

Homeowners Policy Booklet | California

HOMEOWNERS POLICY HO-3 | California

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AGREEMENT

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

DEFINITIONS

'You' and 'your' refer to the 'named insured' shown in the Declarations and the spouse if a resident of the same household. 'We', 'us' and 'our' refer to the Company providing this insurance.

'Bodily injury' means bodily harm, sickness or disease, including death.
'Business' means a trade, profession or occupation engaged in on a full-time, part-time or occasional basis for money or other compensation.
'Dwelling' means the one family dwelling where you reside, structures attached to the dwelling, and materials and supplies used to construct, alter or repair.
'Occurrence' means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in bodily injury or property damage during the policy period.
'Property damage' means physical injury to, destruction of, or loss of use of tangible property.
'Residence premises' means the one family dwelling, other structures, and grounds or that part of any other building where you reside.

SECTION I - PROPERTY COVERAGES

Coverage A - Dwelling

We cover the dwelling on the residence premises, including structures attached to the dwelling and materials and supplies used to construct, alter or repair the dwelling or other structures on the residence premises.

Coverage B - Other Structures

We cover other structures on the residence premises set apart from the dwelling by clear space. The limit will not be more than 10% of Coverage A. We do not cover structures used for business or rented to others unless used solely as a private garage.

Coverage C - Personal Property

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We cover personal property owned or used by an insured anywhere in the world. Our limit for personal property usually located at another residence is 10% of Coverage C or \$1,000, whichever is greater.

Special Limits of Liability:

- \$200 on money, bank notes, coins, gold, silver, platinum
- \$1,500 on securities, deeds, evidences of debt, manuscripts, records
- \$1,500 on watercraft including trailers, furnishings, equipment
- \$1,500 for theft of jewelry, watches, furs, precious stones
- \$2,500 for theft of firearms and related equipment
- \$2,500 for theft of silverware, goldware, platinumware
- \$2,500 on business property on residence premises
- \$500 on business property away from residence premises

Property Not Covered: Articles separately insured, animals, birds, fish, motor vehicles.

Coverage D - Loss of Use

If a covered loss makes the residence premises not fit to live in, we cover:

1. Additional Living Expense - necessary increase in living expenses to maintain your normal standard of living.
2. Fair Rental Value - fair rental value of premises rented to others less expenses that do not continue while not fit to live in.

SECTION I - PERILS INSURED AGAINST

Coverage A and B - We insure against risks of direct physical loss except:

- Earth movement, even if caused by human forces
- Flood, surface water, waves, tidal waves, overflow of water bodies
- Water damage from sewers, drains, or below surface ground water
- Power failure occurring off the residence premises
- Neglect to use reasonable means to save and preserve property
- War, civil war, insurrection, rebellion, warlike acts
- Nuclear hazard
- Intentional loss by an insured
- Governmental action, destruction or seizure by authority
- Weather conditions contributing to loss

Coverage C - We insure against the following perils:

- Fire or Lightning
- Windstorm or Hail (items inside building only if roof or wall damaged)
- Explosion
- Riot or Civil Commotion
- Aircraft (including self-propelled missiles and spacecraft)
- Vehicles
- Smoke
- Vandalism or Malicious Mischief

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- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge of Water or Steam
- Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
- Freezing
- Sudden and Accidental Damage from Artificially Generated Electrical Current
- Volcanic Eruption

SECTION II - LIABILITY COVERAGES

Coverage E - Personal Liability

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

1. Pay up to our limit of liability for damages for which an insured is legally liable. Damages include prejudgment interest awarded against an insured.
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide can be settled.

Coverage F - Medical Payments to Others

We will pay 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 applies to a person on the residence premises with permission of an insured or to a person off the residence premises if the bodily injury arises out of a condition on the residence premises or is caused by the activities of an insured, a residence employee, or an animal owned by an insured.

SECTION II - EXCLUSIONS

Coverage E and F do not apply to bodily injury or property damage:

- Expected or intended by an insured
- Arising out of business pursuits of an insured
- Arising out of professional services
- Arising out of premises owned, rented or controlled by an insured other than an insured location
- Arising out of ownership, maintenance, occupancy, operation, use, loading or unloading of motor vehicles, aircraft, hovercraft, or watercraft
- Caused directly or indirectly by war, civil war, insurrection, rebellion
- Arising out of the transmission of a communicable disease by an insured
- Arising out of sexual molestation, corporal punishment or physical or mental abuse
- Arising out of the use, sale, manufacture, delivery, transfer or possession

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CALIFORNIA SPECIFIC PROVISIONS

CALIFORNIA CONSUMER NOTICE

This policy provides certain coverage for personal property of others while on the part of the residence premises occupied by an insured. However, this is not a substitute for insurance which should be carried by the owners of such property.

WILDFIRE RISK NOTICE

California residents should be aware that wildfire is a significant risk in many areas of the state. This policy covers direct physical loss from fire, including wildfire, subject to your deductible and policy terms.

EARTHQUAKE COVERAGE

This policy does not cover earthquakes. Earthquake coverage is available through the California Earthquake Authority or by separate endorsement.

FAIR PLAN ELIGIBILITY

If you are unable to obtain insurance through the voluntary market, you may be eligible for coverage through the California FAIR Plan.

CLAIMS SETTLEMENT

In case of loss, you must give immediate notice to the company or its agent. You must also protect the property from further damage and make reasonable and necessary repairs to protect the property.