

57-0910  
NFP PROPERTY & CASUALTY SVCS  
360 MOUNT KEMBLE AVE  
MORRISTOWN NJ 07960-6662

SCOTT KRIM  
9569 VESCOVATO WAY  
BOCA RATON FL 33496-3829



NFP PROPERTY & CASUALTY SVCS  
360 MOUNT KEMBLE AVE  
MORRISTOWN NJ 07960-6662

March 28, 2024

Policy Number: OK7597881

24-Hour Claims: 1-800-332-3226

Policy Service: (973) 538-6300

Online Account Services: [www.safeco.com](http://www.safeco.com)

**THIS IS NOT A BILL.**

SCOTT KRIM  
9569 VESCOVATO WAY  
BOCA RATON FL 33496-3829

Welcome to Safeco]

We believe insurance shouldn't be any more complex than it has to be. Welcome to an easier experience with Safeco.

Enclosed is your new condominium policy. Read it through carefully. It will give you a detailed description of the type and amount of your coverage, any deductibles (your out-of-pocket costs) that apply and the effective date of your policy. If, after reading your policy, you have any questions or want to find out about discounts that may apply to your policy, please call (973) 538-6300.

The premium for your policy is \$1,646.00 for the March 29, 2024 to March 29, 2025 policy term. When you receive your billing statement, please review it carefully for the amount and date of your next payment. Please also verify that your requested payment method is correct.

For added convenience, visit [www.safeco.com](http://www.safeco.com) and make use of our automated services available to you including, but not limited to:

- Make a payment by online check, or credit card.
- Review your billing history.
- Change your billing due date.
- View your policy documents.
- Order a copy of your policy and/or insurance ID cards.
- Report to us a name change, or change of address.
- Review Safeco's Producer Compensation Disclosure.

For all other assistance please call your agent at (973) 538-6300.

Thank you for your business. We look forward to serving you.

PLEASE SEE REVERSE  
**SAFECO INSURANCE COMPANY OF AMERICA**  
P O BOX 704000, SALT LAKE CITY, UT 84170

Sincerely,



Tyler Asher  
President, Safeco Insurance

## **IMPORTANT NOTICE — EXTRAORDINARY LIFE CIRCUMSTANCES**

We use information from your credit history in underwriting or pricing your insurance policy. If your credit information has been adversely impacted by an extraordinary life circumstance, you may request in writing that we consider this when using your credit information. These extraordinary life circumstances include:

- A catastrophic event, as declared by the Federal or State Government;
- A serious illness or injury or serious illness or injury to an immediate family member;
- Divorce or involuntary interruption of legally-owed alimony or support payments;
- The death of a spouse, child or parent;
- The involuntary loss of employment for more than three consecutive months;
- Identity theft;
- Military deployment overseas; or
- Any other circumstance we may choose to recognize.

You must submit this request to us not more than 60 days after the date of your application for insurance or your policy's renewal. We may require you to provide reasonable documentation of this circumstance and explain how it has negatively affected your credit history. If you would like to contact us, please provide your name and policy number: Safeco Imaging Center, PO Box 704000, Salt Lake City, UT 84170-4000 or via fax at 877-344-5107.

# Ask yourself: Do you have enough insurance coverage?

## How much would it take to reconstruct your home?

Surprisingly, it has been estimated that 58% of American homes are underinsured by an average of 21%\*. Make sure yours isn't one of them.

Each home is unique. You know your home best. It's your responsibility to make sure you're "fully insured" and "insured to value." That means you need to have enough insurance coverage to rebuild your home and replace all of your personal belongings in the event of total loss.

**How can you determine your needs? Ask yourself the questions below. If you need help answering them, call your agent and discuss your insurance needs with them.**

They will assist you in determining how much insurance would be needed to fully protect your home and belongings.

### How much would it take to reconstruct your home at today's prices?

Things to consider:

- Your home's age (older homes tend to be more expensive to reconstruct) and style (contemporary, colonial, ranch, etc.)
- Features — fireplaces, cabinetry, built-in features, vaulted ceilings
- Flooring — hardwood, tile, natural stone, carpeting
- Finishes — crown molding, window and floor trim, faux paint, wall paper, wainscoting, chair rails, staircases, etc.
- Recent improvements you may have made (remodeled bathroom or kitchen, recessed lighting, built-in cabinets)
- A basement you may have finished or a room you may have added

### How much is enough to replace the structures surrounding your home at today's prices?

Things to consider:

- Your fence, detached garage, gazebo, barn or storage shed
- If you have an in-ground swimming pool or just repaved your driveway or sidewalk

### What would it take to replace your personal belongings at today's prices?

Things to consider:

- All your basics (furniture, rugs, linens, kitchenware, tools) and every electronic gadget
- Your entire wardrobe, your jewelry, medicines and personal effects
- Have you made any big purchases lately?
- If you have a garage full of tools, are passionate about the latest gadgets or collect just about anything, you should seriously consider getting more personal belongings coverage than the standard policy provides.

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## Let's make sure you're "fully insured."

Your agent uses replacement cost estimation tools to establish a starting point for your insurance coverage. But you know your home best. And we look to you to give your agent the most complete, up-to-date information in order to protect your home and lifestyle. Here are two quick things you can do today:

- 1. Look critically at your coverage statement page (also known as the policy declarations page, which comes after the opening letter in this package).** Do you believe you have enough Coverage A? (This is the amount you'd get for reconstruction of an as-close-as-possible replica of your home in the event of total loss.) If you're not sure, call your agent for help.
- 2. Take inventory.** Compare the value of your personal belongings to the Coverage C amount on your coverage statement page.

**It's important to know: your home's market value is totally different from what it would cost to reconstruct.** Today's market value reflects economic conditions, taxes, school districts, the market value of land and many other factors that have nothing to do with how much it would cost to reconstruct your home from scratch.

Reconstruction cost — the amount needed to get you back home quickly — is based almost exclusively on the cost of materials and labor as well as demand for contractor services. In the event of total loss, a properly insured Safeco policyholder can rebuild with the same quality of materials and workmanship in their current home (unless a functional replacement cost policy was deliberately selected). Of course, we hope you'll never need these services. But we'll all sleep better knowing you're fully insured.

Thank you for trusting Safeco with your home insurance needs.

## **IMPORTANT PREMIUM SURCHARGE NOTICE**

Companies writing Property and Casualty insurance business in New Jersey are required to participate in the New Jersey Property-Liability Insurance Guaranty Association ("Association"). If a company becomes insolvent, the Association settles unpaid claims and then assesses member insurers in amounts necessary to pay those covered claims, the expenses of handling claims, and the costs of examinations and other authorized expenses.

New Jersey permits us to recover those assessments by imposing a surcharge. If your policy is surcharged, the phrase "NEW JERSEY PROPERTY-LIABILITY INSURANCE GUARANTEE ASSOCIATION SURCHARGE" and the appropriate dollar amount will appear on your policy Declarations.

## **NEW JERSEY — IMPORTANT NOTICE CONCERNING THE EXCLUSION OF DAMAGE CAUSED BY FLOOD**

All homeowners are cautioned that:

1. Homeowner and other personal property insurance policies do not cover property damage from floods.
2. Flood means a general and temporary condition of partial or complete inundation of normally dry land area from:
  - i. The overflow of inland or tidal waters;
  - ii. The unusual and rapid accumulation or runoff of surface water from any source;
  - iii. Mudslides (that is, mudflows) that are proximately caused by flooding and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, including your premises, as when earth is carried by a current of water and deposited along the path of the current;
3. Flood also includes the collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding cyclical levels, which results in the partial or complete inundation of normally dry land area;
4. Standard homeowners insurance policies do not coverage damage to property, contents and structure resulting from floods; however, flood insurance may be available through the National Flood Insurance Program which exists in participating communities.
5. The National Flood Insurance Program coverage contains separate content and structure coverages and the policyholder should consult the National Flood Insurance Program. If you have any questions, please contact your Safeco agent or broker listed on the Policy Declarations included within your policy package.

***The above summary is for information purposes only and does not provide coverage. Your Policy Declarations in conjunction with your Policy, Special Provisions and other coverage forms provide complete details of your coverage. If the above summary conflicts with the applicable policy language, the policy language prevails.***



## NOTICE OF INFORMATION PRACTICES

Safeco appreciates the trust you place in us when you purchase insurance from one of our companies. We are committed to protecting your nonpublic personal information ("personal information" or "information") and we value you as a customer.

To learn more about how we collect and use information about you, please read the following notice.

### OUR SOURCES OF INFORMATION ABOUT YOU

Most of the information we obtain comes directly from you and your independent insurance producer. Your application gives us information we need to review your request, such as your name, address and Social Security Number.

We may also ask for information from other outside sources, including:

- Your transactions with our affiliates or other insurance companies (such as your payment history or claims history); and/or,
- The information we receive from a consumer reporting agency or insurance support organization (such as your credit history, driving record, claims history or verification of the value and condition of your property).

Insurance support organizations from which we obtain information may keep such information and disclose it to others as permitted by law.

If we obtain medical information about you, it is generally received in connection with the administration or management of your insurance policy or claim or for the detection and prevention of fraud. We will not share your medical information with our affiliates or non-affiliates for marketing purposes.

It is our policy to treat information we receive about you in the same confidential way we treat information that you have provided to us on your application. The same confidentiality applies to information about our former customers.

### OUR USE OF INFORMATION ABOUT YOU

We only disclose personal information about you as permitted by law. Generally, this includes sharing it with third parties to administer your transactions with us, service your insurance policy or claim, detect and prevent fraud, or with your authorization. We require these parties to use your personal data only for the reasons we gave it to them. These third parties may include:

- Insurance support organizations, consumer reporting agencies or other insurance companies (including for the detection and prevention of fraud);
- Independent insurance producers authorized to sell Safeco insurance products;
- Independent contractors (such as automobile repair facilities, towing companies, property inspectors and independent claims representatives);
- Auditors, attorneys, courts and government agencies;
- Other companies which may reinsure your policy or with which you have other coverage;
- Group policyholders in connection with reporting claims data or an audit; and/or,
- Other companies and insurance support organizations for actuarial or research studies.

We may also disclose your personal information to other financial institutions with which we have joint marketing agreements for products offered by Safeco and in response to judicial orders such as subpoenas.

We may also share information about our transactions (such as payment history) and experiences (such as claims made) with you within our Safeco family of companies.

We do not sell your personal information to others and we do not provide your information to third parties who are doing business on our behalf for their own marketing purposes.

## **PROTECTING YOUR INFORMATION FROM UNAUTHORIZED ACCESS**

We maintain physical, electronic and administrative safeguards to protect your information from unauthorized access. Our employees are authorized to access customer information only for legitimate business purposes.

### **INDEPENDENT SAFECO INSURANCE AGENTS**

The independent insurance producers authorized to sell Safeco products are not Safeco employees and are not subject to Safeco's privacy policy. Because they have a unique business relationship with you, they may have additional personal information about you that Safeco does not have. They may use this information differently than Safeco. Contact your Safeco producer to learn more about their privacy practices.

### **HOW YOU CAN REVIEW YOUR INFORMATION**

You can request a copy of the information about you in our files to review it for accuracy. You must make your request in writing. Within 30 business days (or as required by law) of receiving your request, we will send you the information. We will advise you of any person or group to whom we have given the information during the last two years. We will also give you the name and address of any reporting organization from which we received information about you.

There are certain types of information, such as information collected when we evaluate a claim or when the possibility of a lawsuit exists, that we are not required to provide you. We obtain medical information about you only in connection with claims and lawsuits. If the law allows you to review such information in our files, we will include it with the other information we send to you.

### **IF YOU DISAGREE WITH OUR RECORDS**

If you believe information in our files is wrong, you can notify us in writing. We will review your file within 30 business days of receiving your notice. If we agree with you, we will amend our records and notify you about the change. This change will become part of the file. It will be included in any future disclosures to others and will be sent to:

- Anyone you designate who may have received the information during the previous two years.
- Any person or organization who may have received the information from us during the previous seven years.
- Insurance support organizations that provided the information that was amended or changed pursuant to your request.

If we disagree with you, we will explain why. You can provide us with a written statement explaining why you believe the information is wrong. This statement will become part of the file and will be included in any future disclosures of the disputed subject matter. Your statement will also be sent to the persons listed above.

### **SAFECO'S WEB SITE**

If you have Internet access and want to learn more about our web site specific privacy and security practices, click on the Privacy Policy link on [www.safeco.com](http://www.safeco.com).

**This Privacy Statement applies to the following members of the Safeco family of companies:**

**American Economy Insurance Company  
American States Insurance Company  
American States Insurance Company of Texas  
American States Preferred Insurance Company  
First National Insurance Company of America  
General Insurance Company of America  
Insurance Company of Illinois  
Safeco Insurance Company of America  
Safeco Insurance Company of Illinois  
Safeco Insurance Company of Indiana  
Safeco Insurance Company of Oregon  
Safeco National Insurance Company  
Safeco Surplus Lines Insurance Company**

(For mailing address, please contact your agent of the nearest local Safeco office.)

## SUMMARY OF NOTABLE COVERAGES AND EXCLUSIONS CONDOMINIUM UNIT OWNERS

**THIS SUMMARY HIGHLIGHTS THE NOTABLE COVERAGES AND EXCLUSIONS ASSOCIATED WITH YOUR CONDOMINIUM INSURANCE POLICY AND IS ONLY PROVIDED AS GUIDANCE IN HELPING YOU UNDERSTAND YOUR POLICY. THIS SUMMARY DOES NOT ALTER YOUR COVERAGE IN ANY WAY. YOUR INSURANCE POLICY IS A CONTRACT THAT GOVERNS YOUR LEGAL RIGHTS. PLEASE CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS.**

REFER TO YOUR DECLARATIONS PAGE FOR INFORMATION ON DEDUCTIBLES AND THE SPECIFIC LIMITS OF YOUR POLICY FOR EACH OF THE INCLUDED COVERAGES. REFER TO THE APPLICABLE POLICY PROVISIONS FOR OTHER INFORMATION SPECIFIC TO THESE COVERAGES, AND ON ANY ADDED COVERAGES OR EXCLUSIONS IN YOUR POLICY. FOR ADDITIONAL GUIDANCE AND INFORMATION, SEE THE "INSURING YOUR HOME" GUIDE ON THE N.J. DEPT. OF BANKING AND INSURANCE WEBSITE AT [http://www.state.nj.us/dobi/division\\_consumers/pdf/insuringyourhome.pdf](http://www.state.nj.us/dobi/division_consumers/pdf/insuringyourhome.pdf)

Most condominium policies in New Jersey include the following common coverages:

- **Dwelling (Coverage A)** Your condominium policy will cover property that is permanently installed in your condo unit that is not otherwise covered by your condominium association's insurance policy.
- **Personal Property (Coverage C)** pays if the items in your condo unit (such as furniture, clothing, and appliances) are damaged, stolen, or destroyed by a covered loss.
- **Loss of Use (Coverage D)** pays your additional living expenses (costs over the normal amount for housing, food, and other essential expenses) if you must temporarily move because damage to your condo unit from a covered loss renders it uninhabitable.
- **Personal Liability (Coverage E)** pays to defend you in court against certain lawsuits and provides coverage if you are found legally responsible for someone else's injury or property damage.
- **Medical Payments to Others (Coverage F)** pays the medical bills of people hurt on your property. It might also pay for some injuries that happen away from your condo unit, such as your dog biting someone at the park.

### Policy Features

- Companies may exclude coverage for certain losses. Even the most comprehensive policy will exclude certain types of damage.
- All policies include an all-peril deductible. The deductible is the portion for which you are responsible on a covered property loss.
- Some policies may include a separate, optional wind/hail deductible, and/or a mandatory or optional hurricane deductible.
- Companies may offer optional coverages that include loss assessment, coverage for oil tank liability, water back up and sump pump overflow, ordinance or law coverage, earthquake and scheduled personal property such as jewelry, fine arts, furs or silverware.

Your Policy Covers Losses Caused By:	Your Policy Does Not Cover Losses Caused By:
Fire and lightning	Flooding including tidal surge (Note: Flood insurance may be available through the National Flood Insurance Program ( <a href="http://www.floodsmart.gov">www.floodsmart.gov</a> ))
Sudden and accidental damage by smoke	
Explosion	Earth movement, landslides, mudslides & sinkholes
Theft	Termites, insects, rats, mice, birds or other vermin
Vandalism and malicious mischief	Freezing pipes (unless water was shut off or building was heated)
Aircraft and vehicles	Certain losses if your condo unit is vacant for the number of days specified by your policy.
Windstorm or hail	
Sudden and accidental water damage	Wear and tear, rotting, maintenance and pollution
Weight of ice, snow or sleet	Wind or hail damage to trees and shrubs
Riot and civil commotion	Mold, unless it is as a result of a covered loss (for example, mold damage due to flood would not be covered)
Escape of Water from a Sump, Sump Pump or Drain on the Residence	Water damage resulting from continuous and repeated seepage
	Liability which results from the ownership or use of an automobile and other types of motorized land vehicles, aircraft or certain watercraft
	Intentional acts caused by you or a resident of your home
	War or Nuclear Hazard
	Earthquake
	Liability which arises from the transmission of a communicable disease, including viruses.

## NEW JERSEY EARTHQUAKE INSURANCE AVAILABILITY NOTICE

All insureds and applicants are cautioned that homeowners insurance policies do not provide coverage for earthquake damage.

The definition of an *earthquake*:

- is a shaking or trembling of the earth that is geologic or tectonic in nature;
- includes shock waves or tremors before, during or after a volcanic eruption; and
- can also include after-shocks that occur within a seventy-two hour period following an *earthquake*.

A typical homeowners insurance policy:

- **does not** cover the cost to replace or repair your damaged dwelling, premises or structures, such as garages, resulting from an *earthquake*;
- **does not** cover the cost to replace or repair the contents of your home if the damages result from an *earthquake*; and
- **does not** pay for any additional living expenses if your property is badly damaged or destroyed by an *earthquake*.

***Earthquake insurance is available through an endorsement to your policy for an additional premium. The decision to purchase earthquake insurance is one that should be carefully considered based on individual circumstances.***

Historically, an earthquake in New Jersey is a rare event, although the possibility exists that it could happen. Over the five-year period from 2010 to 2015, for every \$1 of *earthquake* insurance premium, 1/10 of one cent has been paid out for losses.

**Please contact your Safeco agent or broker if you have any questions or want additional information on how you can obtain *earthquake* insurance.**

**This notice is a general description of coverage and does not change, modify or invalidate any of the provisions, terms or conditions of your policy or endorsements.**



A Liberty Mutual Company

## Guide to the Use of Insurance Scores

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### Credit Information and Insurance

Most insurance companies use credit information. In fact, according to a study by Conning Research and Consulting Inc., 92% of insurers use credit based insurance scores (*Insurance Scoring in Personal Automobile Insurance - Breaking the Silence, Conning & Co., 2001*). You may have questions about why insurers use credit information and how do they use it. We are providing some frequently asked questions and answers below, to help you to better understand how and why insurance companies, including Safeco, use credit information.

(Safeco uses credit information where permissible by state law and regulation, and its use may vary depending on the state's laws and regulations)

### What is an insurance score?

An insurance score is a number calculated by a statistical model using information contained in a credit report. Insurance scores have been developed to help predict the likelihood of having an accident or filing a claim.

### What is the difference between an insurance score and a credit score and how are they calculated?

While insurance scores predict insurance losses, credit scores predict credit delinquency. Both are calculated from information in a credit report, such as outstanding debt, bankruptcies, length of credit history, collections, new applications for credit, number of credit accounts in use and timeliness of debt repayment. Insurers or scoring agencies then calculate the insurance or credit score by taking the information in the credit report and assigning positive weights to the favorable information and negative weights to the unfavorable information.

### What kind of information is not used in insurance scoring models?

Information such as an applicant's income, ethnic group, age, gender, disability, religion, address, marital status, and nationality are not considered when calculating an insurance score.

### Why does Safeco use the insurance score of an applicant?

Safeco, as well as many other insurance companies, uses insurance scores because they provide an objective way to evaluate the risk of an applicant. Independent studies and Safeco experience show that insurance scores are a very good predictor of future losses. When insurance scores are combined with traditional risk evaluation factors (such as prior claims history, years of driving experience and driving record) insurance companies can more accurately determine the risk an applicant presents. By using insurance scores combined with other factors, policies can be more accurately priced. Individuals who are more likely to have a claim will pay more for insurance and individuals who are less likely to have a claim will pay less.

### What type of credit information is generally associated with a favorable insurance score?

- Lengthy, established credit history Absence of collections
- No late payments
- Low credit balances relative to limits available
- Few recently opened credit accounts (new accounts opened only as needed)

### How can I learn more about my credit information and how to manage it?

A good credit rating must be built over time. There are no "quick fixes". The Federal Trade Commission website provides articles about managing personal credit history and scores.

<http://www.ftc.gov/bcp/menus/consumer/credit/reports.shtm>

### How do I know what information is in my credit report?

Under the federal Fair Credit Reporting Act you are entitled to receive a free copy of your credit report once during any 12-month period. Otherwise, the credit bureau may charge a fee for more frequent requests. It is a good idea for you to annually check your credit information on file with the three major

credit bureaus to verify the report's accuracy. If an error is found, you should ask the credit bureau how to correct the information.

**How can I receive a copy of my credit report?**

You can receive a copy of your credit report by contacting the following agencies.

- [www.annualcreditreport.com](http://www.annualcreditreport.com)
- Equifax [www.equifax.com](http://www.equifax.com) 800-685-1111
- Experian [www.experian.com](http://www.experian.com) 888-397-3742
- Trans Union [www.transunion.com](http://www.transunion.com) 800-888-4213

**I have an excellent credit rating; does this mean I qualify for the best insurance premium?**

That depends. Since insurance scores measure items related to insurance losses and credit scores measure creditworthiness, these scores may be very different. Items on a credit report considered by an insurance company may not be ones considered by a lender. Likewise, there may be items on a credit report used by a lender that are not relevant to an insurer. Additionally, insurance companies consider a number of other factors when determining your automobile premium such as driving record, prior loss history, and vehicle type. For your homeowner premium, insurers may consider prior loss history, construction type, distance to fire stations and fire hydrants, and presence of protective devices such as smoke detectors, theft alarms, and deadbolt locks. State laws and regulations also vary, so the factors insurers may use to calculate premium or determine eligibility may differ by state.

**Can an exception be made for customers who have experienced a medical hardship?**

Yes, with the proper documentation, Safeco will take into consideration those customers that have gone through a medical hardship and possess catastrophic medical expenses. Safeco may consider exceptions for other extraordinary circumstances. Availability of these exceptions may vary due to differences in state laws and regulations.

**Does the use of credit by Safeco affect my credit rating?**

There is no affect on an individual's credit rating when Safeco makes an inquiry into their credit history. No banks or other lending institutions will be able see the credit record inquiry made by Safeco. The only record of the inquiry by Safeco will be on the copy obtained by the consumer, if he or she chooses to receive a copy of their credit report.

**What happens if Safeco makes an adverse decision based on my credit information?**

Under the federal Fair Credit Reporting Act an applicant is entitled to receive a free copy of their credit report whenever an insurer or creditor has taken an adverse action\*.

If Safeco takes an adverse decision based on your credit information, we will provide you with a separate written notice advising you of the primary reasons for our action, the name, address and telephone number of the consumer reporting agency that provided the information, and of your rights to receive a free copy of your credit report.

If you notice an error on your credit report, you can dispute this information and ask the consumer reporting agency to correct it. While an individual error is not likely to have a large impact on an insurance score, if the error does impact your policy premium, Safeco will be glad to reevaluate the policy and adjust the premium based on the corrected information.

\*Your right to receive a free report due to an adverse action is in addition to the free credit report that you are annually entitled to request from each nationwide credit bureau under the Fair Credit Reporting Act.

## Insurance Information and the Use of Credit

Thank you for being a Safeco Insurance customer. We appreciate your business and the trust you have placed with us.

Like most insurance companies, we use credit information as a factor in determining the cost of your insurance. We do so because research studies have shown it to be an accurate predictor of the probability of future insurance losses. Studies also show that a majority of customers benefit from the use of credit information.

It's important to understand that many factors are used to determine the cost of insurance such as driving history for auto insurance, the year your home was built for home insurance, previous insurance and claims history, discounts and coverage limits. Your credit history is also part of the overall calculation that determines your premium. We look at credit history very differently than a financial institution because we're not evaluating your credit-worthiness. We're using credit-based information in combination with other factors to help us properly price insurance risks.

### FREQUENTLY ASKED QUESTIONS

**Why do you use my credit information?**

Insurance companies often use credit information because it is a predictor of the probability of future losses. Its use is an objective way to assess and price potential risk and enables us to more accurately price policies and equitably distribute insurance costs among our policyholders.

**Is my credit history the only factor that determines my rate?**

No. Many factors such as previous insurance, claims history, discounts and coverage limits go into determining what you pay for your insurance. In addition, the information you provided when you purchased your policy and the verification of that information is used to determine your rate.

**How do I know if I'm getting the best possible rate?**

One of the benefits of buying insurance through an independent agent is their ability to advise you on your options and ways to save money. Between the guidance of your local independent agent and a vast array of Safeco options, you can be sure you're getting the coverage you want at a competitive rate. If you have any questions, we encourage you to contact your independent Safeco agent and ask for an insurance checkup.

**How is credit information used in determining my rate?**

Safeco, like most insurance companies, calculates an insurance score based on information from your credit report. Different values or weights are assigned to the information contained in your credit report, such as payment history, amounts owed or the number of applications for new credit lines. The total sum of these weights creates your insurance score. As a result, it is likely that some of your credit information helped to improve your insurance score, and some lowered it. The calculation process and weights used by each insurance company and/or its service providers are proprietary and confidential. As a result, we do not disclose your specific score or the details of how it was calculated.

**How did my credit information affect my rate?**

Your rate was adversely affected because either we were unable to obtain an insurance score for you, or because of your credit information. If it was due to your credit information, the reasons are explained in this document under "What factors affected my insurance score?"

**What can I do to improve my insurance score?**

Safeco and independent insurance agents are not credit counselors or financial advisors, so we are not in a position to provide specific advice on how to improve your credit or insurance score. However, we can tell you that the areas that have the biggest impact on your credit report are: payment history, amounts owed, length of credit history, new credit applications and type of credit accounts. To get a copy of your current credit report, contact TransUnion and follow the instructions under "How do I get a copy of my credit report?"

**How do I get a copy of my credit report?**

The Fair Credit Reporting Act allows you to request a free copy of your credit report within 60 days of receipt of this letter. To get a copy of your report, call TransUnion at 1-800-645-1938 or write to TransUnion Consumer Disclosure Center, PO Box 1000, Chester, PA 19022. TransUnion can give you information about your credit report. However, they did not make any decisions about your insurance premium or how your policy was rated, and they are unable to answer questions about those decisions.

What can I do if I think my credit report is not accurate?

If you believe your report is incomplete or incorrect, you may contact TransUnion to dispute the accuracy or completeness of the information. At your request, they will review your credit information and if corrections are made, they will send you an updated report.

Can I get my policy re-rated if corrections are made to my credit report?

Yes. If you would like us to re-evaluate your policy after your credit report has been corrected, please send us a copy of the documentation from the credit reporting agency indicating the report has been corrected. Include your name, policy number and address, and ask for a credit-based insurance score re-evaluation. Mail your request to: Safeco ATTN: UW Verification & Policy Support, PO Box 704000, Salt Lake City, UT 84170-4000 or fax it to 877-344-5107.

Where can I go to learn more about credit and how it is used in insurance?

To learn more about credit scores visit <http://www.myfico.com/CreditEducation/CreditScores.aspx>. For more information about how Safeco uses information from your credit report go to <http://www.safeco.com/insurancescores>.

Who is sending me this notice?

This notice is provided to you by SAFECO INSURANCE COMPANY OF AMERICA who underwrites your condominium policy OK7597881.

What factors affected my insurance score?

Below is more information about the factors that affected your insurance score and what you can do to improve them:

CN-7278/EP 8/13

Average amount of time accounts have been established

*What information is this message derived from?* The score considers the average age of all of your accounts. Recently opened accounts will lower the average age of your accounts.

*How does this affect my insurance risk score?* Research shows that consumers who have a long established account history have fewer insurance losses.

*What can I do to improve this aspect of my score?* Open new accounts only when necessary. As accounts age this component of your score will likely improve.

(Reason Code 322)

CN-7298/EP 7/12 \_\_\_\_\_

Number of accounts ever past due

*What information is this message derived from?* The score considers the number of accounts that were ever 30 days or more past due, reported in the last five (5) years.

*How does this affect my insurance score?* Research shows that consumers with missed payments have more insurance losses.

*What can I do to improve this aspect of my score?* Avoid letting accounts get to a delinquent status. Delinquencies remain on your credit report for seven years. Pay any accounts that are past due as soon as possible.

(Reason Code 310)

CN-7288/EP 7/12 \_\_\_\_\_

Average amount of time accounts have been established

*What information is this message derived from?* The score considers the average age of all of your accounts. Recently opened accounts will lower the average age of your accounts.

*How does this affect my insurance risk score?* Research shows that consumers who have a long established account history have fewer insurance losses.

*What can I do to improve this aspect of my score?* Open new accounts only when necessary. As accounts age this component of your score will likely improve.

(Reason Code 322)

CN-7298/EP 7/12 \_\_\_\_\_

Number of accounts ever past due

*What information is this message derived from?* The score considers the number of accounts that were ever 30 days or more past due, reported in the last five (5) years.

*How does this affect my insurance score?* Research shows that consumers with missed payments have more insurance losses.

*What can I do to improve this aspect of my score?* Avoid letting accounts get to a delinquent status. Delinquencies remain on your credit report for seven years. Pay any accounts that are past due as soon as possible.

(Reason Code 310)

CN-7288/EP 7/12 \_\_\_\_\_

Number of inquiries reported

*What information is this message derived from?* The score considers inquiries initiated by you when you are actively seeking to obtain credit, or to obtain higher limits on an existing account. It does not consider inquiries initiated by you to obtain your own insurance score or inquiries related to obtaining an insurance policy. Promotional inquiries (such as an offer of an unsolicited credit card), account reviews by an existing creditor, collection inquiries or other queries not solicited by you are not included in this score. Inquiries as a result of searching for rates on a similar type of loan, such as auto and/or mortgage loans are counted as one inquiry if they occur within 30 days.

*How does this affect my insurance score?* Research shows a correlation between applying for more credit accounts, or extending your credit, with more insurance losses.

*What can I do to improve this aspect of my score?* Inquiries initiated by you will remain on your credit report for two (2) years. A common misperception is that every inquiry drops your score a certain number of points. In reality, the impact each inquiry has on your score varies depending on your overall credit profile. To improve this aspect of your score, apply for credit only when needed.

(Reason Code 309)

CN-7287/EP 7/12 \_\_\_\_\_

Number of open accounts reported as 'paid as agreed'

*What information is this message derived from?* The score considers the number of open accounts on the consumer's credit file that have been paid as agreed.

*How does this affect my insurance risk score?* Research shows that consumers with multiple active accounts that are paid as agreed have fewer insurance losses.

*What can I do to improve this aspect of my score?* If you only have a few accounts, keeping them active and making payments on time shows that you manage your credit obligations responsibly.

(Reason Code 324)

CN-7300/EP 7/12 \_\_\_\_\_



A Liberty Mutual Company

**SAFECO INSURANCE COMPANY OF AMERICA**

Administrative office: 175 Berkeley St., Boston, MA 02116 (A stock insurance company.)

**CONDOMINIUM POLICY DECLARATIONS**
**POLICY NUMBER:**  
OK7597881

**POLICY PERIOD: FROM:** MAR. 29, 2024 12:01 A.M.  
**TO:** MAR. 29, 2025 12:01 A.M.
**NAMED INSURED AND MAILING ADDRESS:**
SCOTT KRIM  
9569 VESCOVATO WAY  
BOCA RATON FL 33496-3829

**AGENT:**  
NFP PROPERTY & CASUALTY SVCS  
360 MOUNT KEMBLE AVE  
MORRISTOWN NJ 07960-6662

Valued Condominium Customer Since MAR. 29, 2024

**INSURED LOCATION:**
14 HAZY GATE TERRAVE  
FRANKLIN LAKES NJ 07417

**POLICY SERVICE INFORMATION:**  
**TELEPHONE:** (973) 538-6300  
**E-MAIL:** MICHELLE.HINDERLONG@NFP.COM  
**WEBSITE:** www.safeco.com
**IMPORTANT MESSAGES**

- Your new policy is effective March 29, 2024.

**LIMITS OF LIABILITY**

(Policy Section I - Property Coverages and Section II - Liability Coverages)

Coverage A - Condominium Building Items	Coverage C - Personal Property	Coverage D - Additional Living Expense	Coverage E - Personal Liability	Coverage F - Medical Payments
\$450,000	\$100,000	\$40,000	\$500,000	\$10,000

**DEDUCTIBLES.**

The following deductibles apply unless otherwise stated within the policy.

	AMOUNT
Section I, except as noted below	\$ 1,000
Identity Recovery Expense Reimbursement	\$ 250

	PREMIUM
BASIC COVERAGES	\$ 1,197.00
OTHER COVERAGES, LIMITS AND OPTIONAL COVERAGES	\$ 451.00
DISCOUNTS AND SURCHARGES	\$ -2.00

<b>TOTAL POLICY PREMIUM:</b>	<b>\$ 1,646.00</b>
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**Premium Payer:** Insured

You may pay your premium in full or in installments. There is no installment fee for the following billing plans: Full Pay. Installment fees for all other billing plans are listed below. If more than one policy is billed on the installment bill, only the highest fee is charged. The fee is:

\$2.00 per installment for recurring automatic deduction (EFT)  
\$6.00 per installment for recurring credit card or debit card  
\$6.00 per installment for all other payment methods

# SAFECO INSURANCE COMPANY OF AMERICA

## CONDOMINIUM POLICY DECLARATIONS

CONTINUED

**POLICY NUMBER:** OK7597881

Servicing Mortgagee  
 TD BANK NA  
 ITS SUCCESSORS AND/OR ASSIGNS  
 PO BOX 5400  
 LEWISTON ME 04243-5400  
 LOAN NUMBER: 6020143589

**POLICY LIMITS AND OTHER ADDITIONAL COVERAGES**

(Unless otherwise stated, all limits and coverages are included in basic coverages)

**COVERAGE LEVEL: OPTIMUM****SECTION I - PROPERTY COVERAGES****COVERAGE C - PERSONAL PROPERTY - 3. SPECIAL LIMITS OF LIABILITY**

a. Money, pre-paid cards...	\$ 1,000	h. Business Property	
b. Rare coins and currency...	\$ 5,000	On Premises...	\$ 3,000
c. Securities, debit cards...	\$ 5,000	Off Premises Sub-limit	\$ 1,000
d. Watercraft...	\$ 3,000	i. Tapes, records, discs...	\$ 500
e. Trailers...	\$ 3,000	j. Theft of rugs...	\$ 10,000
f. Theft of jewelry, watches...	\$ 5,000	k. Grave Markers...	\$ 5,000
g. Theft of silverware...	\$ 5,000		

**OTHER INCLUDED COVERAGES/POLICY PROVISIONS**

	<b>Limit</b>	<b>Premium</b>
Loss Assessment Coverage	\$ 50,000	\$ 19.00
Workers' Compensation	\$ 100,000	\$ 1.00
Building Ordinance or Law Coverage ( 10%)	\$ 10,000	Included
Refrigerated Spoilage Coverage		Included
Fungi, Wet or Dry Rot, or Bacteria	\$ 50,000	\$ 78.00
Debris Removal		Included
Trees	5%	
Trees	\$ 1,000	Included
Per Tree Sublimit	\$ 500	Included
Reasonable Repairs	\$ 5,000	Included
Trees, Shrubs, and Other Plants	\$ 5,000	Included
Fire Department Service Charge	\$ 5,000	Included
Arson Reward	\$ 25,000	Included
Criminal Conviction Reward - Item a. Information	\$ 2,500	Included
Criminal Conviction Reward - Item b. Property Recovery	\$ 5,000	Included
Mortgage Acquisition Expense	\$ 5,000	Included
Claim Expenses (Loss of Earnings-Per Day Limit)	\$ 500	Included
Damage to Property of Others	\$ 5,000	Included
Water Damage	\$ 450,000	Included
Credit Card, Fund Transfer, Forgery & Counterfeit Money	\$ 5,000	Included
Volunteer America		Included
Section I (All Perils Coverage)		Included
Section II - Liability Coverage		Included
Section II - Property Damage	\$ 2,000	Included

**OPTIONAL COVERAGES**

	<b>Limit</b>	<b>Premium</b>
Personal Property Replacement Cost		Included
Personal Offense Coverage	\$ 500,000	\$ 13.00
Escape of Water from Sump (Building/Contents)	\$ 50,000	\$ 278.00
Special Personal Property Coverage		\$ 26.00
Identity Recovery Coverage	\$ 25,000	\$ 12.00
Equipment Breakdown Coverage	\$ 50,000	\$ 24.00

**DISCOUNTS AND SURCHARGES**

	<b>Premium</b>
Smoke Alarm Credit	\$ -3.00
Burglar Alarm Discount	\$ -7.00
Guaranty Fund Surcharge	\$ 8.00

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## SAFECO INSURANCE COMPANY OF AMERICA CONDOMINIUM POLICY DECLARATIONS

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CONTINUED

POLICY NUMBER: OK7597881

For information on other deductibles, coverages or discounts available in your state or to review your account online, log on to [www.safeco.com](http://www.safeco.com)

**FORMS APPLICABLE TO THIS POLICY:**

- HOM-7301/EP 1/09 - PERSONAL PROPERTY REPLACEMENT COST
- HOM-7308/EP 1/09 - SPECIAL PERSONAL PROPERTY COVERAGE
- HOM-7307/EP 1/09 - IDENTITY RECOVERY COVERAGE
- HOM-7306/EP 1/09 - EQUIPMENT BREAKDOWN COVERAGE
- HOM-7221/EP 7/21 - SAFECO OPTIMUM CONDOMINIUM COVERAGE
- HOM-7232/EP 1/09 - EXECUTION CLAUSE
- HOM-7311/EP 6/20 - ESCAPE OF WATER FROM A SUMP, SUMP PUMP OR DRAIN ON THE RESID
- HOM-7080/EP 1/20 - SAFECO CONDOMINIUM POLICY
- HOM-7180/NJEP 5/23 - CONDO SPECIAL PROVISIONS - NEW JERSEY
- HOM-7350/EP 11/14 - PERSONAL OFFENSE COVERAGE
- HOM-7237/NJEP 6/20 - NJ WC & EMPLOYERS LIABILITY COVERAGE FOR RESIDENCE EMPLOYEES

\*\*\*\* REPRINTED FROM THE ARCHIVE. THE ORIGINAL TRANSACTION MAY INCLUDE ADDITIONAL FORMS \*\*\*\*



A Liberty Mutual Company

## SAFECO CONDOMINIUM POLICY

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## INSURING AGREEMENT

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In reliance on the information you have given us, we will pay claims and provide coverage as described in this policy if you pay your premiums when due, comply with all applicable provisions outlined in this policy, and inform us of any change in title, use, or occupancy of the **residence premises**.

This policy applies only to losses occurring during the policy period.

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### POLICY DEFINITIONS

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1. Throughout this policy, "you" and "your" refer to:
  - a. the "named insured" shown in your Policy Declarations; and  
if a resident of the same household:
    - b. the spouse;
    - c. the civil partner by civil union licensed and certified by the state; or
    - d. the **domestic partner**.
2. "We," "us," and "our" refer to the underwriting company providing this insurance as shown in your Policy Declarations.
3. In addition, certain words and phrases are defined as follows:
  - a. **"Actual cash value"**
    - (1) When damage to property is economically repairable, **actual cash value** means the cost that would be necessary to repair the damage based on the age and conditions of the materials making up the damaged property, less reasonable deduction for wear and tear, deterioration, and obsolescence.
    - (2) When damage to property is not economically repairable or loss prevents repair, **actual cash value** means the market value of property in a used condition equal to that of the lost or damaged property, if reasonably available on the used market.
    - (3) Otherwise, **actual cash value** means the market value of new, identical, or nearly identical property, less reasonable deduction for wear and tear, deterioration, and obsolescence.  
The reasonable deduction in items (1) and (3), above, will apply to materials, labor, and overhead and profit.
  - b. **"Bodily injury"** means bodily harm, sickness or disease, including required care, loss of services, and death that results.
  - c. **"Business"** includes:
    - (1) a trade, profession, or occupation engaged in on a full-time, part-time, or occasional basis;
    - (2) any other activity engaged in for money or other compensation, except the following:
      - (a) one or more activities, not described in (b) below, for which no **insured** receives more than \$3,000 in total compensation for the 12 months before the beginning of the policy period; or
      - (b) **volunteer** activities for which no money or other compensation is received other than for expenses incurred to perform the activity; or
    - (3) a **short-term rental**.
  - d. **"Domestic partner"** means a person living as a continuing partner with you and:
    - (1) is at least 18 years of age and competent to contract;
    - (2) is not a relative; and
    - (3) shares with you the responsibility for each other's welfare, evidence of which includes:
      - (a) the sharing in domestic responsibilities for the maintenance of the household;

- (b) having joint financial obligations, resources, or assets; or
- (c) one with whom you have made a declaration of domestic partnership or similar declaration with an employer or government entity.

**Domestic partner** does not include more than one person, a roommate whether sharing expenses equally or not, or one who pays rent to the named **insured**.

- e. "**Earthquake**" means shaking or trembling of the earth, whether caused by volcanic activity, tectonic processes, or any other cause.
- f. "**Fungi**" means any type or form of fungus, including yeast, mold or mildew, blight or mushroom and any mycotoxins, spore, scents, or other substances, products or by-products produced, released by, or arising out of **fungi**, including growth, proliferation, or spread of **fungi** or the current or past presence of **fungi**.
- g. "**Insured**" means:
  - (1) you; and
  - (2) so long as you remain a resident of the **residence premises**, the following residents of the **residence premises**:
    - (a) your relatives;
    - (b) any other person under the age of 24 who is in the care of any person described in (1) or (2)(a) above.

Anyone described above who is a student temporarily residing away from your **residence premises** while attending school shall be considered a resident of your **residence premises**.

Under **Section II — Liability Coverage**, "**insured**" also means:

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

- h. "**Insured location**" means:
  - (1) the **residence premises**;
  - (2) that part of any other premises, other structures and grounds, used by you as a residence and which is shown in your Policy Declarations. This includes any premises, structures, and grounds you acquire during the policy period for your use as a residence;
  - (3) any premises not owned by you which you have the right or privilege to use arising out of h.(1) or h.(2) above;
  - (4) any part of a premises not owned by any **insured** but where any **insured** is temporarily residing;
  - (5) vacant land, including that which is vacant except for a fence, owned by or rented to any **insured** other than farmland;
  - (6) land owned by or rented to any **insured** on which a one, two, three, or four family dwelling is being constructed as a residence for any **insured**;
  - (7) individual or family cemetery plots or burial vaults of any **insured**; or
  - (8) any part of a premises occasionally rented to any **insured** for other than **business** purposes.
- i. "**Occurrence**" means an accident, including exposure to conditions which results in:
  - (1) **bodily injury**; or
  - (2) **property damage**;

- during the policy period. Repeated or continuous exposure to the same general conditions is considered to be one **occurrence**.
- j. "**Personal watercraft**" means jet skis, wet bikes, or other craft, using a water jet pump powered by an internal combustion engine as the primary source of propulsion.
- k. "**Pollutants or contaminants**" means any of the following:
- (1) liquid fuels;
  - (2) lead or any materials containing lead;
  - (3) asbestos or any materials containing asbestos;
  - (4) radon;
  - (5) formaldehyde or any materials containing formaldehyde;
  - (6) electric fields, magnetic fields, electromagnetic fields, power frequency fields, electromagnetic radiation, or any other electric or magnetic energy of any frequency;
  - (7) carbon monoxide;
  - (8) pathogenic or poisonous biological materials;
  - (9) acids, alkalis, or chemicals;
  - (10) radioactive substances; or
  - (11) any other irritant or contaminant, including waste, vapor, fumes, or odors.
- l. "**Property damage**" means physical damage to or destruction of tangible property, including loss of use of this property.
- m. "**Replacement cost**"
- (1) In case of loss or damage to condominium building items, **replacement cost** means the cost, at the time of loss, to repair or replace the damaged property with new materials of like kind and quality, without deduction for depreciation.
  - (2) In case of loss to personal property, **replacement cost** means the cost, at the time of loss, of a new article identical to the one damaged, destroyed, or stolen. When the identical article is no longer manufactured or is unavailable, **replacement cost** means the cost of a new article similar to the one damaged or destroyed and is of comparable quality and usefulness, without deduction for depreciation.
- n. "**Residence employee**" means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.
- o. "**Residence premises**" means the unit where you reside and which is shown in your Policy Declarations. **Residence premises** also includes other structures or that part of any building that you solely own or is available for your exclusive use.
- p. "**Salvage**" means property having value and included in a covered loss.
- q. "**Short-term rental**" means one or more rentals, in whole or in part of the **residence premises** solely for use as a private residence. **Short-term rental** does not include rental:
- (1) in whole or in part of the **residence premises** for a single rental period to the same individual(s) for more than 180 consecutive days; or
  - (2) in part of the **residence premises** to a tenant, roomer, or boarder for a period of 6 months or more.
- r. "**Vacant**" means the dwelling or unit lacks the necessary amenities, adequate furnishings, or utilities and services required to sustain normal occupancy. A dwelling under construction, including being newly built, remodeled, reconstructed, renovated, or repaired is not considered **vacant**.
- s. "**Volunteer**" means an **insured** employed by an organization for a charitable purpose or in direct service to the general public or the community.

**Volunteer** service does not include the **insured's** primary employment. **Volunteer** service includes, but is not limited to, service performed for churches, schools, hospitals, and charitable, arts, and civic organizations.

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## SECTION I — PROPERTY COVERAGES

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**THIS INSURANCE APPLIES TO COVERAGES FOR WHICH A LIMIT OF LIABILITY IS SHOWN IN YOUR POLICY DECLARATIONS.**

### **COVERAGE A — CONDOMINIUM BUILDING ITEMS**

#### **BUILDING PROPERTY WE COVER**

We cover:

1. the additions, alterations, appliances, fixtures, installations, and improvements which are part of the building contained within your condominium unit;
  2. items of real property which pertain exclusively to your condominium unit;
  3. property which is your insurance responsibility under the condominium association agreement; or
  4. structures owned solely by you, other than your condominium unit, located on the premises of the described condominium.
- 

#### **BUILDING PROPERTY WE DO NOT COVER**

1. Land, no matter where it is located, including land on which your condominium, real property, or structures are located; or
  2. Structures:
    - a. used in whole or in part for **business**, other than a **short-term rental**; or
    - b. rented to any person not a tenant of the condominium unit, unless used solely as a private garage.
- 

#### **BUILDING PROPERTY LOSSES WE COVER**

We cover accidental direct physical loss to property described in **Building Property We Cover** except as limited or excluded.

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#### **BUILDING PROPERTY LOSSES WE DO NOT COVER**

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

1. Freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or of a household appliance, or by discharge, leakage, or overflow from within the system or appliance caused by freezing, while the dwelling is **vacant**, unoccupied, or under construction, including being newly built, remodeled, reconstructed, renovated, or repaired. This exclusion does not apply if you have used reasonable care to:
  - a. maintain heat in the building; or
  - b. shut off the water supply and drain the system and appliances of water.
2. Freezing, thawing, pressure or weight of water, ice, or snow whether driven by wind or not, to a swimming pool, hot tub, or spa, including their filtration and circulation systems, fence, landscape sprinkler system, pavement, patio, foundation, footing, retaining wall, decorative or privacy wall, bulkhead, pier, wharf, or dock.
3. Theft in, to, or from a condominium unit under construction, including materials and supplies for use in the construction, until or unless the condominium unit is occupied. A condominium unit under construction includes being newly built, remodeled, reconstructed, renovated, or repaired. This exclusion does not apply if you are occupying the condominium unit as your primary residence at the time of the loss.

4. Vandalism and malicious mischief, including fire caused by arson, or breakage of glass and safety glazing materials if the condominium unit has been **vacant** for more than 60 consecutive days immediately before the loss. A condominium unit under construction, including being newly built, remodeled, reconstructed, renovated, or repaired is not considered **vacant**.
5. Continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture, or vapor which occurs over a period of more than 14 days, whether known or unknown to any **insured**.
6.
  - a. Wear and tear, marring, scratching, deterioration;
  - b. Inherent defect, mechanical breakdown;
  - c. Smog, rust or other corrosion, or electrolysis;
  - d. Smoke from agricultural smudging or industrial operations;
  - e. Settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations, walls, floors, roofs, ceilings, swimming pools, hot tubs, spas, or chimneys;
  - f. Birds, vermin, rodents, insects, or domestic animals, except for breakage of glass;
  - g. Pressure from or presence of plant roots.

However, we do insure for any resulting loss from items 1. through 6. unless the resulting loss is itself excluded under **Building Property Losses We Do Not Cover** in this section. If loss to covered property is caused by water or steam not otherwise excluded, we will cover the cost of tearing out and replacing any part of the building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which water or steam escaped.

7. **Pollution or Contamination**, meaning the existence of or the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, escape, emission, transmission, or absorption of **pollutants or contaminants** at any time except as provided by **Additional Property Coverages — Household Products Coverage under Section I — Property Coverages**.
8. **Ordinance or Law**, meaning any ordinance or law:
  - a. requiring or regulating the construction, remodeling, renovation, repair, or demolition of building property, including removal of resulting debris, unless specifically provided under this policy;
  - b. the requirements of which result in a loss in value to property; or
  - c. requiring any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, **pollutants or contaminants**.

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

9. **Earth Movement**, meaning:
  - a. the sinking, rising, shifting, expanding, or contracting of earth, all whether combined with water or not. Earth movement includes but is not limited to **earthquake**, landslide, mudflow, mudslide, sinkhole, subsidence, movement resulting from improper compaction, site selection, drilling, fluid injection, hydraulic fracturing or any other external forces, erosion including collapse or subsidence of land along a body of water as a result of erosion or undermining resulting from the action of water. This includes the channeling of a river or stream;
  - b. erosion, shifting, or displacement of materials supporting the foundation; and
  - c. volcanic blast, volcanic explosion, shockwave, lava flow, lahars, and fallout of volcanic particulate matter.

This exclusion applies whether the earth movement is caused by or resulting from human or animal forces or any act of nature.

We do cover direct loss by fire, explosion, or theft.

10. **Water Damage**, meaning:
  - a. (1) flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, storm surge, or spray from any of these, whether or not driven by wind, including hurricane or similar storm; or

- (2) release of water held by a dam, levee, dike, or by a water or flood control device or structure;
- b. water below the surface of the ground, including that which exerts pressure on, or seeps or leaks through a building, wall, bulkhead, sidewalk, driveway, foundation, swimming pool, hot tub, or spa, including their filtration and circulation systems, irrigation systems, including any outdoor water source for the **residence premises** or other structure;
  - c. water which escapes or overflows from sewers, drains, or related plumbing appliances located off the **residence premises**;
  - d. water which escapes or overflows from drains or related plumbing appliances on the **residence premises**. However, this exclusion (10.d) does not apply to overflow and escape caused by malfunction on the **residence premises**, or obstruction on the **residence premises**, of a drain or plumbing appliance on the **residence premises**; or
  - e. water which escapes or overflows or discharges, for any reason, from within a sump pump, sump pump well, or any other system designed to remove water which is drained from the foundation area.

Water includes any water borne materials.

This exclusion applies whether the water damage is caused by or resulting from human or animal forces or any act of nature.

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

Item c. above does not apply to the extent coverage is provided for under **Additional Property Coverages - Water Damage in Section I - Property Coverages**.

- 11. **Power Interruption**, meaning the failure of power or other utility service if the failure takes place off the **residence premises**. If any **Building Property Losses We Cover** ensues on the **residence premises**, we will pay only for the ensuing loss.
- 12. **Neglect**, meaning your failure to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.
- 13. Loss caused directly or indirectly by war, including the following and any consequence of any of the following:
  - a. undeclared war, civil war, insurrection, rebellion, or revolution;
  - b. warlike act by a military force or military personnel; or
  - c. destruction or seizure or use for a military purpose.

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

- 14. **Nuclear Hazard**, meaning nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether or not one of the forces initiating or contributing to these nuclear hazards is covered within the losses we cover in Section I except direct loss by fire resulting from the nuclear hazard is covered.
- 15. **Intentional Loss**, meaning any loss arising out of any act committed:
  - a. by or at the direction of any **insured**; or
  - b. with the intent to cause a loss.

This exclusion does not apply to an otherwise covered property loss if the property loss is caused by an act of domestic abuse by another **insured** under the policy provided:

- c. the **insured** claiming a property loss files a police report and cooperates with any law enforcement investigation relating to the act of domestic abuse; and
- d. the **insured** claiming a property loss did not cooperate in or contribute to the creation of the property loss.

Payment pursuant to this provision shall be limited to the insurable interest in the property of the **insured** claiming a property loss, less payments made pursuant to **Section I — Property Conditions, Mortgage Clause**.

- e. For purposes of this provision, "domestic abuse" means:
  - (1) physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury, or assault between family or household members;
  - (2) sexual assault of one family or household member by another;
  - (3) stalking of one family or household member by another family or household member; or
  - (4) intentionally, knowingly, or recklessly causing damage to property so as to intimidate or attempt to control the behavior of another family or household member.
- 16. **Acts or Decisions**, including the failure to act or decide, of any person, group, organization, or governmental body. However, any ensuing loss not excluded is covered.
- 17. **Weather** that contributes in any way with a cause or event not covered in this section to produce a loss. However, any ensuing loss caused by a covered peril and not otherwise excluded is covered.
- 18. **Planning, Construction, or Maintenance**, meaning faulty, inadequate, or defective:
  - a. planning, zoning, development, surveying, siting;
  - b. design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - c. materials used in repair, construction, renovation, or remodeling; or
  - d. maintenance;of property whether on or off the **insured location** by any person or organization. However, any ensuing loss not excluded is covered.
- 19. **Fungi, Wet or Dry Rot, or Bacteria**, meaning the presence, growth, proliferation, or spread of **fungi**, wet or dry rot, or bacteria. This exclusion does not apply to the extent coverage is provided for under **Additional Property Coverages — Fungi, Wet or Dry Rot, or Bacteria** in **Section I — Property Coverages**.
- 20. **Collapse**, except as provided under **Additional Property Coverages — Collapse** in **Section I — Property Coverages**. However, any ensuing loss caused by a covered peril and not otherwise excluded is covered.

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## COVERAGE C — PERSONAL PROPERTY

### PERSONAL PROPERTY WE COVER

- 1. Personal property owned or used by any **insured** is covered while it is anywhere in the world. When personal property is usually located at an **insured's** residence, other than the **residence premises**, coverage is limited to 10% of the Coverage C limit. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days immediately after you begin to move the property there.

During the time the **residence premises** is under construction by or for the **insured**, our limit of liability for personal property other than on the **residence premises** shall be equal to the amount specified for Coverage C. Our total limit shall not exceed the policy limit for Coverage C in any one loss.

- 2. At your request we cover:
  - a. personal property owned by others while the property is on that part of the **residence premises** occupied exclusively by any **insured**;
  - b. personal property owned by a guest or a **residence employee**, while the property is at any residence occupied by any **insured**.

However, we will not cover personal property owned by tenants or guests if the tenants or guests have compensated the **insured** for use of the **residence premises**.

### 3. SPECIAL LIMITS FOR PERSONAL PROPERTY

The following groups of personal property are covered only up to the special limit shown in on your Policy Declarations. The special limit is the total amount available for each group for any one loss and does not increase the Coverage C limit. The loss of, or damage to, more than one item in a group arising from the same cause or event is considered one loss.

- a. Money, digital currency, pre-paid cards or passes, monetary value carried on electronic chip or magnetic cards, bank notes, bullion, gold other than goldware, silver other than silverware, and platinum.
- b. Rare coins and currency, medals, stamps, trading cards, and comic books, including any of these that are part of a collection.
- c. Securities, debit cards, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets, personal documents, and records or data.

The dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

The limit includes the cost to research, replace, or restore the material from the lost or damaged medium.

- d. Watercraft, including their trailers, furnishings, equipment, and outboard motors.
- e. Trailers not used with watercraft.
- f. Theft of jewelry, watches, furs, precious and semiprecious stones.
- g. Theft of silverware, silver-plated ware, goldware, gold-plated ware, and pewterware.

Silverware, goldware, and pewterware include:

- (1) plateware, flatware, hollowware, tea sets, trays, trophies, and the like;
- (2) other utilitarian items made of or including silver or gold; and
- (3) all items of pewterware.

- h. **Business** property, not excluded elsewhere, while located on the **residence premises**. Up to the amount shown in your Policy Declarations for **business** property off premises may be used for **business** property, not excluded elsewhere, while located off the **residence premises**.
- i. Discs or other media in a motor vehicle or other motorized land conveyance on or away from the **residence premises**.
- j. Theft of any rug, carpet (except wall-to-wall carpet), tapestry, wall-hanging, or other similar article.
- k. Grave markers.

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## PERSONAL PROPERTY WE DO NOT COVER

1. Articles separately described and specifically insured, regardless of insured limit, in this or any other insurance.
2. Animals, birds, or fish.
3. Motorized land vehicles including their equipment, parts, and accessories while in or upon the vehicle.

However, we do cover:

- a. motorized land vehicles used solely to service a residence and not subject to motor vehicle registration or licensed for road use;
  - b. vehicles designed for the disabled and not licensed for road use;
  - c. up to \$3,000 for disassembled parts of a motorized land vehicle while located on or off the **residence premises**;
  - d. up to \$3,000 for electric motorized ride-on vehicles designed to be operated by children under the age of eight and designed for speeds of less than six miles per hour; or
  - e. up to \$7,500 for golf carts.
4. Electronic devices, including their accessories and antennas, designed to be operated solely by power from the electrical system of a motor vehicle. This exclusion applies only while such property is in or upon a motor vehicle.

5. Aircraft, including disassembled parts of aircraft. This exclusion does not apply to model aircraft. Any aircraft designed for carrying persons or cargo is not a model aircraft.
6. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles.
7. Property of roomers, boarders, tenants, and other residents not related to any **insured**.
8. Property in a location on the **residence premises**, when the location is rented to others by any **insured**. However, property located in a sleeping room rented to others by any **insured** in the primary dwelling is covered.
9. Property, away from the **residence premises**, rented to others.
10. **Business** property or merchandise:
  - a. in storage;
  - b. held as a sample; or
  - c. held for sale or delivery after sale.
11. **Business** documents, records, or data regardless of the medium on which they exist. However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market.

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## PERSONAL PROPERTY LOSSES WE COVER

We cover accidental direct physical loss to property described in **Coverage C — Personal Property** caused by a peril listed below except as limited or excluded.

### 1. Fire or Lightning.

### 2. Windstorm or Hail.

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

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a building with:

- a. continuous walls on all sides extending from ground level to the roof;
- b. doors and windows in the walls at various locations; and
- c. a continuous roof sheltering all areas within the wall perimeter.

### 3. Explosion.

### 4. Riot or civil commotion.

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

### 6. Vehicles, meaning impact by, or with, or upset of, a vehicle.

### 7. Smoke, meaning sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes, or vapors from a boiler, furnace, or related equipment.

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

### 8. Vandalism or malicious mischief.

### 9. Theft, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

This peril does not include loss caused by theft:

- a. committed by any **insured** or by any other person regularly residing on the **insured location**;
- b. in, to, or from a condominium unit under construction, or of materials and supplies for use in the construction until the condominium unit is completed and occupied;

- c. from that part of a **residence premises** rented by any **insured** to other than an **insured**; or
- d. from any part of the **residence premises** by any person using the premises as part of a **short-term rental**.

This peril does not include loss caused by theft that occurs away from the **residence premises** of property while at any other residence owned, rented to, or occupied by any **insured**, except while an **insured** is temporarily residing there.

Property of a student who is an **insured** is covered while at a residence away from home.

#### **10. Falling objects.**

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

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

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

This peril does not include loss:

- a. to the appliance or system from which the water or steam escaped;
- b. caused by or resulting from freezing except as provided in the peril of freezing below; or
- c. on the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises**.

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

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

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

#### **14. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include loss on the **residence premises** while the condominium unit is **vacant**, unoccupied, or under construction, including being newly built, remodeled, reconstructed, renovated, or repaired, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliances of water.

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

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

#### **16. Volcanic eruption.**

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

#### **17. Breakage of glass**, meaning damage to personal property caused by breakage of glass which is a part of a building on the **residence premises**. There is no coverage if breakage of glass is caused by **earthquake**. There is no coverage for loss or damage to the glass.

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### **PERSONAL PROPERTY LOSSES WE DO NOT COVER**

We do not cover loss caused directly or indirectly by any of the **Building Property Losses We Do Not Cover**. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

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## COVERAGE D — ADDITIONAL LIVING EXPENSE AND LOSS OF RENT

1. If a loss covered under this section makes that part of the **residence premises** where you reside uninhabitable, we cover **Additional Living Expense**, meaning the necessary increase in living expenses you incur so that your household can maintain its normal standard of living.

Payment shall be for the shortest time required, not exceeding 24 months, to repair or replace the damage or to permanently relocate.

2. If a loss covered under this section makes that part of the **residence premises** you rent to others uninhabitable, we cover your **Loss Of Rent**, meaning the rental income to you from that part of the **residence premises** you rent to others at the time of the loss, less any expenses that do not continue while the premises is uninhabitable.

This coverage does not apply to:

- a. the **residence premises** or that part of the **insured location** that is not rented or leased to a tenant at the time of the loss;
- b. to any increase in rent or lease payment that occurs after the time of the loss; or
- c. a **short-term rental**.

Payment shall be for the shortest time required to repair or replace the damage, but not to exceed 24 months.

3. If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a cause of loss we cover in this policy, we cover the **Additional Living Expense** as provided under 1. above, for no more than two weeks during which use is prohibited.

The total limit of liability available for **Additional Living Expense** and **Loss of Rent** is shown in your Policy Declarations and is the most we will pay for all loss or costs under 1., 2., and 3., above.

The periods of time under 1., 2., and 3. above are not limited by expiration of this policy.

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

No deductible applies to this coverage.

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## ADDITIONAL PROPERTY COVERAGES

The following **Additional Property Coverages** are subject to all the terms, provisions, exclusions, and conditions of this policy.

1. **Debris Removal.** We will pay the reasonable expense you incur in the removal of:

- a. debris of covered property provided coverage is afforded for the peril causing the loss; or
- b. ash, dust, or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

Debris removal expense is included in the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the limit of liability for the damaged property, an additional amount, up to the percentage shown in your Policy Declarations, of that limit of liability will be available to cover debris removal expense.

We will also pay the reasonable expenses you incur, up to the amount shown in your Policy Declarations, for the removal of trees from the **residence premises**, provided the trees damage Personal Property We Cover or Condominium Building Items. The limit as shown in your Policy Declarations is the most we will pay in any one loss regardless of the number of fallen trees.

2. **Reasonable Repairs.** We will pay up to the amount shown in your Policy Declarations for the reasonable cost you incur for necessary measures taken solely to protect covered property from further damage, following a covered loss. This coverage does not increase the limit of liability applying to the property being repaired.
3. **Trees, Shrubs, and Other Plants.** We cover, as an additional amount of insurance, trees, shrubs, plants, or lawns, on the **residence premises**, for loss caused by the following perils: **Fire or Lightning, Explosion,**

**Riot or civil commotion, Aircraft, Vehicles** not owned or operated by a resident of the **residence premises, Vandalism or malicious mischief, and Theft.**

We will pay up to the percentage shown in your Policy Declarations of the limit of liability that applies to Coverage C for all trees, shrubs, plants, and lawns. No more than the amount shown in your Policy Declarations will be available for any one tree, shrub, or plant.

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

4. **Fire Department Service Charge.** We will pay, up to the amount shown in your Policy Declarations, as an additional amount of insurance, for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a loss we cover.

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.

5. **Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a loss we cover. We will cover this property for a maximum of 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.
6. **Building Ordinance or Law Coverage.** We will pay for damage to **Building Property We Cover** resulting from a covered cause of loss in compliance with any ordinance or law that regulates the construction, repair, or demolition of the property.

This coverage does not apply unless you choose to repair or rebuild your property at its present location.

We do not cover:

- a. the loss in value to any covered condominium building item due to the requirements of any ordinance or law; or
- b. the costs to comply with any ordinance which requires any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, **pollutants or contaminants**. However, for purposes of Building Ordinance or Law Coverage, **pollutants or contaminants** shall not include asbestos or materials containing asbestos or lead.

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

The limit of liability shown in your Policy Declarations is the most we will pay for the total of all loss or costs for **Building Property We Cover**, regardless of the number of locations or number of claims made.

This is an additional amount of insurance.

7. **Arson Reward.** We will pay up to the amount shown in your Policy Declarations for information which leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable.

However, we will not pay more than the amount shown in your Policy Declarations per event regardless of the number of persons providing information.

**8. Fungi, Wet or Dry Rot, or Bacteria.**

- a. We will pay up to the amount shown in your Policy Declarations for:
  - (1) the direct physical loss to covered property caused by **fungi**, wet or dry rot, or bacteria;
  - (2) the cost to remove **fungi**, wet or dry rot, or bacteria from covered property;
  - (3) the cost to tear out and replace any part of the building or other covered property as needed to gain access to the **fungi**, wet or dry rot, or bacteria;
  - (4) the cost of any testing of air or property to confirm the absence, presence or level of **fungi**, wet or dry rot, or bacteria, whether performed prior to, during, or after removal, repair, restoration, or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe there is the presence of **fungi**, wet or dry rot, or bacteria; and
  - (5) **Coverage D — Additional Living Expense and Loss of Rent.**

- b. **Fungi, Wet or Dry Rot, or Bacteria**, only applies when such loss or costs:
- (1) are a result of a loss we cover that occurs during the policy period;
  - (2) are not excluded under **Building Property Losses We Do Not Cover**; and
  - (3) only if all reasonable means are used to save and preserve the property from further damage.

This coverage does not apply to loss to trees, shrubs, or other plants.

The limit of liability shown in your Policy Declarations for this coverage is the most we will pay for the total of all loss or costs for Coverages A, C, and D, and does not increase the limit of liability for these coverages, regardless of the number of locations or number of claims made.

9. **Household Products Coverage.** We cover direct physical loss to the property described in Coverage A arising out of a discharge, dispersal, spill, leak, release, escape, emission, transmission, or absorption of household products on the **residence premises**. Household products include items currently in use or your possession at the **residence premises** in normal household quantities such as paint, paint thinners, soaps, bleach, pesticides, herbicides, motor oil, gasoline, heating fuel, and similar items. For purposes of this coverage, household products do not include materials containing asbestos, lead, or formaldehyde.

We will pay up to 10% of the Coverage C limit of liability shown in your Policy Declarations for any loss during the policy period under this coverage after you have paid your deductible. This is an additional amount of insurance.

This coverage does not apply to:

- a. any fee, assessment, or expense of any governmental authority;
- b. loss arising out of household products possessed or used:
  - (1) for **business** purposes;
  - (2) for illegal purposes;
  - (3) by contractors; or
  - (4) on driveways or walkways.

**Pollution or Contamination** under **Section I — Building Property Losses We Do Not Cover** does not apply to this coverage.

In the event that a loss is covered under both this coverage and **Additional Property Coverages — Building Ordinance Or Law Coverage**, you may elect either one of these coverages, but not both.

10. **Collapse.**

- a. With respect to this coverage collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose:
  - (1) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
  - (2) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
  - (3) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.
- b. We insure for direct physical loss to covered property involving collapse of the dwelling or any part of the dwelling if the collapse was caused by one or more of the following:
  - (1) The perils under **Personal Property Losses We Cover**;
  - (2) Decay that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse or there are visible signs of water damage and the **insured** has not taken prompt action to prevent further damage;
  - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;

- (4) Weight of contents, equipment, animals, or people;
  - (5) Weight of rain which collects on a roof; or
  - (6) Use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation.
- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, hot tub or spa, including their filtration and circulation systems, landscape sprinkler system, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf, or dock is not included under b.(2) through (6) above, unless the loss is a direct result of the collapse of the dwelling or any part of the dwelling to which it is attached.

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

**11. Criminal Conviction Reward.**

- a. We will pay the amount shown in your Policy Declarations to an eligible person for information leading to the arrest and conviction of the person(s) committing a crime resulting in loss to covered property.
- b. We will pay up to the amount shown in your Policy Declarations to an eligible person for the return of stolen covered property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
  - (1) **actual cash value** of the stolen property at the time the property is returned, but not more than the amount that would have been required to repair or replace; or
  - (2) the amount determined by the loss settlement procedure applicable to the property returned had the property not been recovered.
- c. This coverage applies subject to the following conditions:
  - (1) An eligible person means that person identified by a law enforcement agency as being the first to provide the necessary information or return the stolen property, and who is not:
    - (a) an **insured**;
    - (b) a relative of an **insured**;
    - (c) an employee of a law enforcement agency;
    - (d) an employee of a **business** engaged in property protection;
    - (e) any person who had custody of the property at the time the theft was committed; or
    - (f) any person involved in the crime.
  - (2) No reward will be paid unless and until the person(s) committing the crime is (are) convicted or the property returned. The amount of the reward in items a. and b. above is the most we will pay for any one loss to an eligible person.

**12. Locks.** We will pay the reasonable expenses you incur to re-key locks on exterior doors of the dwelling or other structure located on the **residence premises**, when the keys to those locks are part of a covered theft loss.

**13. Golf Cart Collision.** We cover accidental direct physical loss to any golf cart to which **Personal Property We Cover** under this policy applies caused by upset or impact with another vehicle or object.

**14. Volunteer America.** We insure for all risks of accidental and direct physical loss to the property described in **Coverage C — Personal Property**, when the loss occurs as a direct result of acting as a **volunteer**.

No deductible applies to this coverage.

**15. Mortgage Acquisition Expense Coverage.** In the event of a total loss of the dwelling shown in the Policy Declarations by a covered cause of loss, we will pay necessary expenses and fees toward the acquisition of a new first mortgage to repair or replace the insured dwelling, up to a maximum of \$5,000.

No deductible applies to this coverage.

## 16. Water Damage.

- a. We will pay up to the Coverage A limit for direct physical loss to property described in Coverage A arising out of escape or overflow of water or steam if the escape or overflow of water or steam originates from within a system or appliance off the **residence premises**.
- b. **Water Damage** does not include loss:
  - (1) Caused by accidental discharge or overflow of water or steam from within a storm drain;
  - (2) Originating from a sump, sump pump, or related equipment designed to remove surface or subsurface water, roof drain, gutter, downspout, or similar fixtures or equipment.

This coverage only applies if all reasonable means are used to save and preserve the property from further damage.

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

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## SECTION I — PROPERTY CONDITIONS

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1. **Section I — Deductible.** Unless otherwise stated in this policy, we cover only that part of the loss over the applicable deductible shown in your Policy Declarations.

The deductible does not apply to **Coverage D — Additional Living Expense and Loss of Rent or Fire Department Service Charge**.

2. **Your Duties to Select and Maintain Policy Limits.** It is your responsibility to select and maintain adequate amounts of insurance on your condominium building items and personal property. To assist you with this responsibility, we will suggest annual changes to your policy limits. These suggestions will be made effective on the renewal of your policy and will be based upon average factors for your area supplied to us by recognized appraisal agencies. Payment of your renewal is all that is necessary to indicate your acceptance of the new amount.

3. **An Insured's Duties After Loss.** In case of a loss to which this insurance may apply, you must perform the following duties:

- a. cooperate with us in the investigation, settlement, or defense of any claim or suit;
- b. give immediate notice to us or our agent;
- c. notify the police in case of loss by theft;
- d. protect the property from further damage, make reasonable and necessary repairs required to protect the property, and keep an accurate record of repair expenses;
- e. prepare an inventory of the loss to the condominium building items and damaged personal property showing in detail the quantity, description, purchase price, and age. Attach all bills, receipts, and related documents that justify the figures in the inventory;
- f. as often as we reasonably require:
  - (1) exhibit the damaged and undamaged property;
  - (2) provide us with records and documents we request and permit us to make copies; and
  - (3) submit to examinations under oath and subscribe the same. We may examine you separately and apart from your spouse, civil or **domestic partner**, or any other **insured**. You shall not interfere with us examining any other **insured**.
- g. submit to us, within 60 days after we request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - (1) the time and cause of loss;
  - (2) interest of the **insured** and all others in the property involved and all encumbrances on the property;
  - (3) other insurance which may cover the loss;
  - (4) changes in title or occupancy of the property during the term of the policy;

- (5) specifications of any damaged building and detailed repair estimates;
- (6) an inventory of damaged personal property described in 3.e.; and
- (7) receipts for additional living expenses incurred or records supporting the loss of rent.

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

- a. for more than the amount of the **insured's** interest at the time of loss; or
- b. for more than the applicable limit of liability, whichever is less.

5. **Loss Settlement.** Covered property losses are settled as follows:

a. **Replacement Cost.** Property under **Coverage A — Condominium Building Items** at **replacement cost**, not including those items listed in b.(2) and (3) below, and subject to the following:

- (1) We will pay the full cost of repair or replacement, but not exceeding the smallest of the following amounts:
  - (a) the limit of liability under the policy applying to Coverage A;
  - (b) the **replacement cost** of that part of the damaged condominium building items for equivalent construction and use on the same premises as determined shortly following the loss;
  - (c) the full amount actually and necessarily incurred to repair or replace the damaged building as determined shortly following the loss;
  - (d) the direct financial loss you incur; or
  - (e) our pro rata share of any loss when divided with any other valid and collectible insurance applying to the covered property at the time of loss.
- (2) When more than one layer finished flooring exists for **Building Property We Cover**, we will pay for finish of one layer only. The layer to be replaced will be at your option. The payment will be subject to all other policy conditions relating to loss payment.
- (3) If the cost to repair or replace is \$2,500 or more, we will pay the difference between **actual cash value** and **replacement cost** only when the damaged or destroyed property is repaired or replaced.
- (4) You may disregard the **replacement cost** loss settlement provisions and make claim under this policy for loss or damage to condominium building items on an **actual cash value** basis but not exceeding the smallest of the following amounts:
  - (a) the applicable limit of liability;
  - (b) the direct financial loss you incur; or
  - (c) our pro rata share of any loss when divided with any other valid and collectible insurance applying to the covered property at the time of loss.

You may still make claim on a **replacement cost** basis. However, actual repair or replacement and request for reimbursement between **actual cash value** and **replacement cost** must be completed within one year after the date the loss is reported, unless you request in writing this time limit be extended an additional 180 days.

b. **Actual Cash Value.**

- (1) Personal property covered under Coverage C;
- (2) Structures that are not buildings; and
- (3) Outdoor antennae and awning, all whether attached or not to buildings;  
at **actual cash value** at the time of loss not exceeding the amount necessary to repair or replace.
- c. We will not pay for any loss in value of property, whether actual or perceived, or any:
  - (1) adverse impact on the ownership of, or transfer of ownership or title of property; or

- (2) adverse impact on the acquisition of financing resulting from the covered physical damage to the property.
6. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
- repair or replace any part to restore the pair or set to its value before the loss; or
  - pay the difference between **actual cash value** of the pair or set before and after the loss.

7. **Appraisal.** If you and we do not agree on the amount of the loss, including the amount of **actual cash value** or **replacement cost**, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of you or the company, and after notice of hearing to the non-requesting party by certified mail, such umpire shall be selected by a judge of a court of record in the county in which the property covered is located. The appraisers shall then appraise the loss, stating separately the itemized estimate of the **actual cash value** and **replacement cost** of each item and duration of repairs, if requested, and failing to agree, each shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two of these three, when filed with the company shall determine the amount of loss.

Each party will:

- pay its own appraiser; and
- bear the other expenses of the appraisal and umpire equally.

In no event will an appraisal be used for the purpose of interpreting any policy provision, determining causation, or determining whether any item or loss is covered under this policy. If there is an appraisal, we still retain the right to deny the claim.

8. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions and the action is started within one year after the inception of the loss or damage.
9. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the property damaged with equivalent property.
10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy to receive payment. Loss will be payable 30 days after:
- we reach agreement with you;
  - there is an entry of a final judgment; or
  - there is a filing of an appraisal award with us.

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

12. **Mortgage Clause.**

The word "mortgagee" includes trustee. If a mortgagee is named in this policy, any loss payable under **Coverage A — Condominium Building Items** shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

- notifies us of any change in ownership, occupancy, or substantial change in risk of which the mortgagee is aware;
- pays any premium due under this policy on demand if you have neglected to pay the premium;
- submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
- complies with item 3.e. of **Section I — Property Conditions**.

Policy conditions relating to **Appraisal**, **Suit Against Us**, and **Loss Payment** apply to the mortgagee. If the policy is canceled or not renewed by us, the mortgagee shall receive the same number of days' notice as the **insured** under the **Cancellation** and **Non-Renewal** provisions of this policy.

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

- e. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- f. at our option, we shall receive full or partial assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt as our payment, including any accrued interest, as it bears to the amount of the principal on the mortgage.

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

13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing, or transporting property for a fee regardless of any other provision of this policy.
14. **Other Insurance and Service Agreements.** If a loss covered by this policy is also covered by:
  - a. other insurance, we will pay only the proportion of the loss caused by a peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of insurance covering the loss; or
  - b. a service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement includes a service plan, property restoration plan, or warranty, even if it is characterized as insurance.
15. **Recovered Property.** If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.
16. **Salvage Value.** Any value that may be realized from **salvage** will not diminish the amount of your deductible. We need not accept, but have all rights to **salvage**.
17. **Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

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## SECTION II — LIABILITY COVERAGES

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### LIABILITY LOSSES WE COVER

#### COVERAGE E — PERSONAL LIABILITY

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

1. pay up to our limit of liability for the damages for which the **insured** is legally liable; and
  2. provide a defense at our expense by counsel of our choice even if the allegations are groundless, false, or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the **occurrence** equals our limit of liability.
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#### COVERAGE F — MEDICAL PAYMENTS TO OTHERS

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

1. to a person on the **insured location** with the permission of any **insured**; or
2. to a person off the **insured location**, if the **bodily injury**:
  - a. arises out of a condition on the **insured location** or the ways immediately adjoining;
  - b. is caused by the activities of any **insured**;
  - c. is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured**; or

- d. is caused by an animal owned by or in the care of any **insured**.
- 

## LIABILITY LOSSES WE DO NOT COVER

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

- a. which is expected or intended by any **insured** or which is the foreseeable result of an act or omission intended by any **insured**.

This exclusion applies even if:

- (1) such **bodily injury** or **property damage** is of a different kind or degree than expected or intended; or
- (2) such **bodily injury** or **property damage** is sustained by a different person, or persons, entity, real or personal property than expected or intended.

This exclusion does not apply to **bodily injury** resulting from the use of reasonable force by any **insured** to protect persons or property.

- b. arising out of any violation of criminal law, which results in a conviction or a guilty plea, or a violation of a local or municipal ordinance, committed by, or with the knowledge or consent of any **insured**.

- c. arising out of **business** pursuits of any **insured**.

This exclusion does not apply to:

- (1) activities which are ordinarily incidental to non-**business** pursuits;
- (2) the occasional or part-time **business** pursuits of any **insured** who is under 23 years of age;
- (3) the rental or holding for rental of any part of the **residence premises**:
  - (a) as a **short-term rental** for the exclusive use as a residence;
  - (b) in part, unless intended for use as a residence by more than two roomers or boarders; or
  - (c) in part, as an office, school, studio, or private garage.

- d. arising out of the rendering or failing to render professional services.

- e. arising out of any premises owned or rented to any **insured** which is not an **insured location**.

- f. arising out of the ownership, maintenance, use, loading, or unloading of:

- (1) aircraft.

This does not apply to model aircraft. Any aircraft designed for carrying persons or cargo is not a model aircraft.

- (2) motorized land vehicles, including any trailers, owned or operated by or rented or loaned to any **insured**.

This exclusion does not apply to:

- (a) a trailer not towed by or carried on a motorized land vehicle;
- (b) a motorized land vehicle designed for recreational use off public roads, not subject to motor vehicle registration, licensing, or permits and:
  - i. not owned by any **insured**; or
  - ii. owned by any **insured**, while on an **insured location**;
- (c) a motorized golf cart which is owned by any **insured**, designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and at the time of an **occurrence** is within the legal boundaries of:
  - i. a golfing facility and is parked or stored there, or being used by an **insured** to:
    - (i) play the game of golf or for other recreational or leisure activity allowed by the facility;

- (ii) travel to or from an area where motor vehicles or golf carts are parked or stored; or
  - (iii) cross public roads at designated points to access other parts of the golfing facility; or
  - ii. a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains any **insured's** residence;
  - (d) a motorized land vehicle used solely for assisting the disabled or solely for the maintenance of a residence, which is:
    - i. not designed for travel on public roads; and
    - ii. not subject to motor vehicle registration, licensing, or permits;
  - (e) electric motorized ride-on vehicles designed to be operated by children under the age of eight and designed for speeds of less than six miles per hour; or
  - (f) a motorized land vehicle in dead storage on an **insured location**.
- (3) watercraft:
- (a) owned by or rented to any **insured** if it has inboard or inboard-outdrive motor power of more than 50 horsepower;
  - (b) owned by or rented to any **insured** if it is a sailing vessel 26 feet or more in overall length, with or without auxiliary power;
  - (c) powered by one or more outboard motors with 50 or more total horsepower if the outboard motors are owned by any **insured**.

However, outboard motors of 50 or more total horsepower are covered for the policy period if:

    - i. you acquired them prior to the policy inception, and:
      - (i) declared them at policy inception; or
      - (ii) you ask us in writing to insure them within 45 days after you become the owner;
    - ii. you acquire them during the policy period, provided you ask us to insure them:
      - (i) during the policy period in which you become the owner; or
      - (ii) within 45 days after you become the owner;whichever is greater, and pay any resulting additional premium from the date acquired.
  - (d) designed as an air boat, air cushion, or similar type of craft; or
  - (e) owned by any **insured** which is a **personal watercraft**.
- This exclusion does not apply while the watercraft is stored.
- Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.
- Exclusions e. and f. do not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.
- g. arising out of:
- (1) the entrustment by any **insured** to any person;
  - (2) the supervision by any **insured** of any person;
  - (3) any act, decision, or omission by any **insured**;
  - (4) any liability statutorily imposed on any **insured**; or
  - (5) any liability assumed through an unwritten or written agreement by any **insured**;
- with regard to any aircraft, motorized land vehicle, or watercraft which is not covered under Section II of this policy.
- h. caused directly or indirectly by war, including the following and any consequences of the following:
- (1) undeclared war, civil war, insurrection, rebellion, or revolution;

- (2) warlike act by a military force or military personnel; or

- (3) destruction or seizure or use for a military purpose.

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

- i. which results from the legal liability of any **insured** because of home care services, day care, or any hospice related activity provided to any person by or at the direction of:

- (1) any **insured**;

- (2) any employee of any **insured**;

- (3) any other person actually or apparently acting on behalf of any **insured**.

This exclusion does not apply to:

- (4) home care services provided to the relatives of any **insured**;

- (5) occasional or part-time home care services provided by any **insured** under 23 years of age; or

- (6) the mutual exchange of home care services for which no compensation is received.

- j. which arises out of the transmission of a communicable disease by any **insured**.

- k. arising out of physical or mental abuse, sexual molestation, or sexual harassment.

- l. arising out of the use, sale, manufacture, delivery, transfer, or possession by any person of a controlled substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional.

- m. arising out of any **insured's** participation in, or preparation or practice for any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized land vehicle or motorized watercraft regardless of whether such contest is spontaneous, prearranged, or organized. This exclusion does not apply to a sailing vessel less than 26 feet in overall length with or without auxiliary power.

**2. Coverage E — Personal Liability** does not apply to:

- a. Liability:

- (1) for any assessment charged against you as a member of an association of property owners, except as provided under **Additional Liability Coverages — Loss Assessment** in **Section II — Liability Coverages**.

- (2) under any contract or agreement. However, this does not apply to written contracts:

- (a) that directly relate to the ownership, maintenance, or use of an **insured location**; or

- (b) where the liability of others is assumed by the **insured** prior to an **occurrence**;

unless excluded in **2.a.(1)** above or elsewhere in this policy.

- (3) liability arising out of any written or oral agreement for the sale or transfer of real property, including but not limited to liability for:

- (a) known or unknown property or structural defects;

- (b) known or hidden defects in the plumbing, heating, air conditioning, or electrical systems;

- (c) known or unknown soil conditions or drainage problems; or

- (d) concealment or misrepresentation of any known defects;

- b. **property damage** to property owned by any **insured**.

- c. **property damage** to property rented to, occupied, or used by or in the care of any **insured**. This exclusion does not apply to **property damage** caused by fire, smoke, explosion, or water.

- d. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured** under:
  - (1) any workers' compensation;
  - (2) non-occupational disability; or
  - (3) occupational disease law.
- e. **bodily injury or property damage** for which any **insured** under this policy is also an **insured** under a nuclear energy liability policy or would be an **insured** but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors.
- f. **bodily injury** to an **insured** within the meaning of parts (1) or (2) of **Policy Definitions**, 3.g. **Insured**.
- g. **bodily injury or property damage** arising, in whole or part, out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, escape, emission, transmission, absorption, ingestion, or inhalation of **pollutants or contaminants** at any time. This includes any loss, cost, or expense arising out of any:
  - (1) request, demand, or order that any **insured** or others test for, monitor, abate, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess, the effects of **pollutants or contaminants**; or
  - (2) claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing, the effects of **pollutants or contaminants**.

This exclusion does not apply to **bodily injury** sustained within a building on the **residence premises** and caused by, smoke, fumes, including carbon monoxide, vapor, or soot from equipment used to heat that building.

- h. liability arising from any transmission, upload, or download, whether intentional or not, of computer code, programs, or data.
- i. liability arising out of any animal that any **insured** acquires, owns, or keeps that:
  - (1) is of a breed or kind named by or controlled by any local, state, or federal ordinance or law because of public safety concerns;
  - (2) has previously bitten or inflicted injury upon any person resulting in:
    - (a) disfigurement, maiming, mutilation, impairment, disability, or death;
    - (b) loss of work, schooling, or a loss of ability to carry on with a normal routine; or
    - (c) a report of **bodily injury** being filed with a local or civil authority;
  - (3) has been trained to fight or attack;
  - (4) has been trained to kill;
  - (5) is a wild canine or feral dog or an offspring from breeding with a wild canine;
  - (6) is illegal to acquire, own, or keep;
  - (7) is wild by birth or by nature and the species is not customarily domesticated;
  - (8) is a bird of prey;
  - (9) is venomous; or
  - (10) is a primate.

Item (3) above does not apply in the event the animal is reacting to protect people or property from imminent harm.

This exclusion does not apply to any person or organization described as an **insured** in **Policy Definitions**, item g.(3).

3. **Coverage F — Medical Payments to Others** does not apply to **bodily injury**:

- a. to a **residence employee** if the **bodily injury** occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by an **insured**;
  - b. to any person, eligible to receive any benefits required to be provided or voluntarily provided under any workers' compensation, non-occupational disability, or occupational disease law;
  - c. from any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these;
  - d. to any person, other than a **residence employee** of any **insured**, regularly residing on any part of the **insured location**.
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#### ADDITIONAL LIABILITY COVERAGES

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

1. **Claim Expenses.** We pay:

- a. expenses we incur and costs taxed against any **insured** in any suit we defend;
- b. premiums on bonds required in a suit we defend, but not for bond amounts greater than the limit of liability for **Coverage E — Personal Liability**. We are not obligated to apply for or furnish any bond; and
- c. reasonable expenses incurred by any **insured** at our request, including actual loss of earnings (but not loss of other income) up to the amount shown in your Policy Declarations, per day, for assisting us in the investigation or defense of any claim or suit.

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

3. **Damage to Property of Others.** We will pay on a **replacement cost** basis up to \$500 per **occurrence** for **property damage** to property of others caused by any **insured**.

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

- a. if insurance is otherwise provided in this policy;
- b. caused intentionally by any **insured** who is 13 years of age or older;
- c. to property owned by any **insured**;
- d. to property owned by or rented to a tenant of any **insured** or a resident in your household. This also applies to **short-term rentals**.
- e. arising out of:
  - (1) **business** pursuits;
  - (2) any act or omission in connection with a premises owned, rented or controlled by an **insured**, other than the **insured location**; or
  - (3) the ownership, maintenance, or use of aircraft, watercraft, or motorized land vehicles. This does not apply to a motorized land vehicle designed for recreational use off public roads, not subject to motor vehicle registration, licensing, or permits and not owned by any **insured**.

4. **Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money.**

- a. We will pay up to the limit shown in your Policy Declarations for:

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

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

b. We do not cover loss:

(1) arising out of use by:

- (a) a resident of your household;
- (b) a person who has been entrusted with the credit card or fund transfer card;
- (c) any person if any **insured** has not complied with all terms and conditions under which the credit card or fund transfer card is issued; or

(2) arising out of **business** pursuits or dishonesty of any **insured**.

c. Defense:

- (1) We may make any investigation and settle any claim or suit that we decide is appropriate.
- (2) If a suit is brought against any **insured**, we will provide a defense at our expense by counsel of our choice.
- (3) We have the option to defend at our expense any **insured** or any **insured's** bank against any suit for the enforcement of payment under the forgery coverage.

5. **Statutorily Imposed Vicarious Parental Liability.**

We will pay the lesser of:

- a. the statutorily imposed limit; or
- b. \$3,000;

for the legal obligation you are required to pay as a result of acts of a minor child who resides with you.

This coverage is excess over any other valid and collectible insurance.

6. **Loss Assessment.**

- a. We will pay loss assessments charged during the policy period against you by the association of property owners up to the limit of liability shown in your Policy Declarations, when the assessment is made as a result of:

(1) each direct loss to property, caused by a peril that would be covered under **Section I — Property Coverages** of this policy;

**SPECIAL EXCLUSION:** There is no coverage for any loss assessment resulting from the peril of **earthquake**. However, loss assessment for ensuing direct loss by fire, explosion, or theft is covered.

(2) each **occurrence** to which **Section II — Liability Coverages** of this policy would apply; and

(3) liability for each act of a director, officer, or trustee in the capacity as a director, officer, or trustee, provided:

(a) the director, officer, or trustee is elected by the members of the association of property owners; and

(b) the director, officer, or trustee serves without deriving any income from the exercise of his/her duties, which are solely on behalf of the association of property owners.

- b. **DEDUCTIBLE.** We will pay only that part of your assessment per unit for property insured under Section I that exceeds \$500. No other deductible applies to this coverage. If our liability for a loss results from Section I and coverage under this option, only the larger deductible will apply.

7. **Volunteer America.**

- a. Under **Section II — Liability Coverages — Liability Losses We Cover — Coverage F — Medical Payments To Others**, we will pay up to double the amount shown in your Policy Declarations for **bodily injury** caused as a direct result of acting as a **volunteer**.

- b. Under **Section II — Liability Coverages — Liability Losses We Do Not Cover** the following items are changed:
  - (1) Item 1.c. does not apply to activities as a **volunteer**.
  - (2) Item 1.d. does not apply to professional services, other than professional health care services by a doctor, performed as a **volunteer**.
- c. Under **Section II — Liability Coverages — Additional Liability Coverages — Damage To Property Of Others**, we will pay the additional amount shown in your Policy Declarations for physical damage caused as direct result of acting as a **volunteer**.

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## SECTION II — LIABILITY CONDITIONS

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- 1. **Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one **occurrence** will not exceed the limit of liability for Coverage E shown in your Policy Declarations. This limit is the same regardless of the number of **insureds**, claims made, or persons injured.  
Our total liability under Coverage F for all medical expense payable for **bodily injury** to one person as the result of one accident shall not exceed the limit of liability for Coverage F shown in your Policy Declarations.
- 2. **Severability of Insurance.** This insurance applies separately to each **insured**. This condition shall not increase our limit of liability for any one **occurrence**.
- 3. **Your Duties After Loss.** In case of an accident or **occurrence**, the **insured** shall perform the following duties that apply:
  - a. give written notice to us or our agent as soon as practicable, which sets forth:
    - (1) the identity of the policy and **insured**;
    - (2) reasonably available information on the time, place, and circumstances of the accident or **occurrence**;
    - (3) names and addresses of any claimants and witnesses; and
    - (4) in case of loss under the **Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money**, also notify the credit card or fund transfer card company;
  - b. promptly forward to us every notice, demand, summons, or other process relating to the accident or **occurrence**;
  - c. at our request, help us:
    - (1) to make a settlement;
    - (2) to enforce any right of contribution or indemnity against any person or organization who may be liable to any **insured**;
    - (3) with the conduct of suits and attend hearings and trials; and
    - (4) to secure and give evidence and obtain the attendance of witnesses;
  - d. under the **Additional Liability Coverages — Damage to the Property of Others**, submit to us within 60 days after the loss, a sworn statement of loss, and exhibit the damaged property, if within the **insured's** control;
  - e. submit within 60 days after the loss, evidence or affidavit supporting a claim under the **Additional Liability Coverages, Credit Card, Fund Transfer Card, Forgery, and Counterfeit Money**, stating the amount and cause of loss;
  - f. the **insured** shall not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation, or incur any expense other than for first aid to others at the time of the **bodily injury**.
- 4. **Duties of an Injured Person — Coverage F — Medical Payments to Others.** The injured person or someone acting for the injured person will:
  - a. give us written proof of claim, under oath if required, as soon as practical;
  - b. authorize us to obtain copies of medical reports and records.

The injured person shall submit to physical examination by a doctor selected by us when and as often as we reasonably require.

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

**6. Payment of Interest — Coverage E — Personal Liability.**

If a notice, demand, summons, judgment, or other process is promptly forwarded to us as required by Liability Condition 3.b. under **Your Duties After Loss** and we accept the defense or agree to the judgment, we will pay interest on the judgment, subject to all of the following:

- a. We will pay the interest on that part of the judgment that is covered by this policy and that does not exceed our applicable limit of liability.
- b. We will pay interest that accrues on the judgment until we pay, tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
- c. If we appeal the judgment, we will pay interest on the entire judgment.
- d. Post-judgment interest is in addition to the applicable limit of liability.
- e. Where we are required to cover prejudgment interest, it shall be included in the limit of liability and is not an additional amount of insurance.

**7. Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions.

No one shall have any right to join us as a party to any action against any *insured*. Further, no action with respect to Coverage E shall be brought against us until the obligation of the *insured* has been determined by final judgment or agreement signed by us.

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

**9. Other Insurance — Coverage E — Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

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## SECTIONS I AND II — PROPERTY AND LIABILITY CONDITIONS

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**1. Policy Period and Changes.**

a. The effective time of this policy is 12:01 A.M. at the **residence premises**. This policy applies only to loss under Section I, or **bodily injury** or **property damage** under Section II, which occurs during the policy period. This policy may be renewed for successive policy periods if the required premium is paid and accepted by us on or before the expiration of the current policy period. The premium will be computed at our then current rate for coverage then offered.

b. Changes:

- (1) Before the end of any policy period, we may offer to change the coverage provided in this policy. Payment of the premium billed by us for the next policy period will be your acceptance of our offer.
- (2) This policy contains all agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change. Additional or return premium of \$3.00 or less will be waived.

**2. Concealment or Fraud.** This policy was issued in reliance upon the information provided on your application. We may void this policy if you or an *insured* have intentionally concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time application was made or any time during the policy period.

We may void this policy or deny coverage for a loss or **occurrence** if you or an *insured* have intentionally concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

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

3. **Liberalization Clause.** If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state.

This liberalization clause does not apply to changes implemented that involve a broadening and a restriction of coverage or an increase in premium.

4. **Cancellation.**

- a. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect. We may waive the requirement the notice be in writing by confirming the date and time of cancellation to you in writing.
- b. We may cancel this policy only for the reasons stated below by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in your Policy Declarations. Proof of mailing shall be sufficient proof of notice.
  - (1) When you have not paid the premium we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
  - (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 10 days before the date cancellation takes effect.
  - (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy or if the risk has changed substantially since the policy was issued.

This can be done by notifying you at least 15 days before the date cancellation takes effect.

- c. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us for cancellation, we will refund it within a reasonable time after the date cancellation takes effect.

5. **Non-Renewal.** We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in your Policy Declarations, written notice at least 20 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

6. **Assignment.** Assignment of this policy shall not be valid unless and until we give our written consent.

7. **Our Right to Recover Payment.** You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, the **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner.

Subrogation does not apply under Section II to **Coverage F — Medical Payments to Others or Additional Liability Coverages, Damage to Property of Others**.

8. **Death.** If you die:

- a. we insure your legal representative, but only with respect to the premises and property of the deceased covered under the policy at the time of death.
- b. **insured** shall include:
  - (1) any member of the household who is an **insured** at the time of your death, but only while a resident of the **residence premises**; and
  - (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

9. **Additional Policy Protection.** If one or more of our programs apply to you, you will be eligible to receive benefits specific to that program. The benefits enhance the safety, value, usability, life, or protection of you or your insurable assets. These benefits include, but are not limited to, reduced deductibles, devices, equipment, services, or other benefits provided by either us or a business partner.

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## SAFECO OPTIMUM™ CONDOMINIUM COVERAGE

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It is agreed your policy is amended as follows:

### **SECTION I — PROPERTY COVERAGES PERSONAL PROPERTY WE DO NOT COVER**

Under **Personal Property We Do Not Cover**, 3., describing motorized land vehicles and covered exceptions, the following is changed:

For item 3.c., describing disassembled parts, the amount is increased to \$5,000.

For item 3.d., electric motorized ride-on vehicles for children, the amount is increased to \$5,000.

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### **SECTION I — PROPERTY COVERAGES ADDITIONAL PROPERTY COVERAGES**

Item 1. is deleted and replaced by the following:

1. **Debris Removal.** We will pay the reasonable expense you incur in the removal of debris of covered property provided coverage is afforded for the peril causing the loss. Debris removal expense is included in the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the limit of liability for the damaged property, an additional 5% of that limit of liability will be available to cover debris removal expense.

We will also pay the reasonable expenses you incur, up to \$1,000, for the removal of trees from the **residence premises**. No more than \$500 of this limit will be paid for the removal of any one tree.

Item 12. is deleted and replaced by the following:

12. **Locks.** We will pay the reasonable expenses you incur to re-key the locks on all entrances to the dwelling or other structure at the **residence premises** if the keys are lost or stolen. No deductible applies to this coverage.

This coverage includes the cost to replace an automatic garage door transmitter(s), and the cost to change the frequency of the garage door control unit and/or additional transmitters if:

- a. The control unit is on the part of the **residence premises** where you reside; and
- b. It is likely the corresponding transmitters have been lost or stolen.

This coverage does not apply to a dwelling under construction, renovation, or remodeling.

The following **Additional Property Coverages** are added:

17. **Refrigerated Spoilage.** We will pay up to \$500 for any one loss to covered property stored in freezers or refrigerators on the **residence premises** for direct loss caused by:

- a. the interruption of power or other utility service; or
- b. mechanical failure of the unit storing the property.

Interruption of power or mechanical failure shall not include removal of a plug from an electrical outlet or turning off an electrical switch unless resulting from a loss we cover.

This coverage is subject to a \$100 deductible in place of the deductible shown in the Declarations.

For purposes of this additional coverage, exclusion **Power Interruption** under **Building Property Losses We Do Not Cover** in your policy does not apply.

18. **Kidnap/Ransom Negotiation Expenses.** We will pay up to \$50,000 for ransom negotiation expenses incurred by you as a result of the kidnapping of an **insured**. We will also pay up to \$5,000 to any person or organization for information leading to the arrest and conviction of any person(s) who kidnaps an **insured**. This coverage does not apply to the kidnapping of a child by the child's parent. This coverage also does not apply unless:

- a. the kidnapping occurred in the contiguous continental United States, Alaska, or Hawaii; and
- b. you have notified the Federal Bureau of Investigation or other law enforcement agency having jurisdiction over the kidnapping, and have complied with their recommendations and instructions.

- c. "**Kidnap/Ransom Negotiation Expenses**" means reasonable fees and expenses of independent negotiators, and reasonable costs of travel, communications, and accommodations incurred by you.

**Kidnap/Ransom Negotiation Expenses** does not include the ransom.

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## **SECTION I — PROPERTY CONDITIONS**

Item 6. is deleted and replaced by the following:

6. **Loss to a Pair or Set.** In case of loss of an item belonging to a pair or set, at your option, we will pay:
- a. to repair or replace any part to restore the pair or set to its value before the loss; or
  - b. pay the **replacement cost** of the pair or set. If you elect **replacement cost**, the pair or set becomes our property.
- 

## **SECTION II — LIABILITY COVERAGES**

### **ADDITIONAL LIABILITY COVERAGES**

The following items are changed:

1. **Claim Expenses.** The amount provided in item c. is increased to \$500.
3. **Damage to Property of Others.** The amount stated for **Damage to Property of Others** is increased to \$5,000.

All other provisions of this policy apply.

## SPECIAL PROVISIONS — NEW JERSEY

### POLICY DEFINITIONS

Item 3.c. is deleted and replaced by the following:

c. “**Business**” means:

- (1) a trade, profession, or occupation engaged in on a full-time, part-time, or occasional basis;
- (2) any other activity engaged in for money or other compensation, except the following:
  - (a) one or more activities, not described in (b) below, for which no **insured** receives more than \$5,000 in total compensation for the 12 months before the beginning of the policy period; or
  - (b) **volunteer** activities for which no money or other compensation is received other than for expenses incurred to perform the activity; or
- (3) a **short-term rental**.

Item 3.q. is deleted and replaced by the following:

q. “**Short-term rental**” means one or more rentals, in whole or in part, of the **residence premises** solely for use as a private residence. **Short-term rental** includes any other related property or services made available and/or provided by an **insured**.

**Short-term rental** does not include:

- (1) rental, in whole or in part, of the **residence premises** for a single rental period to the same individual(s) for more than 180 consecutive days;
- (2) rental, in part, of the **residence premises** to a tenant, roomer, or boarder for a period of 6 months or more; or
- (3) property or services provided by another party.

### SECTION I — PROPERTY COVERAGES

#### BUILDING PROPERTY LOSSES WE DO NOT COVER

Under 7. **Pollution or Contamination**, the following is added:

However, we do insure for any resulting loss unless the resulting loss is itself excluded under **Building Property Losses We Do Not Cover**.

The following is added to existing **BUILDING PROPERTY LOSSES WE DO NOT COVER**:

21. Theft or vandalism and malicious mischief in or to a dwelling or other structure while rented to others by any **insured**, in whole or in part, as a **short-term rental**.

#### COVERAGE C — PERSONAL PROPERTY

##### PERSONAL PROPERTY WE COVER

The last paragraph of item 2. is deleted and replaced by the following:

However, we will not cover personal property owned by tenants or guests if the tenants or guests have compensated the **insured** to use the **residence premises**, in whole or in part.

##### PERSONAL PROPERTY WE DO NOT COVER

Item 8. is deleted and replaced by the following:

8. Property in a location on the **residence premises** when the location is rented to others by any **insured**.

## PERSONAL PROPERTY LOSSES WE COVER

Under **8. Vandalism or malicious mischief**, the following is added:

This peril does not include loss to property caused by vandalism or malicious mischief that arises out of a **short-term rental**.

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## SECTION I — PROPERTY CONDITIONS

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Under **5. Loss Settlement**, item **c.(2)** is deleted and replaced by the following:

- (2) adverse impact on the acquisition of financing resulting from the covered physical damage to the property. If **Mortgage Acquisition Expense Coverage** is provided under **Additional Property Coverages**, the application of this provision (2) does not apply to the extent coverage is provided for **Mortgage Acquisition Expense**.

Item **10.** is deleted and replaced by the following:

**10. Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable within 10 working days after:

- a. we reach agreement with you and you have satisfied any and all conditions of the agreement; or
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

Item **12.** is deleted and replaced by the following:

**12. Mortgage Clause.**

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

If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

- a. notifies us of any change in ownership, occupancy, or substantial change in risk of which the mortgagee is aware;
- b. pays any premium due under this policy on demand if you have neglected to pay the premium;
- c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
- d. complies with item **3.e. of Section I — Property Conditions** when the property is in the sole care of the mortgagee and we are unable to inspect the property.

Policy conditions relating to **Appraisal**, **Suit Against Us**, and **Loss Payment** apply to the mortgagee. If the policy is canceled or not renewed by us, the mortgagee shall be notified at least 30 days before the date cancellation or nonrenewal takes effect.

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

- e. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- f. at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

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## SECTION II — LIABILITY COVERAGES

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### LIABILITY LOSSES WE COVER

Under **Coverage E — Personal Liability**, item **1.** is deleted and replaced with the following:

1. pay up to our limit of liability for the damages for which the **insured** is legally liable. Damages include prejudgment interest when required by a judgement; and

### LIABILITY LOSSES WE DO NOT COVER

Item **1.b.** is deleted and replaced by the following:

- b. which results from violation of criminal law committed by, or with the knowledge or consent of any **insured**. This exclusion applies if any **insured** pleads guilty to, is charged with or convicted of a violation of criminal law, or local or municipal ordinance.

Item **1.c.(3)** is deleted and replaced by the following:

- (3) the rental or holding for rental of any part of the **residence premises**:
  - (a) in part, when rented to fewer than three roomers or boarders; or
  - (b) in part, as an office, school, studio, or private garage.

The second paragraph of item **1.l.** is deleted and replaced by the following:

However, this exclusion does not apply to:

- (1) the legitimate use of prescription drugs by a person following the orders of a licensed physician; or
- (2) any **insured** who has no knowledge of the involvement with the controlled substances. An **insured's** knowledge of such involvement must be shown by us by competent evidence of such knowledge.

The following is added to item **2.g.**:

This exclusion applies to **bodily injury** or **property damage** directly or indirectly related to lead or lead paint provided that the **insured location**:

- (3) was built prior to 1978;
- (4) has not been certified as being free of existing lead hazards pursuant to standards established by the Department of Community Affairs; and
- (5) is not owner-occupied or is owner-occupied and has a **business** exposure on the premises.

Item **2.i.** is deleted.

### ADDITIONAL LIABILITY COVERAGES

Under **3. Damage to Property of Others**, items **c.** and **d.** are deleted and replaced by the following:

- c. to property owned by or rented to any **insured**;
- d. to property owned by or rented to a tenant of any **insured** or a resident in your household; or

Under **5. Statutorily Imposed Vicarious Parental Liability**, item **b.** is deleted and replaced by the following:

- b. \$10,000;

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## SECTION II — LIABILITY CONDITIONS

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Under **6. Payment of Interest — Coverage E — Personal Liability**, item **e.** is deleted.

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## SECTIONS I AND II — PROPERTY AND LIABILITY CONDITIONS

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Under 4. Cancellation, item b. is deleted and replaced by the following:

- b. We may cancel this policy only for the reasons stated below by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in your Policy Declarations by certified mail, or first-class mail if we have obtained, from the U.S. Post Office, a date-stamped proof of mailing showing your name and address. Written notice of cancellation will also be mailed to any person or organization entitled to notice under the policy.
- (1) When you have not paid the premium we may cancel at any time by notifying you at least 20 days before the date cancellation takes effect. If payment of the amount due is made before the effective date of the cancellation set forth in the notice, cancellation for nonpayment of premium will not be effective.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 31 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons:
- (a) if a moral hazard, as defined in N.J.A.C 11:1-20.2(f), exists;
- (b) if there has been a material misrepresentation or non-disclosure of a material fact which if known to us would have caused us not to issue the policy;
- (c) if there is an increase in hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
- (d) substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
- (e) lack of cooperation from any **insured** on loss control matters materially affecting insurability of the risk;
- (f) fraudulent acts against us by any **insured** or an **insured's** representative that materially affect the nature of the risk insured;
- (g) loss of or reduction in available insurance capacity;
- (h) a material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
- (i) loss of or substantial changes in applicable re-insurance;
- (j) failure by any **insured** to comply with any Federal, State or local fire, health, safety, building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;
- (k) failure by any **insured** to provide reasonable and necessary underwriting information to us upon written request therefore and a reasonable opportunity to respond;
- (l) agency termination, provided:
- i. we document that replacement coverage at comparable rates and terms has been provided to you, and we have informed you, in writing, of your right to continue coverage with us; or
- ii. we have informed you, in writing, of your right to continue coverage with us and you have agreed, in writing, to the cancellation based on the termination of your appointed agent; or
- (m) any other reason in accordance with our underwriting guidelines for cancellation of Homeowners insurance.

This will be done by notifying you at least 31 days before the date cancellation takes effect.

Item 5. is deleted and replaced by the following:

5. **Non-Renewal.** We may elect not to renew this policy for any reason permitted to cancel this policy. We may do so by delivering to you, or mailing to you, written notice, stating the reasons for non-renewal, at least 31 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

This non-renewal notice may be delivered to you, or mailed to you at your mailing address shown in your Policy Declarations by certified mail, or first-class mail if we have obtained, from the U.S. Post Office, a date stamped proof of mailing showing your name and address.

Under 7. Our Right To Recover Payment, the following is added:

If we pay any **insured**, who is a victim of domestic violence, for a loss caused by an act of domestic violence, the rights of that **insured** to recover damages from the perpetrator of the domestic violence are transferred to us to the extent of our payment. That **insured** may not waive such rights to recover against the perpetrator of the domestic violence.

The following is added to existing **SECTIONS I AND II — PROPERTY AND LIABILITY CONDITIONS:**

1. **Additional Policy Protection.** If one or more of our programs apply to you, you will be eligible to receive benefits specific to that program. The benefits enhance the safety, value, usability, life, or protection of you or your insurable assets. These benefits include, but are not limited to, reduced deductibles, devices, equipment, services, or other benefits provided by either us or a business partner.
2. **Insurance Department Requirement — Cancellation and Non-Renewal.** Pursuant to New Jersey law, this policy cannot be cancelled or non-renewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the **insured**.

The underwriting reasons or guidelines that an insurer can use to cancel or non-renew this policy are maintained by the insurer in writing and will be furnished to the **insured** and/or the **insured's** lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

3. **Insurance Department Requirement — Standard Fire Insurance Policy.** This policy provides coverage to the **insured** on an equivalent or more favorable basis than that provided by the statutory provisions cited in N.J.S.A. 17:36-5.20.

All other provisions of this policy apply.

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## PERSONAL PROPERTY REPLACEMENT COST

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### 1. PROPERTY COVERED

For an additional premium, we cover:

- a. personal property under Coverage C; and
- b. awnings, carpeting, domestic appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings

at **replacement cost** at the time of loss.

### 2. PROPERTY NOT COVERED

The following property is not eligible for **replacement cost** settlement. Any loss shall be settled at **actual cash value** at the time of loss but not exceeding the amount necessary to repair or replace:

- a. antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced;
- b. memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value;
- c. personal property not maintained in good or workable condition;
- d. personal property that is outdated or obsolete and is stored or not being used;
- e. property not owned by any **insured**; and
- f. motorized land vehicles or earth moving or excavating equipment used to service the **residence premises**.

### 3. CONDITIONS

- a. We will pay the full cost of repair or replacement, but not exceeding the smallest of the following amounts:
  - (1) the limit of liability of this policy applicable to the damaged, destroyed or stolen property;
  - (2) the **replacement cost** of the property or any part;
  - (3) the full amount actually and necessarily incurred by the **insured** in repairing or replacing the property or any part;
  - (4) the direct financial loss you incur; or
  - (5) our pro rata share of any loss when divided with any other valid and collectible insurance applying to the covered property at the time of loss.
- b. We will pay the difference between **actual cash value** and **replacement cost** only after the damaged, destroyed or stolen property has actually been repaired or replaced.
- c. You may make a claim for loss on an **actual cash value** basis and then make a claim, within 180 days after loss, for any additional liability under **replacement cost**, after you have repaired or replaced the property.

All other provisions of this policy apply.

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## PERSONAL OFFENSE COVERAGE ANNUAL AGGREGATE LIMIT OF LIABILITY

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For an additional premium we will provide **personal offense** coverage as described in this endorsement, subject to the following

### **SECTION II — LIABILITY COVERAGES**

#### **LIABILITY LOSSES WE COVER**

#### **COVERAGE E — PERSONAL LIABILITY**

The following is added:

#### **Personal Offense Coverage**

If a claim is made or suit is brought against an **insured** for damages resulting from an offense defined under **personal offense** and to which this coverage applies, we will:

1. pay up to the **annual aggregate limit** for damages for which an **insured** is legally liable; and
  2. provide a defense at our expense by counsel of our choice, even if the allegations are groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our **annual aggregate limit** has been exhausted by payment of judgments or settlements.
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### **SECTION II — LIABILITY COVERAGES**

#### **LIABILITY LOSSES WE DO NOT COVER**

#### **COVERAGE E — PERSONAL LIABILITY**

To the extent coverage is provided by this endorsement, coverage does not apply to **personal offense**:

- a. caused by or at the direction of an **insured** with the knowledge that the act would violate the rights of another and would be a **personal offense**;
- b. arising out of oral or written communication or publication of material, if done by, or at the direction of, or with the cooperation of an **insured** with knowledge of its falsity;
- c. occurring before the beginning of the policy period;
- d. arising out of a criminal act committed by, at the direction of, or with the cooperation of an **insured** knowing of the criminal nature;
- e. arising out of liability assumed by an **insured** under any contract or agreement, except any indemnity obligation assumed by an **insured** under a written contract directly relating to the ownership, maintenance or use of the premises;
- f. sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an **insured**;
- g. arising out of or in connection with a **business** conducted by an **insured**;

This exclusion does not apply to:

- (1) the rental or holding for rental of an **insured location**:
  - (a) on an occasional basis for the exclusive use only as a residence;
  - (b) in part, unless intended as a residence by more than two roomers or boarders; or
  - (c) in part, as an office, school, studio or private garage; and
- (2) the occasional or part-time **business** pursuits of any **insured** who is under 23 years of age;

- h. arising out of civic or public activities performed for pay by an **insured**;

- i. sustained by you or any **insured**.

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

- (1) repay; or

(2) share damages with;

another person who may be obligated to pay damages arising out of any **personal offense** to an **insured**.

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## SECTION II — LIABILITY COVERAGES

### ADDITIONAL LIABILITY COVERAGES

To the extent coverage is provided by this endorsement, item **6. Loss Assessment** is deleted and replaced by the following:

#### 6. Loss Assessment

We will pay up to the amount shown in the declarations for Loss Assessment for your share of loss assessment charged against you by the association of property owners when the assessment is made as a result of an offense named under the definition of **personal offense** and not excluded under this endorsement. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

Regardless of the number of assessments, the limit shown in the Policy Declarations for Loss Assessment is the most we will pay for loss arising out of **personal offense**.

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## SECTION II — LIABILITY CONDITIONS

To the extent coverage is provided by this endorsement, items **1. Limit of Liability**, **2. Severability of Insurance** and **3. Your Duties After Loss** are deleted and replaced by the following:

#### 1. Limit of Liability

Our total liability under **Personal Offense Coverage** for all damages resulting from **personal offense** occurring in a policy period will not be more than the Limit of Liability shown in the Policy Declarations for this coverage which is an **annual aggregate limit**.

#### 2. Severability of Insurance

This insurance applies separately to each **insured** except with respect to the **annual aggregate limit**. This condition will not increase our **annual aggregate limit** for this coverage.

#### 3. Your Duties After Loss

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

- a. give written notice to us or our agent as soon as is practical, which sets forth:
  - (1) the identity of the policy and named **insured**;
  - (2) reasonably available information on the time, place and circumstances of the offense; and
  - (3) names and addresses of any claimants and witnesses;
- b. cooperate with us in the investigation, settlement or defense of any claim or suit;
- c. promptly forward to us every notice, demand, summons or other process relating to the offense;
- d. at our request, help us:
  - (1) to make settlement;
  - (2) to enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured**;
  - (3) with the conduct of suits and attend hearings and trials; and
  - (4) to secure and give evidence and obtain the attendance of witnesses;
- e. no **insured** shall, except at such **insured**'s own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the **personal offense**.

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## SECTION I AND II — PROPERTY AND LIABILITY CONDITIONS

Item 1.a. Policy Period applies to ***personal offense***.

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### DEFINITIONS

To the extent coverage is provided by this endorsement, the following are added to item 3.:

***“Personal offense”*** means injury arising out of one or more of the following offenses:

- (1) false arrest, detention or imprisonment;
- (2) malicious prosecution;
- (3) wrongful eviction or wrongful entry;
- (4) oral or written publication, in any manner, of material that slanders, libels or defames the character of a person, which occurs in any manner; or
- (5) invasion of privacy, which occurs in any manner.

***“Annual aggregate limit”*** means the amount shown in the Policy Declarations for **Coverage E — Personal Liability** is the most we will pay for the total of all offenses occurring in a policy period, or offenses of the same general nature continuing in succeeding policy periods, and regardless of the number of insureds, claims made or suits brought.

All other provisions of this policy apply.

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## **ESCAPE OF WATER FROM A SUMP, SUMP PUMP OR DRAIN ON THE RESIDENCE PREMISES (BUILDING AND CONTENTS)**

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1. To the extent coverage is provided by this **EXTENSION OF COVERAGE** and up to the **LIMIT OF LIABILITY** described below, **Section I — Building Property Losses We Do Not Cover, Water Damage, 10.d. and 10.e.** do not apply.

### **2. EXTENSION OF COVERAGE**

For an additional premium, we cover accidental direct physical loss to property covered under **Section I — Property Coverages** caused solely by water that escapes, overflows, or discharges from a sump, sump pump, sump pump well, or a drain or related plumbing appliance located:

- a. within the **residence premises**; or
- b. in the building where the **residence premises** is located.

For purposes of coverage under this **EXTENSION OF COVERAGE**, a drain or related plumbing appliance does not include a roof drain, gutter, downspout, or similar fixture or equipment.

### **3. EXCLUSION**

#### **THIS IS NOT FLOOD INSURANCE.**

There shall be no coverage under this **EXTENSION OF COVERAGE** if water excluded under **Section I — Building Property Losses We Do Not Cover, Water Damage, 10.a., 10.b., or 10.c.**:

- a. is concurrent with, in sequence with, or causes or contributes to the escape of water as described in this **EXTENSION OF COVERAGE**, and
- b. damages property covered under **Section I — Property Coverages** by other than solely by escape, overflow, or discharge from a sump, sump pump, sump pump well, or a drain or related plumbing appliance located:
  - (1) within the **residence premises**; or
  - (2) in the building where the **residence premises** is located.

### **4. LIMIT OF LIABILITY**

Our limit of liability for this **EXTENSION OF COVERAGE** shall be up to the amount shown in the Declarations for this **EXTENSION OF COVERAGE**.

### **5. DEDUCTIBLE**

We will pay only that part of the loss that exceeds the applicable deductible shown in the Policy Declarations.

All other provisions of this policy apply.

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## MANDATORY COVERAGE — NEW JERSEY

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### **WORKERS' COMPENSATION (Residence Employee Mandatory Coverage — New Jersey Only)**

We agree, with respect to **residence employees**:

**1. Under Coverage I**

To pay when due all benefits required of an **insured** by the New Jersey Workers' Compensation Law; and

**2. Under Coverage II**

To pay on behalf of an **insured** all damages for which the **insured** is legally liable because of **bodily injury** sustained by a **residence employee**. The **bodily injury** must be caused by accident or disease and arise out of and in the course of employment by the **insured** while:

- a. in the United States of America, its territories or possessions, or Canada; or
- b. temporarily elsewhere if the **residence employee** is a citizen or resident of the United States or Canada.

Coverage II does not apply to any suit brought in or judgment rendered by any court outside the United States of America, its territories and possessions, or Canada, or to any action on such judgment.

**3. Application of Coverage**

This insurance applies only to:

- a. **bodily injury** occurring during the policy period; or
- b. occupational disease or cumulative injury of a **residence employee** who during the term of this policy actually worked for the **insured** during the last day of employment, which exposed the employee to the hazard of the occupational disease or cumulative injury.

**4. Policy Provisions**

This insurance is subject to all the provisions of this endorsement and the following provisions of this policy:

**a. Under Sections I and II — Property and Liability Conditions:**

1. Policy Period and Changes.
4. Cancellation.
6. Assignment.
7. Our Right to Recover Payment.

**b. Under Section II — Liability Conditions:**

3. Your Duties After Loss.
7. Suit Against Us.

**c. Under Section II — Additional Liability Coverages:**

1. Claim Expenses.
2. First Aid Expenses.

**d. Our agreement to defend the **insured** as provided under Coverage E — Personal Liability.**

## 5. Limits of Liability Coverage II

Our total limit of liability will not exceed the amount shown in your Policy Declarations for all damages because of **bodily injury**:

- a. sustained by one or more **residence employees** in any one accident; or
- b. caused by disease and sustained by a **residence employee**.

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

## 6. Other Insurance

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

## 7. Conformity to Statute

Terms of this insurance which are in conflict with the New Jersey Workers' Compensation Law are amended to conform to that law.

## 8. Exclusions

This policy does not apply:

- a. to liability for **bodily injury** arising out of **business** pursuits of any **insured**.
- b. under Coverage II:
  - (1) to liability assumed by any **insured** under any contract or agreement.
  - (2) to **bodily injury** by disease unless a written claim is made or suit brought against any **insured** within 36 months after the end of the policy period.
  - (3) to any obligation under a workers' compensation, unemployment or disability benefits law or any similar law.
  - (4) to punitive or exemplary damage because of **bodily injury** to any employee employed in violation of law or to any employee employed in violation of law with the knowledge or consent of any **insured**.

This endorsement is based on New Jersey Compensation Rating and Inspection Bureau Endorsement  
**WC 29 03 02 A.**

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## SPECIAL PERSONAL PROPERTY COVERAGE

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For an additional premium **Section I — Property Coverages** is amended as described below.

**Personal Property We Cover, Coverage C — Personal Property** is amended as follows:

Under **3. Special Limits of Liability** items f. and g., coverage is extended beyond theft to include misplacing or losing the described property.

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**Personal Property Losses We Cover** and **Personal Property Losses We Do Not Cover** are deleted and replaced by the following:

### PERSONAL PROPERTY LOSSES WE COVER

We insure for accidental direct physical loss to property described in Coverage C, except as limited or excluded under **Personal Property Losses We Do Not Cover**.

### PERSONAL PROPERTY LOSSES WE DO NOT COVER

We do not cover loss caused directly or indirectly by any of the **Building Property Losses We Do Not Cover** (**Personal Property Losses We Do Not Cover** in policy **HOM-7040**). Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

In addition, we do not insure loss caused directly or indirectly by any of the following excluded perils:

1. Breakage of eyeglasses, glassware, statuary, sculptures, objects made from marble, porcelain, ceramics, china and crystal. However, jewelry, watches, bronzes, cameras and photographic lenses are covered.

There is coverage for breakage of the above described personal property which is caused by or results from:

    - a. fire, lightning, windstorm, hail;
    - b. smoke, other than smoke from agricultural smudging or industrial operations;
    - c. explosion, riot, civil commotion;
    - d. aircraft, vehicles, vandalism and malicious mischief not otherwise excluded, or volcanic eruption;
    - e. collapse of a building or any part of a building;
    - f. water not otherwise excluded;
    - g. theft or attempted theft; or
    - h. sudden and accidental tearing apart, cracking, burning or bulging of:
      - (1) a steam or hot water heating system;
      - (2) an air conditioning or automatic fire protective sprinkler system; or
      - (3) an appliance for heating water.
  2. Dampness of atmosphere.
  3. Refinishing, renovating or repairing property other than watches, jewelry and furs;
  4. Sinking, swamping, stranding, or collision, other than collision with a land vehicle, of watercraft, including their trailers, furnishings, equipment and outboard motors.
  5. Destruction, confiscation or seizure by order of any government or public authority.
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Under **Section I — Property Coverages, Additional Property Coverages**, item **9. Household Products Coverage** is amended to include loss to property described in **Coverage C — Personal Property** (applies to only **Homeowners Policy, HOM-7030** and **Condominium Policy, HOM-7080**).

All other provisions of this policy apply.

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## IDENTITY RECOVERY COVERAGE

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### **ID THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT**

Service and coverage under this endorsement applies to any **insured** as defined in this policy.

#### **DEFINITIONS**

The following definitions are added with respect to this endorsement only:

1. "**ID Recovery Case Manager**" means a person assigned by us to help an **insured** to recover control over his or her personal identity (ID). This help may include contacting authorities, credit bureaus, creditors and businesses. Such contacts will take place with the permission and cooperation of the **insured**.

2. "**ID Theft**" means the fraudulent use of the Social Security number or other method of identifying an **insured**. This includes the fraudulent use of the personal identity of an insured to establish credit accounts, secure loans, enter into contracts or commit crimes.

**ID theft** does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

**ID theft** does not include the unauthorized use of a valid credit card, credit account or bank account. However, **ID theft** does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

3. "**ID Theft Expenses**" means any of the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an ID theft.
  - a. Costs for re-filing applications for loans, grants or other credit instruments.
  - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage.
  - c. Costs for up to 12 credit reports from established credit bureaus dated within 12 months after discovery of the **ID theft**.
  - d. Fees and expenses for an attorney approved by us for the following.
    - (1) The defense of any civil suit brought against an **insured** by a creditor or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan.
    - (2) The removal of any civil judgment wrongfully entered against an **insured**.
  - e. Actual lost wages of the **insured** for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
  - f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the **insured** during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the **insured**.

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

#### **IDENTITY RECOVERY COVERAGE**

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met.

1. There has been an **ID theft** involving the personal identity of an **insured** under this policy; and
2. Such **ID theft** is first discovered by the **insured** during the policy period for which this Identity Recovery coverage is applicable; and
3. Such **ID theft** is reported to us within 60 days after it is first discovered by you.

If all three of the requirements listed above have been met, then we will provide the following to the **insured**:

**1. Case Management Service**

Services of an **ID recovery case manager** as needed to respond to the **ID theft**.

**2. Expense Reimbursement**

Reimbursement of necessary and reasonable **ID theft expenses** incurred as a direct result of the **ID theft**.

This coverage is additional insurance.

**LIMITS**

Case Management Service is available as needed for any one **ID theft** for up to 12 months in a row from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.

Expense Reimbursement coverage is subject to a limit of \$25,000 annual aggregate per **insured**. This limit is the most we will pay for the total of all loss or expense arising out of all **ID thefts** to any one **insured** which are first discovered by the **insured** during the present annual policy period. This limit applies regardless of the number of claims during that period.

An **ID theft** may be first discovered by the **insured** in one policy period and continue into other policy periods. If so, all loss and expense arising from such **ID theft** will be subject to the aggregate limit applicable to the policy period when the **ID theft** was first discovered by the **insured**.

Coverage for legal costs is found under item **d.** of the definition of **ID theft expenses**. Such legal costs are part of, and not in addition to, the Expense Reimbursement coverage limit.

Item **e.** Lost Wages and item **f.** Child and Elder Care Expenses of the definition of **ID theft expenses** are jointly subject to a sub-limit of \$250 per day, not to exceed \$5,000 in total. This sub-limit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the **ID theft** by the **insured**.

**DEDUCTIBLE**

Case Management Service is not subject to a deductible.

Expense Reimbursement coverage is subject to a deductible as shown on your Declarations page. You shall be responsible for only one deductible under this endorsement during any one policy period.

**EXCLUSIONS**

The following additional exclusions apply to this coverage. These exclusions apply to both Case Management Service and Expense Reimbursement.

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an **insured**. This includes any such act by a person aiding or abetting an **insured**. This also includes any such act by an authorized representative of an **insured**. In all these cases, it does not matter whether the individual is acting alone or in collusion with others.
3. Loss other than **ID theft expenses**. Account balances which arise out of fraudulent charges would be one example of loss other than **ID theft expenses**.
4. An **ID theft** first discovered by the **insured** prior to or after the period for which this coverage applies. This exclusion applies whether or not such **ID theft** began or continued during the period of coverage.
5. An **ID theft** that is not reported to us within 60 days after it is first discovered by the **insured**.
6. An **ID theft** that is not reported in writing to the police.

## CONDITIONS

The following additional Conditions apply to this coverage.

### A. Assistance and Claims

If you have questions or need help, please call the **ID Recovery Help Line at 1 (800) 631-9073**.

The **ID Recovery Help Line** is available to provide you with the following.

1. Information on how to respond to a possible ***ID theft***.
2. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an ***insured*** prior to a determination that a covered ***identity theft*** has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered ***identity theft*** has not occurred.

As respects Expense Reimbursement Coverage, you must send to us receipts, bills or other records that support your claim for ***ID theft expenses***. Such records must be sent to us within 60 days after our request.

### B. Computer Security

Each ***insured*** has the responsibility to use and maintain security for his or her computer system. This includes the use of personal firewalls and anti-virus software. This also includes the proper disposal of used hard drives.

### C. Services

The following conditions apply as respects any services provided by us or our designees to you or any ***insured*** under this endorsement.

1. Our ability to provide helpful services in the event of an ***ID theft*** depends on your cooperation, permission and assistance.
2. All services may not be available or applicable to all individuals. For example, ***insureds*** who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant that our services will end or solve all problems associated with an ***ID theft***. We do not warrant that our services will prevent future ***ID thefts***.

All other provisions of this policy apply.

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## EQUIPMENT BREAKDOWN COVERAGE

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### PROPERTY WE COVER

For an additional premium we cover up to the amount stated in your policy declarations for accidental direct physical loss to your covered property located on the **residence premises** caused by equipment **breakdown** as described in this endorsement.

### BUILDING PROPERTY WE COVER

We cover **equipment breakdown**. To the extent **equipment breakdown** coverage is provided under this endorsement, "mechanical breakdown" named in **Building Property Losses We Do Not Cover, 6.b.**, does not apply.

### PERSONAL PROPERTY WE COVER

**Equipment breakdown** is added to **Personal Property Losses We Cover**

### EQUIPMENT BREAKDOWN ADDITIONAL COVERAGES

The following **Equipment Breakdown** coverages are added:

#### 1. Expediting Expense

We will pay up to \$3,000 per occurrence for the extra costs to expedite repair or replacement to covered property for loss due to an **equipment breakdown**, meaning:

The reasonable extra cost of temporary repair and of expediting the repair or replacement of damaged equipment, including overtime and the extra cost of express or other rapid means of transportation.

#### 2. Spoilage Coverage

We will pay up to \$3,000 per occurrence for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by an **equipment breakdown** to covered property.

#### 3. Cleanup and Removal of Pollutants or Contaminants

We will pay up to \$3,000 per occurrence for the necessary clean up and removal of **pollutants or contaminants** resulting from an **equipment breakdown**.

The limit of liability for each additional coverage described in 1. through 3., above, shall not increase the limit of liability shown in the policy declarations for this endorsement.

### EQUIPMENT BREAKDOWN CONDITIONS

The following Loss Settlement Conditions shall apply to covered loss caused by **equipment breakdown**:

#### 1. Deductible

We cover only that part of the loss that exceeds \$500. In the event that more than one deductible may be applied to a loss that includes **equipment breakdown** the single highest deductible shall be applied.

You may, however, elect a separate loss settlement for **equipment breakdown**, separate from any other loss covered under the policy, subject to a \$500 deductible.

#### 2. Loss Settlement

a. We will pay the amount actually and necessarily incurred to repair or replace covered property damaged by an **equipment breakdown**. Our payment will be the lesser of:

- (1) The cost at the time of the **equipment breakdown** to repair the damaged covered property;
- (2) The cost at the time of the **equipment breakdown** to replace the covered property with property of like kind, capacity, size and quality; or
- (3) The amount you actually spend that is necessary to repair or replace the damaged property.

b. Repair parts or replacement covered property must be:

- (1) of like kind, capacity, size and quality; and
- (2) used for the same purpose.

c. If the cost of repairing or replacing only a part of the covered property is greater than:

- (1) The cost of repairing the covered Property; or

(2) The cost of replacing the entire Covered Property on the same site.

We will pay the lesser of (1) or (2).

- d. **Equipment Breakdown** coverage does not extend beyond the **Residence Premises**.
- e. **ENERGY STAR Improvements — Using Less Energy, Saving Money and Helping to Protect our Environment**

If Covered Property requires replacement due to an **equipment breakdown**, we will pay the additional cost to replace non ENERGY STAR rated equipment with equipment that is an ENERGY STAR Qualified Product as stated within [www.energystar.gov](http://www.energystar.gov).

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable coverage limits or apply to any Actual Cash Value loss settlement.

ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy whose objective it is to help you save money and protect the environment through energy efficient products and practices.

## DEFINITIONS

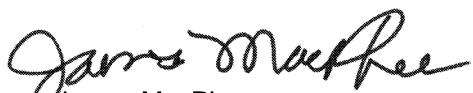
The following definition is added with respect to this endorsement only:

**Equipment breakdown** means:

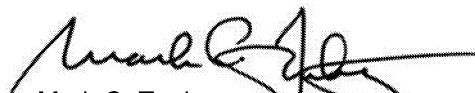
- 1. Accidental physical loss or damage originating within:
  - a. Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
    - (1) waste disposal piping;
    - (2) any piping forming part of a fire protective system; and
    - (3) any water piping other than:
      - (a) boiler feed water piping between the feed pump and the boiler;
      - (b) boiler condensate return piping; or
      - (c) water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes;
  - b. all mechanical, electrical, electronic or fiber optic equipment;
- 2. caused by, resulting from, or consisting of:
  - a. mechanical breakdown;
  - b. electrical or electronic breakdown; or
  - c. rupture, bursting, bulging, implosion, or steam explosion.
- 3. However, **Equipment breakdown** shall not mean loss, damage, cost or expense directly caused by, contributed to, resulting from or arising out of the following causes of loss:
  - a. Losses excluded under the policy to which this endorsement is attached; or
  - b. Perils insured against under Personal Property Losses We Cover of the policy to which this endorsement is attached; or
  - c. any sinkhole collapse, volcanic action, earth movement, leakage from fire extinguishing equipment, water, or flood.

All other provisions of this policy apply.

This policy is signed on our behalf by our President and Secretary.



James MacPhee  
President



Mark C. Touhey  
Vice President and Secretary

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HOM-7232/EP 1/09

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