

HOMEOWNERS FORM

TABLE OF CONTENTS

POLICY.....	1
AGREEMENT.....	1
DEFINITIONS.....	1
SECTION I - PROPERTY COVERAGE.....	4
Coverage A – Dwelling.....	4
Coverage B - Other Structures.....	4
Coverage C - Personal Property.....	5
Coverage D - Loss Of Use.....	7
SECTION I – PERILS.....	7
SECTION I – EXCLUSIONS.....	9
SECTION I - ADDITIONAL COVERAGE.....	12
SECTION I – CONDITIONS.....	15
SECTION I - HOW WE SETTLE LOSSES.....	18
SECTION II - LIABILITY COVERAGE.....	20
Coverage E - Personal Liability.....	20
Coverage F - Medical Expense.....	20
SECTION II – EXCLUSIONS.....	20
SECTION II - ADDITIONAL COVERAGE.....	24
SECTION II – CONDITIONS.....	25
GENERAL CONDITIONS.....	26

POLICY

This policy is a legal contract between **you** and **us**. Your policy consists of the **DECLARATIONS**, the HOMEOWNERS FORM, all **ENDORSEMENTS**, and your INSURANCE APPLICATION. The policy details the rights and duties of **you** and **us**. READ YOUR POLICY CAREFULLY.

AGREEMENT

We agree with **you**, in return for **your** premium payment, to insure **you** subject to all the terms of this policy.

DEFINITIONS

The following definitions apply throughout this policy's form and **endorsements**. Defined terms are in bold type and have the same meaning whether in the singular, plural, or any other form.

A. **You** and **your** mean a named **insured** shown in the **Declarations** or, if living in the same **household**:

1. a named **insured**'s spouse; or
2. a person who has entered into a domestic partnership or civil union with a named **insured** if such partnership or union:
 - a. is recognized under the laws of the state in which a named **insured** resides;
 - b. grants equivalent rights and responsibilities to its members as those granted to a spouse under state law; and
 - c. has been registered with or filed with the state or local government responsible for recording such partnerships or unions.

B. **We**, **us**, and **our** mean the company shown in the **Declarations** that provides this insurance.

C. In addition, **we** define these words and phrases:

1. **Actual cash value**. This means the least of the:
 - a. value of damaged property;
 - b. change in value of damaged property directly due to the loss;
 - c. cost to repair damaged property; or
 - d. cost to replace damaged property;less a deduction that reflects depreciation, age, condition, and obsolescence at the time of loss.
Actual cash value may be significantly less than replacement cost.
2. **Bodily injury** means physical injury, sickness, disease, or death of any person. It includes resulting loss of

services, loss of consortium, and required care.

3. **Business** means:
 - a. a full-time, part-time, or occasional employment, trade, profession, or occupation; or
 - b. any other activity engaged in for money or any other type of revenue, except the following:
 - (1) volunteer activities for which the only payment received is for expense incurred to perform the activity;
 - (2) selling energy generated on the **residence premises** back to a public utility;
 - (3) providing home day care services for which no revenue is received, other than the mutual exchange of such services; or
 - (4) providing home day care services to a **relative**.
4. **Current construction**.
 - a. This means:
 - (1) methods and materials commonly used by local building trades in standard new construction to frame a **structure** that is of similar utility to **your structure**; and
 - (2) methods, materials, fixtures, parts, and finishes commonly used by local building trades in new construction to finish the exterior and interior of a **structure** that are of similar quality and utility as those in **your structure**.
 - b. **Current construction** does not mean any additional costs to repair or replace antiquated or obsolete construction in **your structure** with like kind and quality. **Current construction** does not include the additional costs of:
 - (1) plaster over wood lath interior walls;
 - (2) stone foundations;
 - (3) weight-and-pulley windows; or
 - other antiquated or obsolete construction.
5. **Declarations**. This means the pages showing **your** coverage, **limits**, covered property, premiums, and other information for this policy. This includes all POLICY CHANGE documents that apply to this policy.
6. **Domestic employee** means a person **you** employ to perform only domestic duties:
 - a. including those necessary to clean, maintain, or help enable the use of the **residence premises**; or
 - b. at other locations for **you** or any **insured**;
only if such person is **your** employee per the United States Tax Code.
This does not include any person while performing duties for any **insured's business**.
7. **Endorsement**. This means a form that changes, adds, reduces, or removes the terms, conditions, or coverage of this policy.
8. **Fungi**. This means any type or form of fungus. This includes but is not limited to mold or mildew, and any mycotoxins, spores, scents, or by-products produced or released by **fungi**.
9. **Household**. This means the persons who are residents of **your** housing unit.
Your housing unit is where **you** reside on the **residence premises** and has its own:
 - a. entry;
 - b. kitchen;
 - c. bathroom; and
 - d. living spaces.
10. **Insured**:
 - a. This means:
 - (1) **you**; or
 - (2) a **household** member who is:
 - (a) a **relative**; or
 - (b) under the age of 21 and in **your** care or the care of a **household** member who is a **relative**.
 - b. This also means under Section II of this policy:
 - (1) a person **you** give **your** permission to have custody of or to use:
 - (a) a vehicle or watercraft covered by this policy; or
 - (b) an animal owned by an **insured** described in 10.a. above;
when such custody or use is not in the course of any type of **business** activity.
 - (2) a person while working as a **domestic employee** of an **insured** described in 10.a. above.
- Each person described above is a separate **insured** under this policy. This does not increase any **limit** in this policy. Each **limit** is the most **we** will pay for any loss or **occurrence** regardless of the number of **insureds** or claimants involved, persons injured, claims made, or suits brought.
11. **Insured location** means:
 - a. the **residence premises**;
 - b. if **you** notify **us** within 30 days of acquisition, the part of a residential premises **you** acquire as **your** new residence during the policy period;

- c. a premises **you** use in connection with the **residence premises**;
 - d. any part of a premises:
 - (1) not owned by or leased to an **insured**; and
 - (2) where an **insured** is temporarily residing;
 - e. land that an **insured** owns, rents, or leases that is vacant land.
Vacant land may contain **structures** including fences, that are not buildings or swimming pools, only if such **structures** are for the personal use of an **insured**.
Vacant land does not mean any:
 - (1) farmland;
 - (2) land used for **business**; or
 - (3) land on which any:
 - (a) **structure**; or
 - (b) building;
designed or used for farming or **business** exists;
 - f. land that an **insured** owns, rents, or leases on which a one or two family dwelling is being built as a residence for an **insured**; or
 - g. individual or family cemetery plots or burial vaults of an **insured**.
12. **Limit.** This means the most that **we** will pay under any coverage. **We** do not have any liability for any payment above any **limit** in this policy.
13. **Livestock.**
- a. This means farm animals including but not limited to any:
 - (1) cattle;
 - (2) horse;
 - (3) pony;
 - (4) mule;
 - (5) donkey;
 - (6) buffalo;
 - (7) swine;
 - (8) llama;
 - (9) alpaca;
 - (10)sheep; or
 - (11)goat.
 - b. **Livestock** does not mean any:
 - (1) domestic fowl, including any chicken or duck, that is raised for consumption by the **household**; or
 - (2) domestic pet, including a dog or cat.
14. **Nuclear hazard.** This means any type or form of nuclear reaction, radiation, or contamination however caused. This includes any direct or resulting damage, regardless of whether the nuclear reaction, radiation, or contamination is caused by any:
- a. act or failure to act;
 - b. natural event; or
 - c. design, construction, care for, or use of any nuclear facility, material, or device.
15. **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**.
16. **Pollutant.**
- a. This means any contaminant or irritant regardless if it is:
 - (1) man-made or natural;
 - (2) a solid, liquid, gas, compound; or
 - (3) thermal irritant.
 - b. This includes but is not limited to:
 - (1) lead, mercury, radon, asbestos, formaldehyde;
 - (2) solvents, alkalis, acids;
 - (3) gasoline, diesel, alcohol, kerosene, heating oil, or any other type of petroleum based or bio-based fuel;
 - (4) garbage, refuse, other waste, material to be recycled; or
 - (5) any substance any governmental agency lists as a controlled chemical or hazardous substance.
 - c. **Pollutant** does not mean:
 - (1) the excretion, secretion, or decomposition of any animal; or
 - (2) a contaminant or irritant from a fire.

17. **Property damage** means physical damage to or destruction of tangible property. This includes loss of its use.
18. **Relative**. This means a person related to **you** by blood, marriage, or adoption.
19. **Residence premises**.
 - a. This means the:
 - (1) one family dwelling **you** own and **you** reside in;
 - (2) two family dwelling **you** own and **you** reside in one of the dwelling units; or
 - (3) part of any other residence where **you** reside;
that is shown as the **residence premises** in the **Declarations**.
 - b. **Residence premises** includes:
 - (1) other **structures** and grounds at the location in 19.a. above; and
 - (2) that part of any other residence **you** do not own while **you** are temporarily residing there because **your** dwelling on the **residence premises** is being repaired, renovated, or rebuilt and **your** dwelling unit is unfit to live in.
20. **Structure**.
 - a. This means a man-made object requiring site preparation of the earth to enable its construction at a set location. A **structure** must be a permanent and stationary part of the realty. This includes a building permanently attached to a concrete foundation. This also includes a retaining wall, walkway, or driveway.
 - b. **Structure** does not mean any type of hot tub, whirlpool, or spa that is manufactured for use above ground.
 - c. A pier, wharf, or dock is a **structure** only if it is permanently attached into the earth and not removed on a seasonal basis.
21. **Uninhabited**. This means **you** do not reside at, have moved from, or vacated **your** dwelling on the **residence premises**. This definition does not change regardless of the presence of any personal property that may be on the **residence premises**.

Uninhabited does not mean those instances in which:

 - a. **we** consent in writing to:
 - (1) **your** reason for not residing at, moving from, or vacating **your** dwelling on the **residence premises**; and
 - (2) the steps **you** take to safeguard the **residence premises**; or
 - b. **you** are temporarily residing away from **your** dwelling on the **residence premises** due to:
 - (1) work related travel;
 - (2) a vacation; or
 - (3) use of a seasonal home.
22. **War**. This means damage caused by or resulting from any:
 - a. armed conflict by any state, country, nation, or other governed entity;
 - b. insurrection, rebellion, or revolution;
 - c. destruction, seizure, or use of any type of property for any military purpose; or
 - d. warlike act by any person, group, or military force.

War also means any damage caused by any nuclear weapon or device. This includes accidental explosion of such weapon or device. This includes any electromagnetic pulse damage whether caused by nuclear explosion or otherwise.

SECTION I - PROPERTY COVERAGE

The **limits** for this Coverage are shown in the **Declarations**.

A. Coverage A - Dwelling.

1. **We** cover **your** dwelling on the **residence premises** including:
 - a. built-in components and attached fixtures;
 - b. additions;
 - c. construction materials on the **residence premises** for use in connection with **your** dwelling or other covered **structures**; and
 - d. attached wall-to-wall carpeting that is not in areas of **your** dwelling rented or held for rental to others.
2. **We** do not cover any land or water.

B. Coverage B - Other **Structures**.

1. **We** cover other **structures** on the **residence premises**. Other **structure** means a **structure** that is:
 - a. separated by a clear space from; or
 - b. attached only by a fence, wall, deck, utility line, walkway, patio, driveway, or similar connection to; **your** dwelling.
2. Other **structures** include:

- a. built-in components and attached fixtures;
 - b. additions;
 - c. attached wall-to-wall carpeting that is not in areas of the **structure** rented or held for rental to others; and
 - d. any permanent pier, wharf, or dock connecting the **residence premises** to a body of water, unless it has living quarters.
3. **We** do not cover any other **structure** that is:
- a. insured by any other insurance, regardless of the **limit** for which it is insured;
 - b. rented or held for rental to anyone who is not a tenant of **your** dwelling, unless it is a garage shown in the **Declarations**; or
 - c. used for any **business** use unless:
 - (1) this policy insures such **business**; or
 - (2) the **structure** is used only for the storage of **business** merchandise, hand tools, hand-held power tools, or **business** utility vehicles solely owned, leased, or rented by an **insured** or a tenant of **your** dwelling.
4. **We** do not cover, unless specifically identified and shown in the **Declarations**, any other **structure** that is a:
- a. garage;
 - b. outdoor swimming pool;
 - c. outdoor in-ground spa or hot tub;
 - d. greenhouse;
 - e. **structure**:
 - (1) designed originally for or now used for any agricultural use;
 - (2) used by or for any **livestock**; or
 - (3) used primarily to generate energy by the use of any wind, solar, or photovoltaic device; or
 - f. building not described in 4.a., 4.d., or 4.e. above with more than 300 square feet in ground level footprint and with a permanent:
 - (1) roof; and
 - (2) exterior walls enclosing at least three sides of such building.
- Permanent does not include the use of any screen, tarp, canvas, or plastic covering material.
5. **We** do not cover any land or water.

C. Coverage C - Personal Property.

1. **We** cover personal property owned or used by an **insured** while it is anywhere in the world. At **your** request after a loss, and if not insured by the owner, **we** will cover personal property owned by:
 - a. others while the property is on the part of the **residence premises** occupied exclusively by an **insured**; or
 - b. a guest or a **domestic employee**, while the property is in any residence occupied by an **insured**.
2. The **limit** for property away from the **residence premises** is 10% of the Coverage C **limit** but not less than \$3,000 for personal property:
 - a. while such property is taken out of the United States; or
 - b. that is usually located at an **insured's** residence other than the **residence premises**. This includes property of a full-time student, who is an **insured**, at the residence occupied by that student.

However, this limitation does not apply to an **insured's** personal property in **your** newly acquired principal residence in the United States for 30 days from the time **you** begin to move the property there. This **limit** does not increase the Coverage C **limit**.
3. Special **limits** apply to the types of property listed below. These special **limits** do not increase the Coverage C **limit**. The **limit** for each type applies to the total of all property within the type.
 - a. \$300 is the total **limit** for:
 - (1) money, bank notes, bullion;
 - (2) checks, money orders;
 - (3) negotiable instruments;
 - (4) scrip, coins, medals;
 - (5) gold, silver, and platinum except flatware, tableware, plaques, and trophies made or plated with these metals; and
 - (6) stored value cards and smart cards.
 - b. \$300 is the total **limit** for marijuana if deemed legal by the state law of the **insured location**. This **limit** includes such substance in any form including all plants and any equipment and material used to grow or process marijuana.
 - c. \$1,500 is the total **limit** for watercraft. This includes their trailers, motors, equipment, parts, and accessories. This does not include scale models.
 - d. \$1,500 is the total **limit** for any trailers that are not used with watercraft.
 - e. \$1,500 is the total **limit** for any scale models of any type that can be used outdoors. This includes their

- equipment, parts, and accessories.
- f. \$1,500 is the total **limit** for:
 - (1) stamps;
 - (2) securities, accounts, deeds;
 - (3) evidences of debt, letters of credit, notes except bank notes;
 - (4) manuscripts, personal records; and
 - (5) passports and tickets.
- This **limit** includes the cost to research, replace, or restore information of all the above.
- g. \$1,500 is the total **limit**, unless a **limit** is shown in the **Declarations**, for **business** property.
 - h. \$2,000 is the total **limit** for:
 - (1) jewelry;
 - (2) gemstones;
 - (3) watches; and
 - (4) furs.
 - i. \$2,500 is the total **limit** for trading cards and comic books.
 - j. \$3,000 is the total **limit** for equipment, parts, and accessories made for use with a vehicle:
 - (1) designed for use on public roads; and
 - (2) not owned or leased by an **insured**.
4. Special **limits** apply to loss caused by Theft to the types of property listed below. The **limit** for each type applies to the total of all property within the type.
- a. \$300 is the total **limit** for audio and video media while in or upon any vehicle or watercraft.
 - b. \$5,000 is the total **limit** for firearms and related equipment, parts, and accessories.
 - c. \$5,000 is the total **limit** for flatware, tableware, plaques, and trophies made or plated with silver, gold, platinum, or pewter.
 - d. \$7,500 is the total **limit** for hand tools, hand-held power tools, and tool:
 - (1) boxes;
 - (2) benches; and
 - (3) cabinets.
 - e. \$10,000 is the total **limit** for rugs, unattached carpets, and tapestries.
5. A special **limit** applies to loss caused by Artificially Generated Electrical Current. \$1,200 is the **limit** for each item of covered property damaged by this Peril.
6. **We** do not cover any:
- a. property separately described or specifically insured by:
 - (1) an **endorsement** to this policy; or
 - (2) any other insurance;

regardless of the **limit** for which it is insured.
 - b. animals, including but not limited to insects, birds, and fish.
 - c. motor- or engine-propelled land vehicle.
- However, **we** do cover:
- (1) a motor- or engine-propelled land vehicle that is not designed for use on public roads and is:
 - (a) designed and used to assist the handicapped;
 - (b) a scale model not capable of carrying any cargo or a person;
 - (c) an electric motor-propelled child's riding toy capable of going no more than 20 miles per hour;
 - (d) a low-speed residential maintenance vehicle designed and used primarily to service the **residence premises** if:
 - (i) powered by no more than 50 horsepower; and
 - (ii) capable of going no more than 35 miles per hour.

A low-speed residential maintenance vehicle includes a riding lawn mower, lawn or garden tractor, snow removal vehicle, or work utility vehicle.
 - (2) a bicycle with an auxiliary electric motor:
 - (a) with a pedal-assist drivetrain;
 - (b) capable of propelling the bicycle at a maximum speed of 20 miles per hour on level ground; and
 - (c) with a maximum continuous rated power output of 1,000 watts.
 - d. vehicle equipment, parts, and accessories except those that:
 - (1) are not **business** property; and
 - (2) were made for use with a vehicle:
 - (a) covered by this policy; or
 - (b) designed for use on public roads only when such vehicle is not owned or leased by an **insured**.

However, any key, key-fob, or similar device is covered.

- e. electronic equipment permanently installed in or affixed to any vehicle or watercraft.
 - f. digitally stored property of any type including but not limited to data, documents, music, videos, or images. However, **we** do cover commercially prerecorded digital media readily available on the current market.
 - g. property rented or held for rental to others when not on the **residence premises**.
 - h. property of any tenant, roomer, boarder, or other resident who is not an **insured**.
 - i. aircraft, hovercraft, airboats, or iceboats including their equipment, parts, and accessories. However, **we** do cover scale models not capable of carrying any cargo or a person.
 - j. property equipped with living quarters that is a boathouse, dock, pier, or wharf.
 - k. property any person illegally obtains, creates, possesses, or distributes.
 - l. land or water.
7. Except for the coverage provided in this policy in Section I - Additional Coverage, **we** do not cover any of the following:
- a. credit card, debit card, electronic fund transfer card or access device, forgery, or counterfeit money.
 - b. trees, shrubs, lawn, or other plants that are outside of a building.
- D. Coverage D - Loss Of Use.
- The Coverage D **limit** shown in the **Declarations** is the total **limit** for all coverage in D.1. and D.2. below.
1. Additional Living Expense.
This Coverage applies when a loss covered by this policy makes that part of the **residence premises** where **you** reside unfit to live in. **We** then pay for the reasonable and necessary increase in living expense **you** incur to maintain the normal standard of living of the **household**. Payment will be for the shortest time required to repair or replace the damaged property or, if **you** permanently relocate, the shortest time required for **you** to do so.
 2. Civil Authority Prohibits Use.
This Coverage applies when a civil authority prohibits **you** from use of the **residence premises** because of possible direct damage to the **residence premises** by a loss that would be covered by this policy. **We** then pay **you** as specified under Coverage D.1. above. However, payment will be for no more than two weeks.
- Coverage for loss that occurs during the policy period is not limited by the expiration of this policy. **We** do not cover any direct or indirect loss or expense due to cancellation of any lease, mortgage, land contract, or agreement.

SECTION I - PERILS

- A. Coverage A - Dwelling.
- B. Coverage B - Other **Structures**.
We cover sudden and accidental direct physical loss to property described in Coverage A and B, unless **we** exclude the loss in this policy.
- C. Coverage C - Personal Property.
We cover sudden and accidental direct physical loss to property described in Coverage C when caused by a Peril listed below, unless coverage is limited within the Peril or **we** exclude the loss in this policy.
 1. Fire Or Lightning.
 2. Windstorm Or Hail.
This Peril includes loss caused by rain, snow, sleet, debris, sand, or dust that is driven by the force of wind. This Peril covers personal property outside of a fully enclosed building or within any attached carport or open or screened lanai, veranda, patio, or porch.
However, this Peril covers loss to:
 - a. watercraft, including their trailers, motors, equipment, parts, and accessories only when such property is inside a fully enclosed building; or
 - b. personal property, other than described in 2.a. above, when such property is inside a fully enclosed building;
 and the direct force of wind or hail first causes an opening in the exterior wall, skylight, window, door, or roof that enables the loss.
 3. Explosion.
 4. Riot Or Civil Commotion.
 5. Aircraft, Self-Propelled Missiles, And Spacecraft.
 6. Vehicle.
This Peril means collision or overturn of a vehicle.
 7. Smoke.
This Peril means loss from smoke, including the emission or puffback of smoke, soot, fumes, or vapors from a boiler, furnace, or related equipment.
This Peril does not cover loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism Or Malicious Mischief.

This Peril means willful or malicious damage to or destruction of property.

However, this Peril does not cover any damage to or destruction of any electronic device's:

- a. operating system;
 - b. storage; or
 - c. software;
- unless caused by physical contact.

9. Theft.

This Peril includes damage from attempted theft. This Peril provides coverage for loss of property from a known location only when it is likely that a theft occurred.

- a. This Peril does not cover:

- (1) theft an **insured** or any other person residing on the **residence premises** commits;
 - (2) theft from any part of the **residence premises** that anyone other than an **insured** rents;
 - (3) loss of property obtained voluntarily from any **insured** whether or not induced to do so by swindling, fraudulent scheme, fraud, trick, or false pretense; or
 - (4) loss resulting from the theft or unauthorized use of any credit card, debit card, electronic fund transfer card or access device, except as in Section I - Additional Coverage.
- b. This Peril does not cover theft that occurs away from the **residence premises** of any:
 - (1) trailer not used with watercraft;
 - (2) watercraft including their trailers, motors, equipment, parts, and accessories;
 - (3) camper made to be carried on or towed by a vehicle;
 - (4) property in storage on any premises an **insured** does not own, except for property locked:
 - (a) inside a fully enclosed building; or
 - (b) within a security fence area;
 - (5) property on any premises an **insured**:
 - (a) owns that has any buildings on it; or
 - (b) does not own, except while an **insured** is temporarily residing there.

However, 9.b.(5)(a) and (b) above do not apply to the property of a full-time student who is an **insured**, at the residence occupied by such **insured**.

10. Breakage Of Glass.

This Peril means loss to property caused by breakage of glass that is part of a building on the **residence premises**. This Peril does not cover any loss if **your** dwelling has been **uninhabited** for more than 30 consecutive days before the loss.

11. Falling Objects.

This Peril includes loss to property that is outside a building.

However, this Peril covers loss to:

- a. watercraft including their trailers, motors, equipment, parts, and accessories only when such property is inside a fully enclosed building; or
- b. property, other than described in 11.a. above, also when such property is inside a building; and the falling object first damages the roof, skylight, wall, window, or door of such building in a manner that enables the loss.

The object that falls is not covered.

12. Weight Of Ice, Snow, Or Sleet.

This Peril only covers loss to property that is inside a fully enclosed building.

13. Discharge Or Overflow Of Water Or Steam.

This Peril means discharge or overflow of water or steam from within a plumbing, heating, air conditioning, or fire protection sprinkler system; or a home appliance.

This Peril does not cover loss caused by or resulting from:

- a. freezing;
- b. continuous or repeated:
 - (1) seepage or leakage of water or steam; or
 - (2) presence or condensation of humidity, moisture, or vapor; that occurs over a period of one week or longer; or
- c. water regardless of its source or origin:
 - (1) including any waterborne material or sewage from:
 - (a) off the **residence premises**; or
 - (b) any septic system;
 - that enters through sewers or drains on the **residence premises**;
 - (2) that enters into and overflows from within a sump pump well discharge system, or any related

components of a foundation drainage system; or

(3) from a roof drain, gutter, downspout, or similar fixture or equipment; regardless of whether the cause of loss is hidden from view or not.

This Peril does not cover loss to the system or appliance that the water or steam escaped from.

14. Tearing Apart, Cracking, Burning, Or Bulging. This Peril means tearing apart, cracking, burning, or bulging of a steam or hot water heating system, air conditioning system, fire protection sprinkler system, or home appliance for heating water.

This Peril does not cover any loss caused by or resulting from:

- a. freezing; or
- b. continuous or repeated:

(1) seepage or leakage of water or steam; or

(2) presence or condensation of humidity, moisture, or vapor; that occurs over a period of one week or longer;

regardless of whether the cause of loss is hidden from view or not.

15. Freezing.

This Peril means freezing of a plumbing, heating, air conditioning, or fire protection sprinkler system; or home appliance. This Peril only applies to a loss within a fully enclosed building when **you** have completed action to:

- a. maintain adequate heat in such building to prevent freezing; or
- b. shut off the water supply and drain all systems and appliances of water.

However, if the building is protected by a fire protection sprinkler system, **you** must use reasonable care to continue the water supply and maintain adequate heat in the building to prevent freezing for coverage to apply.

A plumbing system or home appliance does not include a sump pump well discharge system, or any related components of a foundation drainage system; or a roof drain, gutter, downspout, or similar fixture or equipment.

16. Artificially Generated Electrical Current.

This Peril does not cover any loss caused by or resulting from electromagnetic pulse.

SECTION I - EXCLUSIONS

A. The Following Exclusions Apply To All Section I Coverage:

We do not insure for loss consisting of, or caused directly or indirectly by any of the following:

1. Earth Movement.

a. This means any loss caused by, resulting from, contributed to, or aggravated by:

(1) earthquake. Earthquake means a shaking or trembling of the earth that is volcanic or tectonic in origin. Earthquake consists of one or more scientifically measurable tremors or shocks. It includes land shock waves or tremors before, during, or after a volcanic eruption;

(2) landslide, rockslide, avalanche, subsidence, sinkhole, erosion, mudflow, mudslide, lahar;

(3) earth sinking, rising, shifting, expanding, contracting;

(4) the eruption, explosion, or effusion of a volcano; or

(5) any of the following:

(a) site selection;

(b) machines;

(c) vehicles;

(d) blasting;

(e) mining;

(f) fracking;

(g) sequestration of carbon dioxide or any other gas, solid, or liquid; or

(h) earth moving, excavation, fill, or compaction.

b. This Exclusion applies whether or not Earth Movement:

(1) takes place at or away from the location of damaged property;

(2) combines with water, snow, ice, or rain; or

(3) is sudden, repeated, interrupted, gradual, or slow.

c. However, **we** do cover an ensuing loss when such loss is caused by:

(1) fire;

(2) theft; or

(3) explosion other than the explosion of a volcano.

2. **Fungi** Or Bacteria, except as in Section I - Additional Coverage.

This means the presence, growth, proliferation, spread, or any activity of **fungi** or bacteria.

3. Governmental Action.

This 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.

4. Illegal Act.

This means any loss:

- a. arising out of a violation of any criminal law for which any **insured**:

(1) is convicted or adjudicated; or

(2) by reason of mental incapacity, disease, or defect is either found not guilty or is not convicted; and

b. that would not have occurred had it not been for such act.

This Exclusion applies even if an **insured** lacks the mental capacity to govern his or her conduct.

5. Illegal Drug, Plant, Or Substance.

This means any loss arising out of the manufacture, growth, distribution, sale, or use of any illegal drug, plant, or substance. This applies when the drug, plant, or substance is deemed to be illegal by any entity with governing authority for the **insured location**. State law, however, determines the legality of marijuana.

6. Intentional Act.

This means any loss arising out of any act any **insured** commits or conspires to commit with the intent to cause any loss even if the actual loss is different from what was intended or expected.

In the event of such loss, no **insured** is entitled to coverage, even an **insured** that did not commit or conspire to commit the act causing the loss.

7. Neglect.

This means neglect of any **insured** to use all reasonable means to save, preserve, and protect property at and after the time of a loss.

8. Nuclear Hazard.

9. Ordinance Or Law.

This means any ordinance or law:

- a. requiring or regulating the construction, condemnation, demolition, remodeling, renovation, or repair of property including:

(1) any increased costs to repair or replace damaged property;

(2) the removal of any resulting debris; or

(3) any increased costs to repair or replace the undamaged part of the property;

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, any **pollutant**.

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

10. Pollution.

This means any actual, alleged, or threatened:

a. discharge;

b. dispersal;

c. release;

d. escape;

e. seepage;

f. trespass;

g. wrongful entry; or

h. migration;

of any **pollutant** from any source.

11. Power Or Other Utility Service Failure.

This means the failure of power or other utility service that takes place off the **residence premises**. If the failure results in a loss from a covered Peril on the **residence premises**, we will pay only for loss caused by that Peril. This Exclusion does not apply to Section I - Additional Coverage, Refrigerated Or Frozen Food.

12. Theft During New Dwelling Construction.

This means theft of any property from the **residence premises**.

This Exclusion applies from the earlier date of either the:

a. beginning of any new dwelling construction activity; or

b. delivery of any property to be used for this construction;

until the date the new dwelling is completed and occupied.

13. Theft While Uninhabited.

This Exclusion applies when **your** dwelling has been **uninhabited** for more than 30 consecutive days before the loss.

14. Vandalism Or Malicious Mischief.

a. This includes any loss that is:

- (1) concurrently caused by; or
 - (2) results from the acts of;
- any person committing the vandalism or malicious mischief.

b. This Exclusion applies when:

- (1) **your** dwelling has been **uninhabited** for more than 30 consecutive days before the loss; or
- (2) the vandalism or malicious mischief is caused by or at the direction of:
 - (a) an **insured**; or
 - (b) any other person residing on the **residence premises**.

15. War.

16. Water.

This means any:

a. water including but not limited to:

- (1) flood, wave, tide;
- (2) surface water;
- (3) overflow of any body of water;
- (4) tidal water, tidal wave, tsunami, seiche; or
- (5) surge or spray of any water whether or not driven by wind;

b. water regardless of its source or origin that:

- (1) backs up from or enters through sewers, septic systems, or drains; or
- (2) Overflows or is otherwise discharged from a sump pump well discharge system or any related components of a foundation drainage system;

c. water below the surface of the ground, including water which exerts pressure on, or seeps, leaks, or flows through any **structure**; or

d. waterborne material including but not limited to sewage, carried or otherwise moved by any of the water described in this Exclusion.

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

However, direct loss by fire or explosion resulting from this Exclusion is covered.

Any loss from the Exclusions listed above is excluded regardless of any other covered or non-covered cause or event contributing in any sequence to or concurrently with the loss.

These Exclusions apply:

- even if the loss event results in widespread damage;
- whether the loss is caused by natural, man-made, or animal forces;
- regardless of whether any cause of loss described in any of these Exclusions is hidden from view or not; or
- whether the loss occurs as the result of one or any combination of any of these Exclusions.

B. The Following Exclusions Apply To Coverage A - Dwelling and Coverage B – Other **Structures:**

We do not insure for loss consisting of, or caused directly or indirectly by any of the following:

1. Collapse, except as in Section I - Additional Coverage.

2. Continuous Or Repeated Seepage Or Leakage Of Water Or Steam from within a:

- a. plumbing system including but not limited to water within, around, or from any toilet, sink, bath, shower, water conditioning, or other plumbing fixture or device;
- b. heating or air conditioning system;
- c. fire protection sprinkler system;
- d. home appliance; or
- e. waterbed;

that occurs over a period of one week or longer.

This includes migration of water into any part of a building or the presence or condensation of humidity, moisture, or vapor.

3. Freezing Of A Plumbing, Heating, Air Conditioning, Or Fire Protection Sprinkler System; Or Home Appliance.

This includes leakage or overflow of liquids caused by the freezing of the system or appliance. This Exclusion applies unless **you** have completed action to:

- a. maintain adequate heat in the building to prevent freezing; or
 - b. shut off the water supply and drain all systems and appliances of water.
- However, if the building is protected by a fire protection sprinkler system, this Exclusion applies to such system unless **you** have taken reasonable care to continue the water supply and maintain adequate heat in the building to prevent freezing.
4. Freezing, Thawing, Pressure Or Weight Of Water, Snow Or Ice, Whether Or Not Driven By Wind, to:
 - a. a fence, pavement, patio, footing, foundation, step, retaining wall, bulkhead, pier, wharf, or dock; or
 - b. a swimming pool, sauna, swim spa, spa, whirlpool, or hot tub including their parts, accessories, covers, filters, pipes, pumps, and other related equipment when located outside any building or within any building without adequate heat to prevent freezing.
 5. Insects, Arachnids, Bats, Birds, Rabbits, Rodents, Domestic Or Farm Animals.
This also includes any costs to test for, clean up, or remediate any excretion, secretion, or decomposition of any of these animals.
This Exclusion does not apply to breakage of glass that is part of a building.
 6. Mechanical Breakdown, Inherent Vice, Latent Defect.
 7. Rust, Corrosion, Frost, Condensation, Wet Or Dry Rot.
 8. Settling, Cracking, Shrinking, Bulging, Or Expansion Of Any:
 - a. soil;
 - b. pavement;
 - c. patio;
 - d. footing;
 - e. foundation;
 - f. wall;
 - g. floor;
 - h. roof; or
 - i. ceiling.
 9. Smog.
 10. Smoke From Agricultural Smudging Or Industrial Operations.
 11. Tree Or Plant Roots.
This includes their action or interference.
 12. Wear And Tear, Marring, Scratching, Deterioration.
This includes but is not limited to denting, gouging, abrading, fading, weathering, oxidizing, or staining.

Any loss from the Exclusions listed above is excluded regardless of any other covered or non-covered cause or event contributing in any sequence to or concurrently with the loss.

These Exclusions apply:

- even if the loss event results in widespread damage;
- whether the loss is caused by natural, man-made, or animal forces;
- regardless of whether any cause of loss described in any of these Exclusions is hidden from view or not; or
- whether the loss occurs as the result of one or any combination of any of these Exclusions.

However, **we** do cover any ensuing loss covered by this policy.

C. The Following Exclusions Apply To Coverage A - Dwelling and Coverage B - Other **Structures**:

We do not insure for loss consisting of, or caused by any of the following Exclusions:

1. Acts Or Decisions.
This means any act, failure to act, or decision of any person, group, organization, or governmental entity regardless of intent, legality, or negligence.
2. 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**.

However, **we** do cover any ensuing loss covered by this policy.

SECTION I - ADDITIONAL COVERAGE

The following Additional Coverage is included in this policy and is subject to Deductibles, **Limits**, Exclusions, Conditions, and all other policy terms unless stated differently:

1. Collapse.

Collapse means the abrupt, unexpected, and actual falling down or caving in of a building or a part of a building. The resulting damage must be to the extent that such building or part of such building has sustained complete structural failure and can not be used for its intended purpose.

- a. **We** insure for direct physical loss to covered property involving collapse of a building or a part of a building if such collapse was caused by one or more of the following:
 - (1) a Peril listed in Coverage C;
 - (2) decay of a building or any part of a building if such damage was hidden from view and unknown by any **insured** prior to the collapse;
 - (3) insect or rodent damage to a building or any part of a building if such damage was hidden from view and unknown by any **insured** prior to the collapse;
 - (4) weight of contents, equipment, animals, or people;
 - (5) weight of water, rain, snow, or ice 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.
- b. This Coverage does not apply to:
 - (1) a building or any part of a building that is in danger of falling down or caving in;
 - (2) a part of a building that is standing, even if it has separated from another part of the building;
 - (3) a building or any part of a building that is standing, or partially standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion;
 - (4) collapse that occurs while a building or any part of a building is being lifted from its foundation or moved; or
 - (5) collapse of a foundation, basement wall, frost wall, or footing, unless any of these are damaged as a direct result of a covered collapse of any other part of that building.
- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, septic system, retaining wall, bulkhead, pier, wharf, or dock is not included under 1.a. (2) through (6) above, unless the loss is a direct result of the collapse of:
 - (1) a building; or
 - (2) any part of a building; covered by this policy.

2. Credit Card, Debit Card, Electronic Fund Transfer Card Or Access Device, Forgery, Or Counterfeit Money.

- a. **We** will pay up to the **limit** of \$1,000 per loss that an **insured**:
 - (1) is legally bound to pay for theft or unauthorized use of any credit card, debit card, or electronic fund transfer card or access device issued to or registered in any **insured's** name;
 - (2) incurs through forgery or alteration of any check, draft, certificate of deposit, or note including negotiable order of withdrawal; or
 - (3) incurs by accepting in good faith counterfeit United States or Canadian paper currency.
- b. **We** will not pay for loss if the:
 - (1) **insured** has not complied with all credit card, debit card, or electronic fund transfer card or access device provisions;
 - (2) loss is caused by the dishonesty of any **insured**;
 - (3) loss results from **business** activities of any **insured**; or
 - (4) loss occurs while a person who is not an **insured** has possession of the credit card, debit card, or electronic fund transfer card or access device with an **insured's** permission.

All covered loss described in 2.a. above, whether the result of a single act or series of acts, regardless of the number of persons involved, is one loss. No deductible applies to this Coverage.

3. Debris Removal.

We will pay the reasonable and necessary expense **you** incur to remove the debris of covered property that is damaged due to a loss covered under Section I of this policy. This expense is included in the **limit** that applies to the damaged property.

However, **we** will pay up to an additional 5% of such **limit** for debris removal, if **we** determine that the total of the:

- a. amount spent to repair or replace the damaged property; and
- b. expense of debris removal as described above;

exceeds the **limit** that applies to the damaged property.

This Coverage does not apply to Section I - Additional Coverage, Outdoor Trees, Shrubs, Lawn, And Other Plants.

4. Fire Department Service Charge.

The **limit** for this Coverage is:

- a. the **limit** shown in the **Declarations**; or
- b. \$500 if no **limit** is shown in the **Declarations**.

We will reimburse **you** up to that **limit** for payment that **you** have made for **your** liability assumed by contract or agreement for fire department charges

Such charges must be incurred when the fire department is called to save or protect **your** covered property from a covered Peril. **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. **Fungi** Or Bacteria.

Fungi or bacteria must occur on the **residence premises** and be caused by or result from a cause of loss covered by this policy. The cause of loss and the actual loss itself must occur while this policy is in effect. **Fungi** or bacteria must cause direct physical loss to property covered by this policy.

The **limit** for this Coverage is shown in the **Declarations**. **We** will pay up to that **limit** to cover **your** reasonable and necessary expense for work actually performed to:

- a. clean up, remove, and dispose of **fungi** or bacteria from covered property;
- b. repair, restore, or replace covered property damaged by **fungi** or bacteria; and
- c. test the air or property to confirm the absence, presence, or level of **fungi** or bacteria only to the extent that there is a reason to believe that there is the presence of **fungi** or bacteria on the **residence premises**.

6. Grave Markers.

We will pay up to the **limit** of \$5,000 for **your** share of the cost to repair or replace grave markers, including mausoleums, for loss caused by a Peril listed in Coverage C.

7. Inflation Protection.

We may increase **limits** at each renewal for Coverage A, B, C, and D as shown in the **Declarations**. **We** base increases on inflation cost indexes. **We** will round any increases in **limits** to the next highest \$100. Premium will change accordingly. **Your** payment of the renewal premium indicates **your** acceptance of any adjusted **limits**.

8. Lock And Garage Door Remote.

We will pay the necessary cost **you** incur to:

- a. re-key or replace exterior door locks; or
- b. replace garage door remotes;

for locks or garage doors on the **residence premises** after a covered theft loss of keys or garage door remotes. However, coverage does not apply to any garage door remote permanently installed in or affixed to any vehicle. No deductible applies to this Coverage.

9. Loss Assessments.

a. The **limit** for this Coverage is:

- (1) the **limit** shown in the **Declarations**; or
- (2) \$10,000 if no **limit** is shown in the **Declarations**;

that is effective at the time the covered loss occurs or the inception date of this policy, whichever is later.

We will pay up to the **limit** for this Coverage for **your** share of the loss assessment charged against **you**, as owner of the **residence premises**, by a corporation or association of property owners when the loss assessment is charged against all owners. This Coverage applies if assessment is made, as a result of direct loss to property owned by all members collectively, according to the written association agreements. The damaged property must be of the type that would be covered by this policy if such property was owned by **you**. The loss must be charged against **you** while this policy is in effect and be caused by a loss covered under Section I of this policy.

The **limit** for this Coverage applies with respect to any one loss, regardless of the number of assessments.

We will apply **your** deductible to **your** share of the loss assessment.

b. **We** do not cover any loss assessments charged by any governmental body.

c. This Coverage is excess over any collectible source, including any source available to the corporation or association of property owners, even if it is decided not to use such source.

This Coverage is additional insurance.

10. Outdoor Trees, Shrubs, Lawn, And Other Plants.

a. **We** pay for damage to **your** trees, shrubs, lawn, and other plants that are outside a building on the **residence premises**. **We** will also pay for the reasonable and necessary expense **you** incur to remove the debris of any damaged trees, shrubs, lawn, and other plants from the **residence premises**. The damage must be caused by any of these Perils:

- (1) Fire Or Lightning;
- (2) Explosion;
- (3) Riot Or Civil Commotion;
- (4) Aircraft;
- (5) Vehicle, except any vehicle operated by an **insured** or any other person residing on the **residence premises**;
- (6) Vandalism Or Malicious Mischief; or
- (7) Theft.

The **limit** for all trees, shrubs, lawn, and other plants is 5% of the **limit** for Coverage A. The **limit** for any one tree, shrub, or other plant, including the expense to remove debris, is \$500.

This Coverage applies to trees, shrubs, lawn, and other plants on the **residence premises** that are within 250 feet of **your** dwelling.

- b. **We** also pay for reasonable and necessary expense **you** incur to remove the debris of any fallen tree from the **residence premises** when such tree falls due to damage caused by any of these Perils:
 - (1) Windstorm Or Hail;
 - (2) Weight Of Ice, Snow, Or Sleet; or
 - (3) Falling Objects; and:
 - (a) causes damage to a covered building;
 - (b) blocks a driveway in such a way that a car or truck can not enter or leave the **residence premises**; or
 - (c) blocks a ramp or device designed to assist handicapped people in such a way that a handicapped person can not enter or leave **your** dwelling.

The **limit** to remove the debris of all fallen trees from the **residence premises** is \$1,000. The **limit** to remove the debris of any one fallen tree from the **residence premises** is \$500.

- c. **We** do not cover any tree, shrub, lawn, or other plant:

- (1) grown for **business**; or
- (2) deemed to be illegal by any entity with governing authority for the **residence premises**.

If, however, marijuana is deemed legal by the state law of the **residence premises**, coverage is provided only as described in 10.a.(1) through (7) above. However, **we** do not cover marijuana grown for **business**, even if legal by state law. The total special **limit** of coverage for all forms of marijuana including all outdoor and indoor plants and any property used to grow or process marijuana is \$300.

This Coverage is additional insurance.

11. Property Removed.

We insure covered property against direct loss from any cause while removed from a premises endangered by a covered Peril. This Coverage applies for up to 30 days after the initial date property is removed. No deductible applies to this Coverage.

12. Reasonable Repairs.

- a. **We** will pay the reasonable cost **you** incur for the necessary measures taken solely to protect covered property, that is damaged by a loss covered by this policy, from further damage.
- b. This Coverage does not:
 - (1) increase the **limit** that applies to the covered property; or
 - (2) relieve **you** of **your** duties, in case of a loss to covered property, described in Section I - Conditions.

13. Refrigerated Or Frozen Food.

We will pay up to the total **limit** of \$1,000 for all refrigerated or frozen food on the **residence premises** that is ruined due to a power interruption or mechanical failure.

Power interruption or mechanical failure does not include:

- a. removal of a plug from an outlet; or
- b. turning off a switch or circuit breaker.

14. Volcano.

- a. **We** will pay for direct and immediate damage to covered:

- (1) **structures** on the **residence premises**; and
- (2) personal property inside a fully enclosed building at the **insured location**;
when such damage is caused by a single airborne shock wave event from a volcanic eruption. A single event includes all airborne shock waves that occur within 72 hours.

- b. **We** will also pay the reasonable and necessary expense **you** incur to remove ash, dust, or particulate matter from inside **your** dwelling. **We** do not cover subsequent deposits caused by the movement of these elements by wind or other means.

SECTION I - CONDITIONS

1. Abandoned Property.

You can not abandon property to **us** unless **we** agree to it.

2. Amounts Of Insurance.

You are responsible for having sufficient amounts of insurance for all coverage in this policy.

You must notify **us** if **you** wish to increase or change any amount of insurance. This includes but is not limited to any increase due to:

- a. improvement, addition, or remodeling;
- b. purchase of personal property;
- c. construction cost estimate; or
- d. appraisal of any property.

For dwelling and other **structures**, **we** use a building cost guide to assist **you** in estimating the construction cost.

The cost guide uses very general information. **We** do not guarantee that any estimate from the building cost guide will represent the actual cost to reconstruct **your** dwelling or other **structures**. **You** may obtain a construction cost estimate from a qualified appraiser or contractor at **your** expense.

3. Appraisal.

This applies after **we** confirm that the damage due to a loss is covered. If **you** and **we** fail to agree on the dollar amount of the damage, either may demand that such amount be set by appraisal. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. Each appraiser will separately set the dollar amount of the damage. Such amounts must be determined according to all terms of this policy including those in Section I - How **We** Settle Losses. If both appraisers submit written reports to **us** of their agreement of the amount, such amount will be the dollar amount of the damage. If they fail to agree within 20 days, they must choose a competent and disinterested umpire. If they can not agree on the choice within 20 days, **you** and **we** must jointly request that the choice of umpire be made by a judge of a court of record in the state where the **residence premises** is located. The appraisers will then submit their differences to the umpire. Written agreement signed by any two of these three will set the dollar amount of the damage. The appraisal determination of damage or valuation is binding upon **you** and **us**. This appraisal process and authority granted to the appraisers and the umpire can only be expanded and modified by written mutual consent signed by **you** and **us**. **We** will pay **our** appraiser. **You** will pay **your** appraiser. Other expenses and the compensation of the umpire will be paid equally by **you** and **us**. Appraisal does not waive **our** rights.

4. Change In Ownership, Occupancy, Or Risk.

You must notify **us** in writing within 30 days from the date any change in ownership, occupancy, or risk first begins.

This includes but is not limited to the **residence premises** being:

- a. used for any other purpose than **your** residence;
- b. leased or rented to others;
- c. the subject of any foreclosure process; or
- d. **uninhabited**.

However, permission is granted for **you** to make alterations, additions, and repairs to **your** dwelling and other **structures** and complete any **structure** under construction on the **residence premises**.

5. Deductible.

- a. **We** pay for loss covered by this policy when the amount of such loss exceeds the applicable deductible shown in the **Declarations**.
- b. **You** are responsible for the amount of loss that equals the applicable deductible.
- c. **We** subtract the applicable deductible from the amount of any loss covered by this policy before applying any special **limit**, Additional Coverage **limit**, or **limit** shown in the **Declarations**.
- d. The deductible applies separately to each covered loss.
- e. If two or more deductibles under this policy apply to the loss, only the highest deductible amount will apply.
- f. The Windstorm Or Hail deductible shown in the **Declarations** includes loss caused by any rain, snow, sleet, debris, sand, or dust that is driven by the force of wind.

6. Duties After A Loss.

You, any **insured**, and any person or entity claiming coverage under this policy must:

- a. give **us** prompt notice;
- b. allow **us** and **our** representatives to immediately inspect all damaged property;
- c. immediately report any theft or vandalism to the police;
- d. immediately notify the company that issued any credit card, debit card, or electronic fund transfer card or access device that is involved in any loss;
- e. protect the property from further damage;
- f. make reasonable and necessary repairs to protect the property and keep records of the cost of these repairs;
- g. cooperate with **us** in the investigation of a claim;
- h. promptly separate the damaged and undamaged personal property;
- i. provide **us** with a detailed inventory of the stolen, damaged, or destroyed property showing the quantities, when and where acquired, original cost, current value, and the amount of loss;
- j. as often as **we** require:
 - (1) show **us** the damaged property before permanent repair or replacement is made;
 - (2) provide **us** with records and documents **we** request, including electronic or digital data, and permit **us** to make copies;
 - (3) provide **us** access to items **we** request, and permit **us** to perform inspections and testing of such items;
 - (4) submit to recorded statements by a person **we** choose at the location of **our** choice. The statements may also be visually recorded at **our** option;
 - (5) submit to examinations under oath by a person **we** choose at the location of **our** choice. **We** may do this without any other person or entity present other than the examinee's attorney. The examinations may

- also be visually recorded at **our** option; and
- (6) sign all transcripts of statements or examinations;
- k. submit to **us**, within 60 days after **we** request, a signed, sworn proof of loss that sets forth to the best of **your**, any **insured's**, other person's, or entity's knowledge and belief:
- (1) the date, time, location, and cause of loss;
 - (2) the interest **you** and others have in the property, including any encumbrances;
 - (3) an inventory of stolen, damaged, or destroyed personal property showing the amount of loss for each item;
 - (4) other insurance, bond, surety, warranty, or service agreement that may cover the loss;
 - (5) changes in title, use, occupancy, or possession of the property during the policy period;
 - (6) the plans and specifications **we** may request for any damaged **structure**;
 - (7) detailed estimates for repair of the damage;
 - (8) receipts for any costs **you** incur for additional living expense while residing elsewhere;
 - (9) receipts for stolen, damaged, or destroyed property **you** repair or replace;
 - (10) records pertaining to any loss of rental income; and
 - (11) evidence supporting any loss involving any credit card, debit card, electronic fund transfer card or access device, forgery, or counterfeit money.

We have no duty to provide coverage under this policy if **you** or any person or entity claiming coverage under this policy fails to perform these duties. These duties after a loss do not waive any of **our** rights.

7. Dwelling And Other **Structures** Under Construction.

This policy may cover **your** dwelling and other **structures** while under construction on the **residence premises**. Until **your** dwelling is completed and occupied, the **limit** will be no more than **your** dwelling's replacement value at the time of loss, but not greater than the Coverage A **limit** shown in the **Declarations**. Until each of **your** other **structures** is completed and put to its intended use, the **limit** will be no more than that **structure's** replacement value at the time of loss, but not greater than the Coverage B **limit** shown in the **Declarations**.

8. Insurable Interest And **Our** Liability.

In the event of a covered loss, **we** will not pay more than the insurable interest an **insured** has in the damaged property, or more than any **limit** that applies.

9. Loss Payment.

We will adjust all losses with **you**. **We** will make payment to **you** and any other party legally entitled to receive payment subject to the terms of this policy. Loss will be payable 60 days after **we** receive a properly completed proof of loss and:

- a. **we** reach agreement with **you**; or
- b. there is an entry of a final judgment.

10. Loss To A Pair Or Set.

We may, at **our** option:

- a. repair or replace any part; or
 - b. pay the **actual cash value**;
- of a pair or set stolen, damaged, or destroyed.

11. No Benefit To Bailee.

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

12. Other Coverage.

If this and other insurance apply to **your** loss, **we** will pay **our** share. **Our** share will be the proportion of the loss that the **limit** under this policy bears to the total amount of all insurance on covered property whether collectible or not. This policy is excess over any bond or surety, or any type of warranty or service agreement including but not limited to a property restoration plan or home warranty. This paragraph does not apply to Section I - Additional Coverage, Loss Assessments.

13. 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. At **your** option, the property will be returned to or retained by **you** or it will become **our** property. **You** must refund the amount **we** paid to **you**, or pay an amount **we** agree to, for any recovered property **you** retain.

14. Rights And Duties Of Mortgagee.

Mortgagee includes trustee or contract of sale titleholder.

If a mortgagee is named in this policy, any payment for a loss under Coverage A or B will be made to **you** and to the mortgagee to the extent of its interest. If more than one mortgagee is named, the order of payment follows the order of precedence of mortgages.

The mortgagee's interest is subject to the following:

- a. **We** will provide written notice to the mortgagee at least 10 days before **we** cancel this policy.
 - b. If **we** deny **your** claim, that denial will not apply to a covered claim of the mortgagee if the mortgagee:
- (1) has notified **us** in writing within 30 days from the date any change in ownership, occupancy, or risk is

first known by the mortgagee.

This includes but is not limited to the **residence premises** being:

(a) in any way subject to any type, process, or notification of foreclosure by any mortgagee;

(b) used for any other purpose than a residence;

(c) eased or rented to others; or

(d) **uninhabited**; and

(2) pays **us** any premium due for this policy.

c. If **we** deny payment to **you** and pay the mortgagee for any loss:

(1) **we** are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

(2) at **our** option, **we** may pay to the mortgagee the remaining principal on the mortgage plus any accrued interest. In this event, **we** will receive, at **our** option, a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

d. The words **you**, **your**, and **insured** in:

(1) Section I - Conditions;

(2) Section I - How **We** Settle Losses; and

(3) General Conditions;

also apply to the mortgagee.

15. Salvaged Property.

After a covered loss, **we** may keep damaged property **we** have either paid for or replaced.

16. Suit Against **Us**.

We may not be sued unless there has been full compliance with all the terms of this policy. Suit must be brought within 12 months after the date of loss. However, if **we** determine that **your** dwelling is a total loss, suit must be brought within the time that **we** deem necessary to repair or replace **your** dwelling.

SECTION I - HOW **WE** SETTLE LOSSES

A. Loss Settlement For Coverage A - Dwelling And Coverage B - Other **Structures**:

Except for any roofing system damaged by Windstorm Or Hail, **we** will pay the cost to repair or replace the damaged or stolen part of the property insured under Coverage A and Coverage B subject to the following:

1. Until **you** complete the repair or replacement of the property, **we** will pay the lesser of:
 - a. the **actual cash value**; or
 - b. the **limit** shown in the **Declarations**.
2. If the repair or replacement of the property on the **residence premises** is completed within 12 months after the date of loss, **we** will pay the least of:
 - a. **our** cost to repair or replace the property based on **current construction** costs;
 - b. the amount **you** spent to repair or replace the property based on **current construction** costs; or
 - c. the **limit** shown in the **Declarations**;less any amount **we** paid **you** based on the **actual cash value** as described in 1.a. above.
3. If the property is not repaired or replaced within 12 months after the date of loss, **we** will only pay the lesser of:
 - a. the **actual cash value**; or
 - b. the **limit** shown in the **Declarations**;unless **we** determine that **your** dwelling is a total loss.
4. If **we** determine that **your** dwelling is a total loss:
 - a. **you** may, based on **current construction** costs:
 - (1) repair or replace **your** dwelling and other damaged **structures** on the **residence premises** as in 2. above; or
 - (2) build or purchase a replacement dwelling and other **structures** at a new location.
 - b. If **you** choose to build or purchase a replacement dwelling and other **structures** at a new location:
 - (1) **we** will not pay more than the amount **we** would have paid based on 2. above for damaged property;
 - (2) **we** will not pay any cost or expense to purchase any land or water at the new location **you** choose; and
 - (3) **you** will retain responsibility for land, water, and any undamaged property on the **residence premises**.

We may extend, when **we** deem necessary, the requirement to repair or replace property within 12 months after the date of loss.

5. When multiple layers of finished flooring exist and a covered loss damages more than one layer, **we** will only pay for damage to one layer. **You** decide which layer coverage applies to.
6. **We** will not pay any cost to repair or replace property due to requirements of any ordinance or law unless

specifically provided by **endorsement**.

7. Subject to any **limit** that applies, **we** will only pay the **actual cash value** of any wood fence, tarp, canvas, or plastic covering material.
8. **We** will not pay for any damage caused by hail to any metal siding surface unless the metal siding will no longer prevent water from entering the building. Metal siding surface includes metal corner trim. However, metal siding does not include any metal eave, fascia, soffit, window trim, or door trim.
9. **We** will only pay for the tear out and repair of any surface part of a building or **structure** that **we** deem necessary to access and repair any concealed part damaged by a loss covered by this policy.

B. Loss Settlement For Roofing System Under Coverage A - Dwelling And Coverage B - Other **Structures**:

Roofing system means any type of roofing surface, underlayment, vent, flashing, ridge, valley, accessory, or trim. Roofing surface includes but is not limited to shingles, shakes, tiles, slates, panels, sheets, rolled materials, or any type of built-up surface. Roofing system does not include any eave, fascia, soffit, gutter, or downspout.

1. **We** will pay the lesser of:
 - a. the **actual cash value**; or
 - b. the **limit** shown in the **Declarations**;for damage to a roofing system caused by Windstorm Or Hail.
2. **We** will not pay any cost to repair or replace property due to requirements of any ordinance Or law unless specifically provided by **endorsement**.
3. **We** will not pay for any damage caused by hail to any metal roofing surface unless the metal roofing surface will no longer prevent water from entering the building.
4. **We** will not pay for any damage caused by hail to any metal vent, flashing, drip edge, ridge, valley, accessory, or trim unless such metal component:
 - a. will no longer:
 - (1) prevent water from entering the building; or
 - (2) perform any other intended function; or
 - b. is attached to a roof plane that has had its roofing surface damaged by hail to the extent that the roofing surface must be replaced.

However, Loss Settlement For Roofing System described above in B.1. through B.4. does not apply when **we** determine that **your** dwelling or other **structure** is a total loss. Loss Settlement, described above in A.1. through A.4. and A.6., will apply to the roofing system covering such dwelling or other **structure**.

C. The Amount **We Pay You** For Any Loss Settlement Under Coverage A Or B:

The amount **we** pay **you** will:

1. not duplicate any amount **we** have already paid **you** for any previous loss or losses to the same damaged property when such property has not been repaired or replaced; and
2. be reduced by the amount **we** previously paid **you** that **you** have not actually spent to repair or replace such property.

D. Loss Settlement For Coverage C - Personal Property:

We will pay for the damaged or stolen part of the property insured under Coverage C - Personal Property subject to the following:

1. Except for property listed in D.2. below, **we** will pay the lesser of:
 - a. the **actual cash value**; or
 - b. any **limit** that applies.
2. **We** will pay the least of:
 - a. the market value at the time of loss;
 - b. **our** cost to clean, repair, or replace; or
 - c. any special **limit** that applies to;the following:
 - (1) property that because of its inherent nature can not be replaced with new property including but not limited to:
 - (a) antiques;
 - (b) paintings;
 - (c) etchings;
 - (d) pictures;
 - (e) tapestries;
 - (f) statuary;
 - (g) rare books and papers;
 - (h) porcelains; or
 - (i) rare glassware;
 - (2) property whose age or history contributes substantially to its value including but not limited to:
 - (a) coins;

- (b) stamps;
- (c) memorabilia;
- (d) souvenirs; or
- (e) other collector items;
- (3) commercially prerecorded digital media; or
- (4) vehicle parts.

E. Loss Settlement For All Covered Property:

1. **We** will not pay to refinish, repair, or replace any undamaged property that does not match new materials used to refinish, repair, or replace damaged property. However, this will not apply if **we** determine that **we** can not make a reasonable match.
2. **We** do not cover any diminished value of any property due to mismatch between undamaged material and new material used to repair or replace damaged or stolen material.
3. **We** will not pay to repair or replace any undamaged part of any system when any other part of such system is damaged by a covered loss.
4. **We** do not cover any diminished value of any property resulting from the repair or replacement of such property.

SECTION II - LIABILITY COVERAGE

Coverage E - Personal Liability.

We will pay, up to **our limit** shown in the **Declarations**, compensatory damages for which an **insured** is legally liable because of **bodily injury** or **property damage** caused by an **occurrence** covered by this policy.

If a suit is brought against an **insured** for damages because of **bodily injury** or **property damage** caused by an **occurrence** to which this policy applies, **we** will provide a defense at **our** expense by counsel of **our** choice. **We** will defend any suit or settle any claim for damages payable under this policy as **we** think proper.

OUR DUTY TO DEFEND ANY CLAIM OR SUIT ENDS WHEN THE AMOUNT **WE HAVE OFFERED OR PAID FOR DAMAGES RESULTING FROM THE **OCCURRENCE EQUALS OUR LIMIT SHOWN IN THE DECLARATIONS.****

Coverage F - Medical Expense.

We will pay covered medical expense. Such expense must be medically necessary, usual, and customary. **We** reserve the right to determine, or have someone on **our** behalf determine, if any treatment is medically necessary and if the expense is usual and customary. Medical expense also includes dental, ambulance, hospital, and funeral expense. The **limit** is shown in the **Declarations**. **We** will pay covered medical expense that is incurred within 36 months from the date of an **occurrence**. No one will be entitled to duplicate payments for the same elements of loss. Any medical expense **we** pay applies against any other coverage in this policy applicable to the loss but does not reduce the **limit** of that coverage.

Coverage applies only:

1. to a person on the **insured location** with the permission of any **insured**; or
2. to a person away from 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 person while performing duties as a **domestic employee** of an **insured**;
 - d. is caused by an animal owned by or in the care, custody, or control of an **insured**; or
 - e. is suffered by a **domestic employee** in the course of employment by an **insured**.

We do not cover any **insured** or other person who resides at the **residence premises**, except a **domestic employee**.

However, Coverage does not apply to **nuclear hazard** or electromagnetic pulse.

SECTION II - EXCLUSIONS

A. The Following Exclusions Apply To Coverage E - Personal Liability and Coverage F - Medical Expense:

We do not cover any **occurrence** arising out of, resulting from, or in connection with any of the following:

1. Act Or Failure To Act.
 - a. This includes any act or failure to act as a:
 - (1) public official; or
 - (2) member of a board of directors or officer of any organization.
 - b. This does not exclude any act or failure to act of an **insured** while serving:
 - (1) as a volunteer director, officer, or trustee of a not for profit religious, charitable, or civic organization; and
 - (2) with no compensation, except for payment of expenses.
2. Aggression.

This includes any aggressive activity, harassment, or bullying committed by the **insured** by any means.

3. Aircraft Or Hovercraft.

This includes but is not limited to occupying, using, operating, owning, leasing, renting, borrowing, entrusting, maintaining, caring for, loading, or unloading any aircraft or hovercraft; or supervising or failing to supervise any of the preceding activities. Aircraft includes any glider, balloon, parachute, or any other air conveyance and their facilities. Hovercraft includes any powered vehicle that moves above the surface of land or water on a cushion of air.

This does not exclude a scale model aircraft or hovercraft unless it is capable of carrying any cargo or a person.

Bodily injury to a **domestic employee** caused by a scale model aircraft or hovercraft covered by this policy is not excluded only at the time such person is in the course of domestic service for an **insured**.

4. Alcohol Supply To Underage Persons.

This applies to an **insured** who:

- a. knowingly permits;
 - b. takes action to enable; or
 - c. fails to take reasonable action to prevent;
- any person under the legal age to consume alcohol.

5. **Business**.

- a. This includes any **business** conducted from any location or engaged in by any **insured**, whether or not the **business** is owned or operated by any **insured** or employs any **insured**.

This includes but is not limited to any 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 does not exclude the rental or holding for rental of the **insured location**:

- (1) if used only as a residence;
- (2) in part, for use only as a residence, unless any single-family unit is used to lodge more than two roomers or boarders; or
- (3) in part, for use as an office, school, studio, or private garage.

- c. This does not exclude the part-time or occasional **business** of a self-employed **insured** with no employees or subcontracted persons and is under the age of 19 years.

6. Controlled Substance.

This includes any controlled substance listed by schedule in the Controlled Substances Act, Title 21, U.S. Code, section 812, including any amendments. This also includes any drug that the Attorney General has added to the schedule pursuant to his or her authority. This does not exclude the legal use of any prescribed drug by a person following the orders of a state authorized medical professional licensed in the United States.

7. Disease.

This includes any actual or alleged transmission of any disease by any **insured**.

8. Excretion, Secretion, Or Decomposition Of Any Animal.

9. Expected Or Intended.

- a. This includes any type of **bodily injury** or **property damage** that an **insured**:

- (1) intends; or
- (2) may expect to result from any intentional act or omission.

- b. This Exclusion applies even if the **bodily injury** or **property damage** is:

- (1) of a different kind, quality, or degree than intended;
- (2) to a different person or property than intended;
- (3) the result of a willful and malicious act, no matter at whom the act was directed;
- (4) unexpected or unforeseen by the person injured or the owner of the property damaged; or
- (5) sustained regardless of whether an **insured**:

- (a) is under the influence of alcohol or any controlled substance;
- (b) lacks the mental capacity to govern his or her conduct; or
- (c) is deemed not to have had the mental capacity to form the legal intent to commit the act or omission.

- c. This Exclusion applies regardless of the theory of relief pursued, asserted, or claimed by anyone seeking compensation under this policy.

10. Federal Tort Claims Act.

This includes **our** duty to defend any claim or suit for which the United States Government is liable under the Federal Tort Claims Act.

11. **Fungi** Or Bacteria.

This includes any actual, alleged, or threatened:

- a. ingestion;

- b. inhalation;
 - c. contact with; or
 - d. exposure to;
- any **fungi** or bacteria on or within any property insured by this policy, except food or beverage. This includes any liability to abate, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of, or in any way respond to or assess the effects of **fungi** or bacteria.
- 12. Imputed Liability.**
This includes any liability imputed to any **insured** that is otherwise excluded in this policy. This includes but is not limited to the entrustment of any property or negligent supervision of any person or animal.
This Exclusion does not apply to Section II - Exclusions, Parental Liability.
- 13. Insured's Premises Not An Insured Location.**
This includes any premises:
 - a. owned by any **insured**;
 - b. rented or leased to any **insured**; or
 - c. rented or leased to others by any **insured**;that is not an **insured location**.
This includes any **insured's** action or failure to act that occurs on, in connection with, or arising out of the management or use of a premises described in 13.a. through 13.c. above.
This does not exclude **bodily injury** to a **domestic employee** only at the time such person is in the course of domestic service for an **insured**.
- 14. Livestock.**
This includes but is not limited to:
 - a. breeding, raising, training, showing, riding;
 - b. loading, unloading, transporting, entrusting;
 - c. using to carry, pull, or perform other work with; or
 - d. supervising or failing to supervise any of the preceding activities related to; any **livestock** owned or leased by any **insured**.Any spontaneous, organized, or agreed-upon race, speed, strength, fighting, jumping, or stunt contest or demonstration; or any practice or preparation for any of these; is excluded.
- 15. Motor- Or Engine-Propelled Land Vehicle.**
This includes but is not limited to occupying, using, operating, owning, leasing, renting, borrowing, entrusting, maintaining, caring for, loading, unloading; or supervising or failing to supervise any of the preceding activities related to; any motor- or engine-propelled land vehicle or any trailer except such vehicle or trailer an **insured** owns, leases, operates, rents, or borrows that is:
 - a. not in use and only while kept in dead storage on the **insured location**;
 - b. a watercraft, camping, or utility trailer only when not on, attached to, or towed by any vehicle;
 - c. not designed for use on public roads and is:
 - (1) designed and used to assist the handicapped;
 - (2) a scale model not capable of carrying any cargo or a person;
 - (3) an electric motor-propelled child's riding toy capable of going no more than 20 miles per hour;
 - (4) a golf cart only when used for golfing or while on the **residences premises**; or
 - (5) a low-speed residential maintenance vehicle designed and used primarily to service the **residence premises** if:
 - (a) powered by no more than 50 horsepower; and
 - (b) capable of going no more than 35 miles per hour.A low-speed residential maintenance vehicle includes a riding lawn mower, lawn or garden tractor, snow removal vehicle, or work utility vehicle; or
 - d. a bicycle with an auxiliary electric motor:
 - (1) with a pedal-assist drivetrain;
 - (2) capable of propelling the bicycle at a maximum speed of 20 miles per hour on level ground; and
 - (3) with a maximum continuous rated power of 1,000 watts.Any spontaneous, organized, or agreed-upon race, speed, jumping, or stunt contest or demonstration; or any practice or preparation for any of these; is excluded for any vehicle described in 15.c.(5) above.
Bodily injury to a **domestic employee** caused by a motor vehicle covered by this policy is not excluded only at the time such person is in the course of domestic service for an **insured**.
- 16. Nuclear Hazard Insurance.**
This includes any liability for which any **insured** is also an insured under any nuclear energy liability policy. This applies even if the policy coverage is spent or not in force. These policies are issued by the:
 - a. Nuclear Energy Liability Insurance Association;
 - b. Mutual Atomic Energy Liability Underwriters;
 - c. Nuclear Insurance Association of Canada; or

any of their successors or any other insurer that provides similar coverage.

17. Parental Liability.

This applies to, even if imposed by law:

- a. vicarious liability for; or
- b. negligent supervision of;

any action or inaction of any minor child of any **insured** that causes any **occurrence** excluded in the Section II - Exclusions: Aircraft Or Hovercraft, Motor- Or Engine-Propelled Land Vehicle, or Watercraft.

18. Pollution.

- a. This includes any actual, alleged, or threatened:

- (1) discharge, dispersal, release, escape, seepage, trespass, wrongful entry, migration; or
- (2) ingestion, inhalation, or absorption;

of any **pollutant** from any source.

- b. This includes any cost or expense to:

- (1) abate, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose; or
- (2) in any way respond to or assess the effects;

of any **pollutant** from any source.

19. Professional Service.

This includes any rendering of or failure to render any type of professional service.

20. Sexual Molestation Or Misconduct, Corporal Punishment, Physical Or Mental Abuse.

- a. This includes any actual or alleged:

- (1) sexual molestation or misconduct by any **insured**:

(a) including but not limited to personal interaction or photographic, video, or any other display of sexual activity;

(b) regardless of whether or not consent is given;

- (2) corporal punishment; or

(3) physical or mental abuse resulting from acts or omissions of any **insured**;

- b. This Exclusion applies regardless of:

(1) intent to cause injury; or

(2) the theory of relief pursued, asserted, or claimed by anyone seeking compensation under this policy.

21. Violation Of Building Or Housing Code By Any **Insured**.

22. Violation Of Communication Acts.

This includes violation of the:

- a. Telephone Consumer Protection Act;

- b. CAN-Spam Act; or

- c. any similar law, ordinance, statute, or regulation.

23. Violation Of Law.

This includes violation of any criminal law for which any **insured**:

- a. is convicted or adjudicated; or

- b. due to mental incapacity, disease, or defect is either not convicted or convicted of a lesser charge.

This Exclusion applies even if an **insured** lacks the mental capacity to govern his or her conduct.

24. War.

25. Watercraft.

This includes but is not limited to occupying, using, operating, owning, leasing, renting, borrowing, entrusting, maintaining, caring for, loading, unloading; or supervising or failing to supervise any of the preceding activities related to; any watercraft, personal watercraft, iceboat, jetpack, or airboat except a:

- a. watercraft an **insured** owns, leases, rents, or borrows that is not powered or powered only by an electric motor;

- b. sail powered watercraft an **insured** owns, leases, rents, or borrows that is no more than 26 feet long and with no more than an auxiliary motor;

- c. watercraft an **insured** owns, leases, rents, or borrows that is powered by outboard motor(s) with no more than a total of 50 combined horsepower;

- d. watercraft an **insured** rents or borrows that is powered by an inboard or inboard-outdrive motor with no more than 50 horsepower;

- e. scale model watercraft not capable of carrying any cargo or a person; or

- f. watercraft, personal watercraft, iceboat, jetpack, or airboat not in use and only while kept in dead storage on the **insured** location.

Any spontaneous, organized, or agreed-upon race, speed, jumping, or stunt contest or demonstration; or any practice or preparation for any of these; is excluded for watercraft described in 25.c. or 25.d. above.

This does not exclude organized racing or navigation events for watercraft described in 25.a., 25.b., or 25.e. above.

Bodily injury to a **domestic employee** caused by a watercraft covered by this policy is not excluded only at the time such person is in the course of domestic service for an **insured**.

26. Workers' Benefits.

This applies to any person eligible to receive any benefits mandated or voluntarily provided under any government act, law, statute, or rule pertaining to:

- a. workers compensation;
- b. disability;
- c. occupational disease;
- d. longshore or harbor workers;
- e. merchant marine; or
- f. any other similar act, law, statute, or rule.

B. The Following Exclusions Apply To Coverage E - Personal Liability:

We do not cover any **occurrence** arising out of, resulting from, or in connection with any of the following:

1. Contracts.

- a. This includes any Personal Liability under any:
 - (1) contract or agreement; or
 - (2) statement, document, or contract that relates to any transfer of ownership of any real property that any **insured** owns.
- b. This does not exclude written contracts:
 - (1) directly relating to the maintenance or use of the **insured location**; or
 - (2) in which an **insured** assumes the liability of others prior to the **occurrence**; if not excluded elsewhere in this policy.

2. Employees.

This includes any **bodily injury** to any employee except a **domestic employee** only at the time such person is in the course of domestic service for an **insured**.

3. Intra-**Insured** Claims Or Suits.

- a. This includes any **bodily injury** to **you** or a resident of the **household** who is:
 - (1) a **relative**; or
 - (2) other person under the age of 21 who is in **your** care or the care of a **relative** who is a resident of the **household**.
- b. This includes any claim made or suit brought against **you** or any **insured** to:
 - (1) repay; or
 - (2) share damages with; another person who may be obligated to pay damages because of **bodily injury** to any **insured**.

4. Loss Assessments.

This includes any Personal Liability for **your** share of any loss assessment charged against **you**, as an owner of the **residence premises**, by a corporation or association of property owners.

5. Property Owned Or Controlled.

This includes any **property damage** to property:

- a. owned or leased by any **insured**;
- b. in the care, custody, or control of any **insured**;
- c. borrowed, used, occupied by, or rented to any **insured**; or
- d. owned by any association of property owners of which any **insured** is a member.

This does not exclude, if an **insured** is legally liable, **property damage** under item 5.b. above, only if caused by fire, smoke, or explosion.

6. Punitive, Statutorily Imposed, Or Court Ordered Damages.

This includes any Personal Liability for:

- a. punitive, exemplary, statutorily imposed, multiple, or aggravated damages;
- b. fines, penalties, or court ordered restitution; or
- c. awarded or statutorily mandated attorney fees related to 6.a. or 6.b. above.

SECTION II - ADDITIONAL COVERAGE

The following Additional Coverage is included in this policy and is subject to Exclusions, Conditions, and all other policy terms unless stated differently:

1. Claim And Defense Expenses.

We will pay the following expenses for a claim or suit we defend under Coverage E:

- a. all expenses we incur and costs taxed against any **insured** during our defense of any **insured**;
- b. premiums on bonds required in any suit we defend, but not for bond amounts more than our limit. We need not apply for, furnish, or pay for any bonds not requested by us;

- c. reasonable expenses an **insured** incurs at **our** request for assisting **us** in the investigation or defense of a claim or suit. This includes actual loss of earnings up to \$250 per day. **We** do not pay for loss of other income;
 - d. prejudgment interest awarded against any **insured** on the part of the judgment that **we** are obligated to pay. **We** will not pay any such interest that accrues after such time that **we** make an offer to pay **our limit**; and
 - e. interest accruing on **our** share of the amount of any judgment between the time the judgment is entered and the time **we** pay or tender or deposit in court that part of the judgment that does not exceed **our limit**.
2. Damage To Property Of Others.
- We** will pay up to \$1,000 per **occurrence** for **property damage** to property of others caused by an **insured**. Property of others does not include any property leased by an **insured**. This Coverage applies even if the **insured** is not negligent or legally liable.
- a. At **our** option, **we** will either:
 - (1) pay the **actual cash value**; or
 - (2) repair or replace the property.
 - b. **We** will not pay for **property damage**:
 - (1) to the extent of any amount recoverable under Section I of this policy or from any other source;
 - (2) caused intentionally by any **insured** who is 13 years old or older; or
 - (3) resulting from:
 - (a) **business** pursuits;
 - (b) any act or omission in connection with any premises owned, rented, leased, or controlled by any **insured**, other than an **insured location**; or
 - (c) the ownership, maintenance, or use of any aircraft, watercraft, or motor- or engine-propelled land vehicle other than a golf cart.
 - c. Item b. of Section II - Exclusion B, Property Owned Or Controlled, does not apply to this Coverage.
3. Emergency First Aid.
- We** will pay reasonable expenses incurred by an **insured** for first aid to persons, other than **insureds**, at the time of the accident, for physical injury covered under this policy.
4. Loss Assessments.
- a. The **limit** for this Coverage is:
 - (1) the **limit** shown in the **Declarations**; or
 - (2) \$10,000 if no **limit** is shown in the **Declarations**;
 that is effective at the time of the **bodily injury** or **property damage** covered in 4.b. below or the inception date of this policy, whichever is later.
 - b. **We** will pay up to the **limit** for this Coverage for **your** share of the loss assessment charged against **you**, as an owner of the **residence premises**, by a corporation or association of property owners when the loss assessment is charged against all owners according to the written association agreements. The assessment must be made as a result of:
 - (1) **bodily injury** or **property damage** to which Section II of this policy would apply; or
 - (2) damages that the association may be obligated to pay because of any personal injury arising out of:
 - (a) False arrest, detention, or imprisonment;
 - (b) malicious prosecution;
 - (c) libel, slander, humiliation, or defamation of character; or
 - (d) invasion of privacy, wrongful eviction, or wrongful entry.
 - c. The **limit** for this Coverage is the most **we** will pay for any one loss, regardless of the number of assessments.
 - d. This Coverage applies only to loss assessments charged against **you** as owner of the **residence premises** while this policy is in effect.
 - e. **We** do not cover loss assessments charged against **you** or a corporation or association of property owners by any governmental body.
 - f. Section II - Exclusions, A. Act Or Failure To Act and B. Loss Assessments, do not apply to this Coverage.
 - g. This Coverage is excess over any collectible source including any source available to the corporation or association of property owners even if it is decided not to use such source.

SECTION II - CONDITIONS

1. Amounts Of Insurance.
- You** are responsible for sufficient amounts of insurance for all coverage. **You** must notify **us** if **you** wish to increase or change amounts of insurance.
2. Bankruptcy.
- Bankruptcy or insolvency of an **insured** has no effect on **our** policy duties.
3. Duties.

You and any person who claims coverage under this policy must:

- a. give **us** prompt notice, with:
 - (1) the time, place, and details of the **occurrence** or loss assessment; and
 - (2) names of claimants and witnesses;
- b. submit to recorded statements by a person **we** choose at the location of **our** choice. The statements may also be visually recorded at **our** option;
- c. submit to examinations under oath by a person **we** choose at the location of **our** choice. **We** may do this without any other person or entity present other than the examinee's attorney. The examinations may also be visually recorded at **our** option;
- d. sign all transcripts of statements and examinations;
- e. promptly send **us** any notice, demand, or legal paper related to the **occurrence** or loss assessment;
- f. at **our** request, including appearing as **we** require, assist **us** in:
 - (1) making settlement;
 - (2) enforcing any right of contribution, indemnity, or subrogation against any person or entity who may be liable to any **insured**; and
 - (3) any matter related to a claim or suit;
- g. not assume any liability, incur any expense, or make any payment at the time of a **bodily injury**; except for **your** necessary cost for emergency first aid to others only at the time of a physical injury;
- h. under Section II - Additional Coverage, Damage To Property Of Others:
 - (1) give **us** a sworn statement of the loss within 60 days after **our** request; and
 - (2) show **us** any damaged property as often as **we** request;
- i. under Coverage F - Medical Expense, the injured person or someone acting for that person will:
 - (1) give **us** prompt written proof of claim, under oath if required;
 - (2) authorize **us** to obtain copies of medical reports and records; and
 - (3) permit doctors **we** select to perform examinations of the injured person when and as often as **we** may reasonably require.

We have no duty to provide coverage under this policy if **you** or any person or entity claiming coverage under this policy fails to perform these duties. These duties do not waive any of **our** rights.

4. **Limits:**

- a. The Coverage E **limit** shown in the **Declarations** is **our limit** for all damages from each **occurrence**. This is **our limit** regardless of the number of **insureds** or claimants involved, persons injured, claims made, or suits brought.
- b. The Coverage F **limit** shown in the **Declarations** is **our limit** for all medical expense for **bodily injury** to one person as the result of one **occurrence**.

5. **Other Coverage:**

- a. Coverage E. This insurance is excess over any other collectible insurance, bond, or surety except when such insurance, bond, or surety is specifically written to cover as excess over the **limits** in this policy.
- b. Coverage F. This insurance is excess over any other collectible insurance, bond, or surety.

6. Payment under Coverage F is not an admission of liability.

7. **Severability.**

The insurance provided by Section II of this policy applies separately to each **insured**. This does not increase **our limit** for any one **occurrence**.

8. **Suit Against Us.**

No legal action can be taken against **us**:

- a. unless there is full compliance with all terms of this policy; and
- b. until the obligation of any **insured** has been determined by a final judgment or an agreement signed by **us**.

9. **Legal Action Against Any Insured.**

No person or organization has the right to join **us** as a party to any legal action against any **insured**.

GENERAL CONDITIONS

1. **Assignment.**

No interest, right, or duty under this policy or any claim arising under this policy may be assigned without **our** written consent.

2. **Cancellation.**

See state amendatory **endorsement**.

3. **Concealment Or Fraud.**

- a. This policy was issued in reliance upon the information and warranties in **your** insurance application.

We may void this policy from its inception if **you**:

- (1) concealed or misrepresented any material fact or circumstance; or
- (2) made false statements;

- in **your** application.
- b. Coverage under Section I of this policy is not provided for any **insured** if, before or after a loss, any **insured** has:
 - (1) concealed or misrepresented any material fact or circumstance;
 - (2) presented any altered or falsified document or receipt;
 - (3) engaged in fraudulent conduct; or
 - (4) made false statements;relating to this insurance or any claim under this policy.
 - c. Coverage under Section I and Section II of this policy is not provided for any person or entity that is not an **insured** if, before or after a loss, that person or entity has:
 - (1) concealed or misrepresented any material fact or circumstance;
 - (2) presented any altered or falsified document or receipt;
 - (3) engaged in fraudulent conduct; or
 - (4) made false statements;relating to this insurance or any claim under this policy.
 - d. Coverage under Section II of this policy is not provided for an **insured** if, before or after a loss, that **insured** has:
 - (1) concealed or misrepresented any material fact or circumstance;
 - (2) presented any altered or falsified document or receipt;
 - (3) engaged in fraudulent conduct; or
 - (4) made false statements;relating to this insurance or any claim under this policy.
4. **Conformity.**
This policy is subject to the statutes of the state in which the **residence premises** is located. If any part of this policy is contrary to such statutes, **we** agree to alter that part of the policy to make it conform. However, all other parts of this policy will remain the same.
5. **Death.**
This applies to insurance on property covered by this policy and legal liability arising out of that property. If **you** die, **we** will insure:
- a. **your** legal representative;
 - b. any **insured** who is a resident of the **residence premises** at the time of **your** death, as long as he or she remains a resident of the **residence premises**; or
 - c. a person having proper temporary custody of **your** property until the appointment of **your** legal representative.
6. **Endorsements.**
Any time an **endorsement** is made a part of this policy it changes the terms of this policy. Where any terms in this Form differ from any similar terms in an **endorsement**, the terms in that **endorsement** prevail.
7. **Inspection.**
We may, but have no duty to, inspect **your** property or operations. **Our** inspection report or any resulting advice does not warrant that **your** property or operations are safe, healthful, or in compliance with any law or regulation. **We** have no duty to provide a copy of any report if **we** do an inspection.
8. **Liberalization.**
If **we** broaden any coverage without additional premium, the broadened coverage will apply. This will take place on the date **we** make the change in **your** state.
9. **Nonrenewal.**
See state amendatory **endorsement**.
10. **Our Recovery Rights.**
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 to the extent that **we** make payment for a loss. If **we** require an assignment, an **insured** must sign and deliver all related papers and cooperate with **us**. An **insured** must do all that is necessary to help **us** exercise **our** recovery rights; and do nothing after a loss to harm **our** rights.
11. **Policy Change Documents.**
Any policy change document made part of this policy, at any time, changes the information shown in the **Declarations** until the end of the policy period.
12. **Policy Period, Renewal, Premiums, And Changes.**
Insurance begins and ends at 12:01 A.M. Standard Time at the location of the **residence premises** on the policy period dates shown in the **Declarations**. **You** may continue this policy by paying the premium on or before the due date in **your** Billing Notice. If **you** do not pay the premium when due, this policy will be cancelled. **We** base the premium for each policy period on **our** current manuals. **We** determine this premium based on the information we have when the policy period begins. Any change in this information during that policy period which affects the rating of **your** policy allows **us** to make an added charge or refund on a pro rata basis.

You are responsible for paying all premiums. **We** will pay **you** for any return premiums due.

You may be charged a fee when:

- a. **you** pay less than the full amount due;
- b. **your** payment is late; or
- c. **your** payment is not honored.

Please refer to **your** Billing Notice for fee amounts.

We may replace or add policy forms or **endorsements** at any anniversary date, per **our** manual rules in effect at that time.

If this policy replaces any other policy ending at 12:00 Noon Standard Time on the date this policy begins, this policy will begin at 12:00 Noon Standard Time instead of at 12:01 A.M. Standard Time.

13. Waiver Or Change Of Policy Terms.

Only **you** are authorized to request a waiver or change of any policy term, on behalf of all **insureds**. **We** must agree to any request for waiver or change of any policy term. This policy can only be changed by **us**. Any policy change must be in writing.

Our President and Secretary sign this policy at Madison, Wisconsin on **our** behalf.

If state law requires, **our** authorized representative countersigns the **Declarations**.

[

President

] [

]
Secretary

©Includes copyrighted material of Insurance Services Office, Inc., with its permission.