.

INFLATION PROTECTION ENDORSEMENT

If endorsement **FMHO 2835** is included in the policy, the following applies:

Coverage B, Structure; is deleted and replaced by the following:

Coverage B - Other Structures;

All other policy terms and conditions apply, including all applicable deductibles shown on the Declarations.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ROOF PAYMENT SCHEDULE - TEXAS

It is agreed your policy is amended as follows:

SECTION I - CONDITIONS

For the **Homeprotector Plus Endorsement, FMHO 3153**, under **C. Replacement Cost Provision - Dwelling and Personal Property**, the introductory statement of paragraph **C. Loss Settlement**, item 1. is deleted and replaced by the following:

1. The applicable limit of liability for Buildings under Coverage **A** or **B** is the replacement cost, not including items listed in 2. and 5. below, after application of deductible and without deduction for depreciation, subject to the following:

For forms **HO 00 03** only, in **Special Provisions, FMHO 6100TX**, under paragraph **C. Loss Settlement**, the following is added:

6. WINDSTORM, HAIL, OR NAMED STORM ROOF SURFACING LOSS PERCENTAGE

"Roof surfacing" losses caused by the peril of windstorm or hail, including that which results from a "named storm" as defined in endorsement Named Storm Deductible FMHO 4170, will be paid at the percentage shown in the **Roof Surfacing Loss Percentage Table** below.

The percentage is determined by the age and type of "roof surfacing".

ROOF SURFACING LOSS PERCENTAGE TABLE

Age	Composition	Metal	Other	Slate	Tile	Wood
0	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2	94.0%	97.3%	93.8%	97.3%	96.0%	95.0%
3	91.0%	96.0%	90.7%	96.0%	94.0%	92.5%
4	88.0%	94.7%	87.6%	94.7%	92.0%	90.0%
5	85.0%	93.4%	84.5%	93.4%	90.0%	87.5%
6	82.0%	92.0%	81.4%	92.0%	88.0%	85.0%
7	79.0%	90.7%	78.3%	90.7%	86.0%	82.5%
8	76.0%	89.4%	75.2%	89.4%	84.0%	80.0%
9	73.0%	88.0%	72.1%	88.0%	82.0%	77.5%
10	70.0%	86.7%	69.1%	86.7%	80.0%	75.0%

11	67.0%	85.4%	66.0%	85.4%	78.0%	72.5%
12	64.0%	84.0%	62.9%	84.0%	76.0%	70.0%
13	61.0%	82.7%	59.8%	82.7%	74.0%	67.5%
14	58.0%	81.4%	56.7%	81.4%	72.0%	65.0%
15	55.0%	80.1%	53.6%	80.1%	70.0%	62.5%
16	52.0%	78.7%	50.5%	78.7%	68.0%	60.0%
17	49.0%	77.4%	47.4%	77.4%	66.0%	57.5%
18	46.0%	76.1%	44.3%	76.1%	64.0%	55.0%
19	43.0%	74.7%	41.2%	74.7%	62.0%	52.5%
20	40.0%	73.4%	38.1%	73.4%	60.0%	50.0%
21	37.0%	72.1%	35.0%	72.1%	58.0%	47.5%
22	34.0%	70.7%	31.9%	70.7%	56.0%	45.0%
23	31.0%	69.4%	28.8%	69.4%	54.0%	42.5%
24	28.0%	68.1%	25.7%	68.1%	52.0%	40.0%
25	25.0%	66.8%	25.0%	66.8%	50.0%	37.5%
26	25.0%	65.4%	25.0%	65.4%	48.0%	35.0%
27	25.0%	64.1%	25.0%	64.1%	46.0%	32.5%
28	25.0%	62.8%	25.0%	62.8%	44.0%	30.0%
29	25.0%	61.4%	25.0%	61.4%	42.0%	27.5%
30 or More	25.0%	60.1%	25.0%	60.1%	40.0%	25.0%

For "roof surfacing" losses adjusted at ages 0 - 1 in the Roof Surfacing Loss Percentage table, all provisions under paragraph C. **Loss Settlement** item 2. apply.

For the **Homeprotector Plus Endorsement, FMHO 3153**, under C. **Replacement Cost Provision - Dwelling and Personal Property**, the following is added:

5. WINDSTORM, HAIL OR NAMED STORM ROOF SURFACING LOSS PERCENTAGE

"Roof surfacing" losses caused by the peril of windstorm or hail, including that which results from a "named storm" as defined in endorsement Named Storm Deductible FMHO 4170, will be paid at the percentage shown in the **Roof Surfacing Loss Percentage Table** below.

The percentage is determined by the age and type of "roof surfacing".

ROOF SURFACING LOSS PERCENTAGE TABLE

Age	Composition	Metal	Other	Slate	Tile	Wood
0	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2	94.0%	97.3%	93.8%	97.3%	96.0%	95.0%
3	91.0%	96.0%	90.7%	96.0%	94.0%	92.5%
4	88.0%	94.7%	87.6%	94.7%	92.0%	90.0%
5	85.0%	93.4%	84.5%	93.4%	90.0%	87.5%
6	82.0%	92.0%	81.4%	92.0%	88.0%	85.0%
7	79.0%	90.7%	78.3%	90.7%	86.0%	82.5%
8	76.0%	89.4%	75.2%	89.4%	84.0%	80.0%
9	73.0%	88.0%	72.1%	88.0%	82.0%	77.5%
10	70.0%	86.7%	69.1%	86.7%	80.0%	75.0%
11	67.0%	85.4%	66.0%	85.4%	78.0%	72.5%
12	64.0%	84.0%	62.9%	84.0%	76.0%	70.0%
13	61.0%	82.7%	59.8%	82.7%	74.0%	67.5%
14	58.0%	81.4%	56.7%	81.4%	72.0%	65.0%
15	55.0%	80.1%	53.6%	80.1%	70.0%	62.5%
16	52.0%	78.7%	50.5%	78.7%	68.0%	60.0%
17	49.0%	77.4%	47.4%	77.4%	66.0%	57.5%
18	46.0%	76.1%	44.3%	76.1%	64.0%	55.0%
19	43.0%	74.7%	41.2%	74.7%	62.0%	52.5%
20	40.0%	73.4%	38.1%	73.4%	60.0%	50.0%
21	37.0%	72.1%	35.0%	72.1%	58.0%	47.5%
22	34.0%	70.7%	31.9%	70.7%	56.0%	45.0%
23	31.0%	69.4%	28.8%	69.4%	54.0%	42.5%

24	28.0%	68.1%	25.7%	68.1%	52.0%	40.0%
25	25.0%	66.8%	25.0%	66.8%	50.0%	37.5%
26	25.0%	65.4%	25.0%	65.4%	48.0%	35.0%
27	25.0%	64.1%	25.0%	64.1%	46.0%	32.5%
28	25.0%	62.8%	25.0%	62.8%	44.0%	30.0%
29	25.0%	61.4%	25.0%	61.4%	42.0%	27.5%
30 or More	25.0%	60.1%	25.0%	60.1%	40.0%	25.0%

For "roof surfacing" losses adjusted at ages 0 - 1 in the Roof Surfacing Loss Percentage table, all provisions under paragraph **C. Loss Settlement**, items **1.a. - 1.c.**, and item **4.** apply.

All other provisions, including all applicable deductibles shown in your Policy Declarations, apply.

POLICY NUMBER:



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**CREDIT CARD, ELECTRONIC FUND TRANSFER
CARD OR ACCESS DEVICE, FORGERY AND
COUNTERFEIT MONEY COVERAGE**

HOMEOWNERS
HO 04 53 10 00

INCREASED LIMIT

SCHEDULE*

SECTION I - PROPERTY COVERAGES

ADDITIONAL COVERAGES

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

The limit of liability for this coverage is increased as noted below.

Increase In Limit Of Liability

Total Limit Of Liability

All other provisions of this policy apply.

*Entries may be left blank if shown elsewhere in this policy for this coverage.

PROTECTIVE DEVICES

For a premium discount, we acknowledge the installation of fire, theft, or water protective system or device approved by us on the "residence premises." You agree to maintain the approved system or device in working order and to let us know promptly of any change made to the system or device or if it is removed. We reserve the right of modifying or removing the discount based on our knowledge of how the system or device is maintained by you.

THIS ENDORSEMENT CHANGES YOUR POLICY - PLEASE READ IT CAREFULLY

HOMEOWNER AMENDATORY ENDORSEMENT

DEFINITIONS

The following is added:

"Actual cash value"

- a. When damage to property is economically repairable, "actual cash value" means the cost that would be necessary to repair the damage based on the age and conditions of the materials making up the damaged property, less reasonable deduction for wear and tear, deterioration, and obsolescence.
- b. When damage to property is not economically repairable or loss prevents repair, "actual cash value" means the market value of property in a used condition equal to that of the lost or damaged property, if reasonably available on the used market.
- c. Otherwise, "actual cash value" means the market value of new, identical, or nearly identical property, less reasonable deduction for wear and tear, deterioration, and obsolescence.

The reasonable deduction in items a. and c., above, will apply to materials, labor, and overhead and profit.

Where the term actual cash value is stated in the policy and any endorsements attached to the policy, this Definition of "actual cash value" applies.

All other provisions of this policy apply.

NAMED STORM DEDUCTIBLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

A. Definitions

The following definitions are added for the purposes of the deductible provided by this endorsement only:

1. "National Weather Service" means the National Weather Service including any of its offices, centers or agencies (including but not limited to the National Hurricane Center) or, if the National Weather Service ceases to exist or ceases to perform the function of issuing formal names for "Named Storms" or issuing "Named Storm" advisory, watch or warnings, any such other entity as may replace it.
2. "Named Storm" means a weather-related event involving wind, including hurricanes, tropical depressions and tropical storms or wind related weather disturbances, as well as the wind, wind gusts, hail, rain, lightning, snow or sleet, tornadoes, cyclones or any other weather conditions caused by or resulting from the storm system, that has been assigned a formal name by the National Weather Service.
3. "Duration of a 'Named Storm'" means the following time period:
 - a. Beginning at the time a "Named Storm" advisory, watch or warning is issued by the "National Weather Service" for any part of the state in which the residence premises are located;
 - and
 - b. Ending 24 hours after the termination of the last "Named Storm" watch or warning for any part of the state by the "National Weather Service"

B. Named Storm Deductible

We will pay only that part of the total of all covered losses payable under Section I - Property Coverages resulting from a "named storm" that exceeds the Named Storm Deductible as stated on the Declarations, as follows:

1. **When this Named Storm Deductible Applies:** The Named Storm Deductible applies to the total of all covered losses occurring within the "Duration of a 'Named Storm'" and caused directly or indirectly by a "Named Storm". This Named Storm Deductible shall apply separately to each "Named Storm".
2. **How the Named Storm Deductible Amount is Determined:** The amount of the applicable Named Storm Deductible shall be determined by multiplying the Coverage A limit of liability as shown in the Declarations by the Named Storm Deductible Percentage amount shown on the Declarations.

If no Named Storm Deductible Percentage is shown on the Declarations, the amount of the applicable Named Storm Deductible shall be the dollar amount shown on the Declarations for Named Storm Deductible.
3. **Other Deductibles.** If the Named Storm Deductible amount under this endorsement is less than the base policy deductible as shown on the Declarations, the base policy deductible shall apply.

This endorsement does not provide additional coverage.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL DEDUCTIBLE—DWELLING

The following special Deductible is added to the policy:

For the premium charged, we will pay only that part of the total of covered direct physical loss to property covered under Section I of this policy caused by Windstorm or Hail that exceeds the Windstorm or Hail Deductible as shown on the Declarations as follows:

A. When this Windstorm or Hail Deductible Applies

This Deductible applies in the event of direct physical loss to property covered under this policy caused directly or indirectly by the perils of Windstorm or Hail.

If this policy includes a Named Storm Deductible endorsement that is applicable to a loss, this Windstorm or Hail Deductible endorsement will not apply to that loss.

B. How the Windstorm or Hail Deductible Amount is Determined

The Windstorm Deductible may be either a fixed dollar amount or percentage based, but not both. If percentage based, the amount of the applicable Windstorm or Hail Deductible shall be determined by multiplying the Coverage A limit of liability as shown in the Declarations by the Windstorm or Hail Deductible Percentage amount as shown on the Declarations.

For Example, if your Windstorm or Hail Deductible is 2%, and your Coverage A limit of liability is \$100,000, the dollar amount of your Windstorm or Hail Deductible is \$2,000.

If no Windstorm or Hail Deductible Percentage is shown on the Declarations, the amount of the applicable Windstorm or Hail Deductible shall be the dollar amount for the Windstorm or Hail Deductible as shown on the Declarations.

C. Other Deductibles

If the Windstorm or Hail Deductible amount under this endorsement is less than the base policy Section I Deductible as shown on the Declarations, the base policy Section I Deductible shall apply.

This endorsement does not provide additional insurance. All other provisions of this policy apply.

INFLATION PROTECTION ENDORSEMENT

It is agreed that the limits of liability for:

- Coverage A, Dwelling;
- Coverage B, Structure;
- Coverage C, Personal Property;
- and Coverage D, Loss of Use,

shall be raised by the rate of increase in the latest available information on residential building cost inflation.

METHOD

To find the limits of liability on a given date, the Index Level the Company assigns to that date will be divided by the Index Level for the effective date of this Endorsement. This Factor is then multiplied by the limit for Coverages A, B, C and D separately.

If during this policy's term the Coverage A limit is changed at the insured's request, the effective date of this Endorsement is amended to the effective date of such change.

This Endorsement shall not reduce the limits of liability to less than the amount shown on:

- a. The policy; or
- b. The most recent Homeowners Policy Renewal Declaration.

This Endorsement must be attached to Change Endorsement when issued after the policy is written.

THIS ENDORSEMENT DOES NOT CONSTITUTE A REDUCTION OF COVERAGE.

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

HOMEOWNERS
HO 04 96 10 00

A. "Business", as defined in the policy, means:

1. A trade, profession or occupation engaged in on a full-time, part-time, or occasional basis; or
2. Any other activity engaged in for money or other compensation, except the following:

a. One or more activities:

- (1) Not described in b. through d. below; and
- (2) For which no "insured" receives more than \$2000 in total compensation for the 12 months before the beginning of the policy period;

b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

d. The rendering of home day care services to a relative of an "insured".

B. If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".

C. If home day care service is not a given "insured's" trade, profession or occupation but is an activity:

1. That an "insured" engages in for money or other compensation; and
2. From which an "insured" receives more than \$2,000 in total/combined compensation from it and any other activity for the 12 months before the beginning of the policy period;

the home day care service and other activity will be considered a "business".

D. With respect to C. above, home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:

1. Described in A.2. above, and
2. Engaged in for money by a single "insured";

may be considered a "business" if the \$2000 threshold is exceeded.

E. With respect to A. through D. above, coverage does not apply to or is limited with respect to home day care service which is a "business". For example, this policy:

1. Does not provide:

a. Section II coverages. This is because a "business" of an "insured" is excluded under E.2. of Section II - Exclusions;

b. Coverage, under Section I, for other structures from which any "business" is conducted; and

2. Limits Section I coverage, under Coverage C - Special Limits of Liability, for "business" property:

a. On the "residence premises" for the home day care "business" to \$2,500. This is because Category h. (e. in Form HO 00 08) imposes that limit on "business" property on the "residence premises";

b. Away from the "residence premises" for the home day care "business" to \$500. This is because Category i. (f. in Form HO 00 08) imposes that limit on "business" property away from the "residence premises". Category i. does not apply to property described in Categories j. and k. (g. and h. respectively in Form HO 00 08).

WAIVER OF DEDUCTIBLE - THEFT FROM RESIDENCE PREMISES - TEXAS

With the installation of a functioning and professionally-monitored theft alarm system that is maintained in good working order, we will waive the deductible that applies for direct physical loss to the property described under Coverages A, B, and C as a result of theft, including attempted theft, from that portion of the "residence premises" protected by the alarm system.

The waiver of deductible will not apply if:

- a. The alarm system has not been activated, or the service has been discontinued;
- b. The theft loss occurs off the "residence premises"; or
- c. The theft loss occurs from a portion of the "residence premises" not protected by the alarm system.

All other provisions of this policy apply.

ARSON REWARD

The following Additional Coverage is added to SECTION I - PROPERTY COVERAGES, Additional Coverages:

Arson Reward. We will pay up to \$5,000 for information which leads to an arson conviction in connection with a fire loss covered by this policy. Regardless of the number of persons providing information, our limit shall not be increased. This \$5,000 limit is in addition to the limit of liability applicable to the damaged or destroyed property.

Notice of Membership in Liberty Mutual Holding Company Inc.

While this policy is in effect, the named insured first named in the Declarations is a member of Liberty Mutual Holding Company Inc. and is entitled to vote either in person or by proxy at any and all meetings of the members of said company. The Annual Meeting of Liberty Mutual Holding Company Inc. is in Boston, Massachusetts, on the second Wednesday in April each year at ten o'clock in the morning.

The named insured first named in the Declarations shall participate in the distribution of any dividends declared by us for this Policy. The amount of such Named Insured's participation is determined by the decision of our Board of Directors in compliance with any laws that apply.

Any provisions in the policy relating to:

1. Membership in Liberty Mutual Insurance Company or Liberty Mutual Fire Insurance Company; or
2. Entitlement to dividends as a member of Liberty Mutual Insurance Company or Liberty Mutual Fire Insurance Company

are deleted and replaced by the preceding paragraphs.

Important Information

February 21, 2022

Thank you for choosing Liberty Mutual as your homeowners insurance provider. We take pride in offering you excellent products with personal service at a competitive price. To offer the most competitive price, we consider many factors when determining your premium. This includes a combination of information, such as your claims history and property characteristics. Some of the information we considered was obtained from a consumer report. This information has contributed to your rate not qualifying for our lowest possible rate.

Equifax Information Services, LLC, P.O. Box 740241, Atlanta, GA 30374; 800-685-1111 provided the credit-based insurance score we used.

The following reasons related to your credit information were considered in our underwriting process:

Number of open accounts reported as 'paid as agreed'; Average amount of time accounts have been established; Relationship of balance to available limit on credit card(s); Utilization of open credit card(s)

While the above consumer reporting agency(ies) provided the insurance credit score, they did not make the decision as to what rate we offer you, nor can they provide you with a reason why a particular underwriting decision was made.

You are entitled to obtain a copy of the consumer report(s) we reviewed and if your request is made to the consumer reporting agency(ies) listed above within sixty (60) days from the date of this notice the report will be provided by them free of charge. This will help you better understand what was reviewed and to dispute any errors that may appear on the report. You will need to provide identification, such as a copy of your driver's license, passport, or birth certificate when you request your report(s).

If you believe the report includes inaccurate information, you may request the consumer reporting agency to reinvestigate and issue an updated report within thirty (30) days without charge. If the consumer reporting agency makes any corrections to your report, please ask them to send a copy to Liberty Mutual so we can review your updated information.

If you have any questions, please contact us at 1-800-225-8285 and a representative will be happy to assist you.

Choose The Payment Option That Works For You

We are committed to making billing easy and hassle free. That is why we offer a selection of billing and payment options to choose from.

PAYMENT OPTIONS

In accordance with the state, we agree to make available to you an installment payment plan as described in Rule 14 of the *Texas Automobile Rules and Rating Manual*, except when an installment payment plan is prohibited by other rule or by statute. This installment plan is not limited to automobile insurance and is available for all lines of insurance written in the Liberty Mutual Insurance Group.

- **Electronic Funds Transfer (EFT)**. Save time and money with our convenient EFT option. Once you enroll, your insurance payment will be withdrawn directly from your checking/savings account. A charge may be applied to each installment unless paid in full, although installment fees will be lower than for other payments options. As a convenience, we will make every attempt to issue any refunds due to your bank account from which the payment was received. Sign up by visiting LibertyMutual.com/register or if you already have an eService account, simply login.
- **Recurring Credit Card***. Save time with our recurring credit card option. Once you enroll, your insurance payment will be charged directly to your credit card. As a convenience, we will make every attempt to issue any refunds due to your credit card from which the payment was received. We accept all major credit cards including American Express, Visa, MasterCard and Discover. A charge will be applied to each installment unless paid in full. Sign up by visiting LibertyMutual.com/register or if you already have an eService account, simply login.
- **Online**. Pay your bill online with eService at LibertyMutual.com/register. Click to register, or if you already have an eService account, simply login. A charge will be applied to each installment unless paid in full.
- **Direct Bill**. Choose a billing frequency (i.e. Monthly, Quarterly, Pay in Full, Pay in Two and Bi-Monthly) that is right for you and receive paper bills by mail. A charge will be applied to each installment unless paid in full.

*This option is available for most policy types.

REFUNDS

In most states and in most situations, any refunds owed will automatically be refunded in the same method your last payment was received. For example, if the last payment you made was with a credit card, we will apply your refund back to your credit card. We will refund electronic check payments back to your checking account instead of mailing you a check. Electronic check payments include:

- Check payments processed online at LibertyMutual.com
- A Liberty Mutual Service Rep initiated one-time check or EFT payment

However, we will typically mail a refund check in the following situations:

- The refund amount is greater than the last single payment amount received
- Your bank rejects an electronic refund
- Your credit card company rejects an electronic refund

FEES

You may pay the entire premium in full without additional charge. Your payment must be received by the due date shown on the premium notice.

- An installment charge may be applied to the outstanding account balance if there is a current installment amount due depending on the payment option chosen. You can avoid future installment charges by paying the Account Balance in full or you may save on future installment charges by enrolling in Electronic Funds Transfer (EFT) payment option.
- If we receive your payment after the due date, you may be charged a late fee of up to \$15.00. Late payments may affect your future premiums, your coverage or continuation of your policy.
- A **returned payment fee** may be charged for any payment not accepted by your financial institution.

If you have any questions please contact us at 800-225-8285 and a representative will be happy to assist you.

Thank you for insuring with Liberty Mutual. We appreciate your business.

Extraordinary Life Event Credit Exception Request

PMKT 479 03 10 CWNB

The preceding notice advises you that your credit information contributed to the decision we made. If you believe any of the extraordinary circumstances listed below has unfavorably affected your credit history, you may request an exception to our use of this information.

- Catastrophic medical expense due to illness, injury, disease or disability;
- Divorce or dissolution of a marriage;
- Death of a spouse or family member;
- Involuntary loss of employment;
- Identity theft;
- Total or other loss that makes your home uninhabitable;
- Victim of domestic abuse;
- Care of an adult dependent or dependent grandchild;
- Impact from a major natural catastrophe, including hurricanes or tornadoes;
- Military deployment overseas

You may send your request by e-mail to CreditExceptionRequest@LibertyMutual.com or by writing to:

Credit Exception Request
Liberty Mutual Group
175 Berkeley Street
Mail Stop J04H
Boston, MA 02116

Please provide us with your name, address, telephone number and policy number. Upon receipt of your request, we will send you an Extraordinary Circumstance Credit Exception form. You will be asked to complete the form and return it with the necessary documentation to support your request. Upon receipt of your form and documentation, Liberty Mutual will review your information and determine whether you may be entitled to a lower premium. Please contact us within 90 days of this notice, if you want us to consider a request for an exception.

Notice of Privacy Policy

Liberty Mutual* values you as a customer and takes your personal privacy seriously. When you request a rate quotation, apply for insurance, request changes to your insurance policy or submit a claim, you disclose information about yourself or members of your family. This notice tells you how we treat the information we collect about you.

1. INFORMATION WE MAY COLLECT

We collect information about you from:

- Applications or other forms you complete, and information you provide to us over the telephone;
- Your business dealings with us and other companies;
- Your employer or association for Liberty Mutual Group products;
- Consumer reporting agencies, Motor Vehicle Departments, inspection services and medical providers; and
- Visits to our Liberty Mutual website.

2. TYPES OF INFORMATION WE MAY DISCLOSE

We may disclose the following about you:

- Information from your application or other forms, such as your name, date of birth, address, social security number, vehicle and driver information;
- Information about your transactions with us, our affiliates or others, such as your insurance coverages, payment history, and certain claims information; and
- Information we receive from third parties, such as your motor vehicle records and claims history.

3. TO WHOM INFORMATION MAY BE DISCLOSED

We do not disclose personal information about you to anyone unless allowed by law. We are allowed by law to provide information to:

- A third party that performs services for us, such as claims investigations, medical examinations, inspections, and appraisals or for roadside assistance or the repair of your vehicle if you have a claim;
- Our affiliated companies and reinsurers;
- Insurance regulators and reporting agencies;
- Consumer reporting agencies to obtain loss history information, motor vehicle reports, or credit report information where permitted by law;
- State Motor Vehicle Departments to obtain a report of any accidents or convictions or to confirm your compliance with compulsory motor vehicle liability insurance laws;
- Law enforcement agencies or other government authorities to report suspected illegal activities;
- A person or organization conducting insurance actuarial, or research studies;
- Companies that provide marketing services on our behalf, or as part of a joint marketing agreement with banks, credit unions, and affinity partners, or providers of annuity and financial products and services offered through us to our customers; and
- As otherwise permitted by law.

4. HOW WE PROTECT INFORMATION

We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. These safeguards comply with applicable laws. We retain your information for as long as required by law or regulation. The only employees or agents who have access to your information are those who must have it to provide products or services to you. We do not sell your information to mass marketing or telemarketing companies. Any information we share with third parties, such as those organizations which perform a service for us or market our products, is subject to appropriate confidentiality protections and may be used only for the purposes intended.

*This privacy notice is provided on behalf of the following Liberty Mutual companies and affiliates that provide personal automobile, homeowners, life insurance and annuities: Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Liberty Insurance Corporation, LM Insurance Corporation, The First Liberty Insurance Corporation, Liberty Insurance Company of America, Liberty Northwest Insurance Corporation, Liberty Life Assurance Company of Boston, Liberty County Mutual Insurance Company (Texas only), Liberty Lloyds of Texas Insurance Company, LM Property and Casualty Insurance Company, Liberty Mutual Personal Insurance Company, Liberty Personal Insurance Company, Liberty Mutual Mid-Atlantic Insurance Company, LM General Insurance Company, American States Preferred Insurance Company, Consolidated Insurance Company, Wausau General Insurance Company, Wausau Underwriters Insurance Company, Wausau Business Insurance Company, Montgomery Mutual Insurance Company, North Pacific Insurance Company, Peerless Indemnity Insurance Company, Indiana Insurance Company, and The Netherlands Insurance Company.

28 TAC Section 5.9971(b)

CONSUMER BILL OF RIGHTS

Homeowners, Dwelling, and Renters Insurance

What is the Bill of Rights?

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

The Bill of Rights is not:

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

Questions about these rights?

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

Phone: 1-800-252-3439

Email: ConsumerProtection@tdi.texas.gov

Website: www.tdi.texas.gov/consumer

Mail: Consumer Protection MC 111-1A

P.O. Box 149091

Austin, TX 78714-9101

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

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

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Where to Get Information

1. **Your insurance company.** When you get a copy of your policy you will also get an "Important Notice" from the company. The notice explains how to contact your company and how to file a complaint. You may request a complete copy of your policy from your company at any time.
2. **Your declarations page.** The declarations page, also called the "dec page," shows: (a) the name and address of your insurance company, (b) the location of the insured property, (c) the dates your policy is in effect, and (d) the amounts and types of coverage.

Your company must list the exact dollar amount of each deductible in your policy. The declarations page, or a separate page, must also list any part of your policy that changes any deductible amount.

3. **The Texas Department of Insurance (TDI).** You have the right to call TDI for free at 1-800-252-3439 for information and help with a complaint against an insurer. You can also find information on the TDI website at www.tdi.texas.gov.
4. **Resources for shopping for insurance.** The Office of Public Insurance Counsel (OPIC) and TDI developed www.HelpInsure.com to help you compare rates and coverages for different insurance companies. OPIC also has an online tool to help you compare policies. You can find this policy comparison tool at www.opic.texas.gov.

What You Should Know When You File a Claim

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

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

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

6. **Written explanation of claim denial.** Your insurance company must tell you in writing why your claim or part of your claim was denied.
7. **Reasonable investigation.** Your insurance company cannot refuse to pay your claim without a reasonable investigation of the claim. You should keep records of all claim communications (including notes from phone calls) and other claim documentation (including damage estimates and receipts).

- 8. Information not required for processing your claim.** Your insurance company can only ask for information reasonably needed for their claim investigation. However, they cannot ask for your federal income tax returns unless: (a) they get a court order or (b) your claim involves a fire loss, loss of profits, or lost income.
- 9. Release of claim payments from lenders.** Often an insurance company will make a claim payment to you and your lender. If your lender gets the payment:
- **No later than 10 days after receiving it they must:** (a) notify you and (b) tell you what you must do so the money can be released.
 - **No later than 10 days after you ask for the money, they must:** (a) send the money to you, or (b) tell you how to get the money released.

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

- 10. Notice of liability claim settlement.** Liability means you are responsible for other people's injuries or damage to their property. Your insurance company must let you know in writing:
- About the first offer to settle a claim against you within **10 days** after the offer is made.
 - About any claim settled against you within **30 days** after the date of the settlement.

Who to Contact for Claim Disagreements

- 11. Claim disagreements.** You can dispute the amount of your claim payment or what is covered under your policy. You can:
- Contact your insurance company.
 - Contact an attorney to advise you of your rights under the law. The State Bar of Texas can help you find an attorney.
 - Pay a licensed public adjuster to review the damage and handle the claim.
 - File a complaint with TDI.

What You Should Know about Renewal, Cancellation and Nonrenewal

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

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

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

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

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

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

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

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

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

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

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

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

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

17. Refund of premium. If you or your insurance company cancel your policy before it ends, the company must refund any unused premium.

- If the company cancels, they have **15 business days** from the day they cancel your policy.
- If you ask to cancel your policy, the company has **15 business days** from the day you want the policy to end.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For example, you may ask:

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

21. Limit on using credit information to nonrenew your policy. An insurance company cannot refuse to renew your policy solely because of your credit.

22. Protections from discrimination. An insurance company cannot refuse to insure you; limit the

coverage you buy; refuse to renew your policy; or charge you a different rate based on your race, color, creed, country of origin, or religion.

23. Protection for low-value property. An insurance company cannot refuse to renew your policy because the property value is low.

24. Protection for older houses. An insurance company cannot refuse to renew your policy based on the age of your property. However, they can refuse to renew your policy based on the condition of your property, including your plumbing, heating, air conditioning, wiring, or roof.

25. Notice of nonrenewal. Your insurance company must send you a notice that they are not renewing your policy. They must let you know at least **30 days** before your policy expires, or you can require them to renew your policy.

26. Notice of a "material change" to your policy. If your insurance company does not want to cancel or nonrenew your policy, but wants to make certain material changes, then they must explain the changes in writing at least **30 days** before the renewal date. Material changes include:

- Giving you less coverage;
- Changing a condition of coverage; or
- Changing what you are required to do.

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

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

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

Use of credit information disclosure

Insurer's Name	<u>Liberty Mutual Insurance</u>
Address	<u>Liberty Mutual Group</u>
	<u>PO Box 958416</u>
	<u>Lake Mary, FL 32795-9802</u>
Telephone Number (toll free if available)	<u>1-800-490-0233</u>

We ☒ **will** ☐ **will not** (choose one) obtain and use credit information on you or any other member(s) of your household as a part of the insurance credit scoring process.

If you have questions regarding this disclosure, contact the insurer at the above address or phone number. For information or other questions, contact the Texas Department of Insurance at 1-800-578-4677 or PO Box 149104, MC 104-PC, Austin, Texas 78714.

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

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

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

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

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

Summary of consumer protections in Chapter 559

Prohibited use of credit information. An insurer may not:

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

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

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

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

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

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

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

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

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

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

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

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

DIVULGACIÓN DEL USO DE LA INFORMACIÓN DE CRÉDITO

Nombre de la aseguradora: Liberty Mutual Insurance

Dirección: Liberty Mutual Group

PO Box 958416

Lake Mary, FL 32795-9802

Número de teléfono: (número de teléfono gratuito, si se cuenta con uno) 1-800-490-0233

Nosotros ☒ **Si** ☐ **No** (marque uno) obtendremos y usaremos la información de crédito suya o de cualquier otro miembro(s) de su hogar como parte del proceso de evaluación de crédito para obtener un seguro.

Si tiene preguntas con respecto a esta divulgación de información, comuníquese con la aseguradora a la dirección o teléfono que se muestra en la parte de arriba. Para más información o si tiene otras preguntas, comuníquese con el Departamento de Seguros de Texas al 1-800-578-4677 o por correo postal en PO Box 149104, MC-104-PC, Austin, Texas 78714.

La Sección 559.053 del Código de Seguros de Texas requiere que una aseguradora o sus agentes informen a sus clientes si obtendrán o no información de crédito del solicitante o asegurado o de cualquier miembro(s) del hogar del solicitante o asegurado. También es requerido que informen si van a utilizar la información como parte del proceso de evaluación de crédito para obtener un seguro.

Si se obtuvo o utilizó información de crédito del asegurado o solicitante, o de cualquier miembro del hogar del solicitante o asegurado, la aseguradora deberá revelar al solicitante el nombre de cada una de las personas por las cuales obtuvo o utilizó los datos y la manera en que la información de crédito de cada una de las personas se utilizó para asegurar o clasificar la póliza. La aseguradora puede proporcionar esta información junto con esta divulgación de información o por medio de un aviso por separado.

Efecto adverso, significa una acción tomada por una aseguradora en relación a la suscripción de un seguro para un cliente que resulta en el rechazo de la cobertura, la cancelación o el rechazo a renovar la cobertura, o el ofrecimiento y la aceptación por parte del consumidor de un tipo de póliza, tarifa de la prima o del deducible aparte del tipo de póliza, precio de la prima o del deducible por los cuales el consumidor específicamente presentó su solicitud.

La información de crédito es cualquier información relacionada con el crédito, derivada en sí mismo de un reporte de crédito o proporcionada en una solicitud para obtener un seguro personal. El término no incluye información que no esté relacionada con el crédito, sin importar si la información está incluida en un reporte de crédito o en una solicitud para obtener una cobertura de seguro o si es utilizada para calcular una calificación de crédito.

La calificación de crédito o calificación de seguro es el número o índice que es derivado de una fórmula matemática, de una aplicación de computadora, un modelo, u otro proceso que se basa en la información de crédito, y es utilizado para predecir la exposición futura de un consumidor a la pérdida de seguros.

RESUMEN DE LAS PROTECCIONES PARA EL CONSUMIDOR CONTENIDAS

EN EL CAPÍTULO 559

USO PROHIBIDO DE LA INFORMACIÓN DE CRÉDITO *La aseguradora no puede:*

- (1) *utilizar una calificación de crédito que se calcula utilizando factores que constituyen discriminación injusta.*

- (2) *negar, cancelar o negarse a renovar una póliza de seguro personal, únicamente en base a la información de crédito sin tener en consideración cualquier otro factor de suscripción que sea aplicable independiente de la información de crédito; o*
- (3) *ejercer una acción que resulte en un efecto adverso en contra del consumidor debido a que el consumidor no tiene una cuenta de tarjeta de crédito y sin tener en consideración cualquier otro factor, independiente de la información de crédito.*

La aseguradora no puede considerar la ausencia de información de crédito o la inhabilidad para determinar la información de crédito de un solicitante de seguro o asegurado como un factor en el proceso de suscripción o clasificación de una póliza de seguro, a menos que la aseguradora:

- (1) *tenga información estadística, actuarial o razonable sobre la suscripción de seguros que: (A) esté razonablemente relacionada a una experiencia de pérdida actual o anticipada; y (B) muestre que la falta de información de crédito podría resultar en diferencias en las pérdidas actuales o anticipada;.*
- (2) *trate al consumidor como si la persona que solicita la cobertura de seguro o la persona asegurada tuviera una información neutral de crédito, según la definición de la aseguradora, o*
- (3) *excluya el uso de información de crédito como un factor en el proceso de suscripción y utilice solamente otro criterio para la suscripción.*

FACTORES NEGATIVOS. *La aseguradora no puede usar cualquiera de lo siguiente como factor negativo en cualquier metodología para la calificación de crédito o para la revisión de la información de crédito para suscribir o calificar una póliza de seguro personal:*

- (1) *una consulta de crédito que no es iniciada por el consumidor;*
- (2) *una consulta respecto a la cobertura de seguro, si así está identificada en el reporte de crédito del consumidor; o*
- (3) *una cuenta de cobro con un código de la industria médica, si así está identificada en el reporte de crédito del consumidor.*

Las consultas múltiples hechas por prestamistas dentro de 30 días a partir de una consulta previa, si son codificadas por la agencia de protección al consumidor (consumer reporting company, por su nombre en inglés) en el reporte de crédito del consumidor como si fuera de la industria de financiamiento de una casa o un auto, serán consideradas por una aseguradora como una sola consulta.

EFFECTOS DE PERCANCES EXTRAORDINARIOS. *La aseguradora deberá, una vez que haya recibido una solicitud previa por escrito por parte del solicitante de seguro o asegurado, proporcionar las excepciones razonables de los precios del asegurado, así como también la clasificación de la evaluación, reglamentos de aseguramiento para el consumidor, cuya información de crédito ha sido influenciada directamente por una enfermedad catastrófica, por una lesión, por la muerte de un cónyuge, hijo, o padre, por la pérdida temporal de empleo, por un divorcio, o por el robo de identidad. En tal caso, la aseguradora puede considerar solamente la información de crédito que no ha sido afectada por el percance o deberá asignar una calificación de crédito neutral.*

Antes de poder otorgar una excepción, una aseguradora puede requerir documentación por escrito, que sea razonable e independientemente verificable sobre el percance y el efecto que éste percance tuvo en el crédito de la persona. No es requerido que la aseguradora considere los percances que sucedieron en repetidas ocasiones o percances que la aseguradora reconsideró previamente como un percance extraordinario. Una aseguradora también puede considerar otorgar una excepción al solicitante para obtener una cobertura de seguro o a un asegurado para un percance extraordinario no mencionado en esta sección. La aseguradora no estaría infraccionando ninguna ley o reglamento de evaluación, clasificación o precios, si ésta otorga una excepción bajo este artículo.

AVISO DE UNA ACCIÓN QUE RESULTA EN UN EFECTO ADVERSO. *Si una aseguradora ejerce una acción que resulta en un efecto adverso para el solicitante de seguro o asegurado basándose totalmente o en parte en la información que contiene un reporte de crédito, la aseguradora debe proporcionar al solicitante o asegurado, dentro de 30 días, cierta información sobre cómo puede el solicitante o asegurado verificar y disputar la información que contiene el reporte de crédito.*

RESOLUCIÓN DE DISPUTAS; CORRECCIÓN DE ERRORES. *Si se determina por medio del proceso de resolución de disputas, establecido bajo la Sección 611(a)(5), de la Ley Federal de Informe Justo de Crédito (Fair Credit Reporting Act, por su nombre en inglés), (15 U.S.C., Sección 1681i), a como ha sido enmendada, que la información de crédito de una persona que actualmente está asegurada no era correcta o está incompleta o si no pudo ser verificada, y la aseguradora recibe aviso de esta determinación por parte de la agencia de protección al consumidor (consumer reporting agency) o por parte del asegurado, la aseguradora deberá reevaluar y reclasificar al asegurado a no más tardar del treintavo día, a partir de la fecha en que se recibe el aviso.*

Después de reevaluar o reclasificar al asegurado la aseguradora hará cualquier ajuste necesario dentro de 30 días, lo cual es consistente con las guías de evaluación y clasificación de la aseguradora. Si una aseguradora determina que el asegurado ha pagado demasiado por su prima, la aseguradora debe acreditarle la cantidad que pagó de más. La aseguradora calculará el sobrepago retroactivamente al período más corto de los previos 12 meses de cobertura; o al período actual de la póliza.