



MARKEL AMERICAN INSURANCE COMPANY

MARKEL RENTER'S PROTECTION POLICY

MARKEL AMERICAN INSURANCE COMPANY

POLICY INDEX

READ YOUR POLICY CAREFULLY

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INSURING AGREEMENT

In return for the premium payment and compliance with all applicable provisions of this policy and any endorsements, we agree to provide the insurance coverages as shown on the Declarations Page, which is part of this policy.

By accepting this policy, you agree that the statements on the Declarations Page and any application are your agreements and representations. This policy is issued in reliance upon the truth of your representations. It includes all agreements existing between you and us or any of our representatives.

DEFINITIONS

Throughout this policy, most words and phrases that have special meanings appear in **bold**. Only the pronouns "we", "our", "us", "you", "your", and "yours" are defined, but do not appear in **bold**. This section defines some of the more general terms used in this policy. **Bold** terms that are not listed in this section are defined within the sections they appear.

1. You, your and yours means the 'Insured' named on the Declarations Page and that person's **family members**.
2. The words we, us and our refer to the company, shown on the Declarations Page, which is providing this insurance.
3. **Actual cash value** means the cost to repair or replace the lost or damaged property using materials of like kind and quality less depreciation or allowance for obsolescence.
4. **Bodily injury** means physical injury, sickness or disease sustained by a person including death resulting from any of these.
5. **Burglary** means the unlawful taking of property within premises that has been closed and in which there are visible marks evidencing forcible entry.
6. **Business** means any full or part time trade, profession or occupation; and the rental or holding for rental of any premises by you. Providing home day care services to persons other than **insureds**, for which an **insured** receives monetary, other compensation or any type of consideration, is also a **business**.
7. **Covered property** means personal property at the location shown on the Declarations Page that is normally contained in the **residence premises**. **Covered property** also includes building additions, alterations, fixtures, improvements or installations, made at your expense, to that part of the **residence premises** used exclusively by you.
8. **Credit/debit card** means any card, plate, coupon book or other credit device for the purpose of obtaining money, property, labor, services on credit or for deposit, withdrawal or transfer of funds.
9. **Family member** means any person related to you by blood, marriage, or adoption (including a ward or foster child) who is also a resident of your household.
10. **Flood** means a general temporary condition of partial or complete covering of normally dry land areas as a result of the overflow of inland or tidal waters; the unusual and rapid buildup or runoff of surface water from any source; mud slides or mud flows which are caused by the buildup of water on or below the surface of the ground; or the failure of a water control system or barrier, regardless of the cause of the failure. **Flood** can also mean the collapse or sinking of land along the shore of a body of water as a result of erosion or undermining caused by waves or currents of water exceeding normal levels, which results in a **flood** as defined above.

11. **Insured** means:
- a. you and any **family member**, unless the 'Insured' named on the Declarations Page is a business entity;
 - b. if the 'Insured' named on the Declarations Page is a business entity, **insured** means any individual while residing at the **residence premises** with the permission of the business entity;
 - c. under **PERSONAL LIABILITY and MEDICAL PAYMENTS TO OTHERS COVERAGE**, **insured** also means:
 - i. Any person held legally responsible for a watercraft or animal owned by any person included above in item 11.a. This does not include a person using or having custody of the watercraft or animal in the course of **business** or without that owner's consent.
 - ii. Any person while working as a **residence employee** of any person included above in item 11.a.
 - iii. With respect to vehicles covered by this policy, a **residence employee** of any person included above in item 11.a. while engaged in the duties of that employment.
 - iv. With respect to vehicles covered by this policy, any other person using such vehicle on the **insured premises** with your specific permission.
12. **Insured contract** means a written contract under which you assume the tort liability of a person or persons retained by you to perform maintenance services at the **residence premises** to pay damages because of **bodily injury** or **property damage** arising out of the maintenance services. The contract or agreement must be made and be effective prior to the **bodily injury** or **property damage**.
13. **Insured premises** means:
- a. The parts of the **residence premises** shown on the Declarations Page that are used or occupied exclusively by your household for residential purposes.
 - b. For **PERSONAL LIABILITY and MEDICAL PAYMENTS TO OTHERS COVERAGE**, **insured premises** also includes:
 - i. the part of any residential premises you acquire for your occupancy during the policy period if we are notified within 30 days following the date you acquired the premises;
 - ii. vacant land, other than farm land, owned by or rented to you. This includes land where a one or two family residence is being built for your personal use;
 - iii. your cemetery lots and your burial vaults;
 - iv. the part of any residential premises not owned by you while you are temporarily residing there; and
 - v. any premises you use in connection with the **residence premises**.
14. **Mold** means any species of fungus, including but not limited to mildew, **mold**, or other microbes.
15. **Motor vehicle** means a **motorized vehicle**, a trailer, or a semi-trailer, and all attached machinery or equipment, if it is subject to **motor vehicle** registration or is designed for use on public roads.
16. **Motorized vehicle** means a self-propelled land or amphibious vehicle regardless of method of surface contact. This does not include vehicles that are designed and used to assist the handicapped and are not required to be licensed for road use or used solely on and for the service of the **insured premises** and not licensed for road use.
17. **Occurrence** means a single event or an accident or series of accidents caused by a single event. Continuous or repeated exposure to substantially the same general harmful conditions is considered to be one **occurrence**.

18. **Pollutants** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals, lead paint components and compounds, and waste. Waste includes materials to be recycled, conditioned or reclaimed. Irritants and contaminants released by accidental fire on your **residence premises** are not **pollutants**.
19. **Property damage** means physical injury to, destruction of, or loss of use of tangible property.
20. **Remediation** means to evaluate, measure, monitor, test, treat, contain, dispose of, or remove **mold**.
21. **Residence premises** means any building where you reside and any storage unit or enclosed and secured garage furnished for your exclusive use, which is shown as the 'Residence Premises' on the Declarations Page.
22. **Residence employee** means:
 - a. an employee of any **insured** whose duties are related to the maintenance or use of the **residence premises**, including household or domestic services;
 - b. an employee who performs duties elsewhere of a similar nature not related to any **insured's business**. A **residence employee** does not include a temporary employee who is furnished to an **insured** to substitute for a permanent **residence employee** on leave or to meet seasonal or short-term work conditions.
23. **Theft** means the physical removal of an object that is capable of being stolen without the consent of the owner and with the intention of depriving the owner of it permanently.

GENERAL CONDITIONS

1. **Policy Period**

This policy applies only to loss that occurs during the policy period as shown on the Declarations Page between the "From" and "To" dates. If this policy is issued on a continuous basis, the "To" date will be "Continuous". A continuous policy has an initial policy period of one calendar month from the "From" date and will remain in effect for successive policy periods of one calendar month unless you do not pay the required premium when due prior to the end of the current policy period. Upon renewal, we may substitute or add forms and endorsements that are authorized for use with this policy in accordance with the manual rules in effect at the time, regardless of whether the policy is continuous.
2. **Bankruptcy**

If you become bankrupt or insolvent we will still insure you for the period of time your premium is paid.
3. **Conformity to Statute**

Any provision of this policy that conflicts with applicable law or regulation is hereby amended to conform to the minimum requirements of the law or regulation.
4. **Policy Changes**

No change or waiver may be effected in this policy except by endorsement issued by us. If a premium adjustment is necessary, we will make the adjustment as of the effective date of the change.

When we broaden coverage during the policy period, without charge, the policy will automatically provide the broadened coverage when effective in your state.
5. **Legal Action Against Us.**
 - a. No suit or action may be brought against us unless there has been full compliance with all terms of this policy.

- b. Under **PROPERTY COVERAGES**, no suit or action may be brought against us unless the action is brought within 12 months after the date you first have knowledge of the loss.
 - c. No legal action may be brought against us for **PERSONAL LIABILITY and MEDICAL PAYMENTS TO OTHERS COVERAGE** until judgment against you has been fully determined after trial.
 - d. Nothing in this policy gives any person or organization the right to join us as defendants in a suit brought against you.
6. Insurable Interest, Amounts of Insurance, and Limits of Liability
Even if more than one person has an insurable interest in the **covered property**, we will not be liable in any one loss to you for more than the amount of your interest at the time of loss or for more than the applicable 'Coverage Limit' shown on the Declarations Page.
7. Nonrenewal
If we decide not to renew your policy, we or our authorized representative will mail to the first named 'Insured', at the last address shown in our records, written notice of nonrenewal. The written notice will be mailed to the first named 'Insured' at least 30 days before the end of the policy term that will not be renewed. If we decide not to renew your policy, our mailing of notice to the address of the first named 'Insured' shown on the Declarations Page will constitute proof of notice as of the date we mail it.
8. Cancellation
- a. For each continuous policy, the premium for each policy period is fully earned on the effective date of the policy period for which the premium has been paid. If you have paid for a subsequent policy period, you may cancel the policy prior to the first day of that period by returning the policy to us or by notifying us in writing that the policy is to terminate. If you cancel the policy prior to the first day of a policy period, we will return the unused part of your premium.
 - b. For a policy that is not continuous, you may cancel this policy at any time by returning it to us or our authorized agent, or by advising us or our authorized agent in writing, stating the future date you want the policy to be cancelled.

We may cancel this policy by delivering or mailing notice of cancellation to the first named 'Insured' at the last address shown in our records at least:

- i. Ten (10) days before the cancellation takes effect if:
 - a) the cancellation is for nonpayment of premium; or
 - b) this policy has been in effect for less than 60 days and is not a renewal policy.
- ii. Thirty (30) days before the cancellation takes effect in all other cases.

After this policy has been in effect for 60 days, or if this is a renewal policy, we will cancel only:

- i. for nonpayment of premium due;
- ii. for misrepresentation or fraud;
- iii. for substantial breach of your duties under this policy;
- iv. if the risk changed substantially since the policy was issued; or
- v. for failure to comply with our underwriting requirements within 60 days of the term effective date.

If we cancel the policy, any return premium will be computed on a pro rata basis. If you cancel the policy, any return premium will be computed on a 90% pro rata basis subject to our minimum earned premium.

Proof of mailing of the cancellation notice to you will be sufficient proof that notice of cancellation was given. The date of the cancellation stated in the notice will become the end of the policy period.

- c. Any return premium will be refunded within a reasonable time after the date cancellation takes effect.

9. Right of Recovery

You may have the right to recover from another party who is responsible for your loss. If we pay your loss under this policy, this right of recovery will belong to us up to the amount that we have paid you. If you, or anyone acting on your behalf, take any action that impairs our right to recover, we may consider this policy void and without effect as to such loss.

10. Other Insurance

This policy is excess over any other collectible insurance. If both this and other insurance are excess policies and apply to a loss, we will pay only for our share. Our share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance.

11. No Benefit to Others

No person or organization, which has custody of **covered property** and is to be paid for services, will benefit from this insurance.

12. Misrepresentation or Fraud

All insurance provided by this policy will be null and void if you, at any time, either intentionally conceal or misrepresent any fact, regardless of materiality, or if you misrepresent or conceal any material fact regardless of intent. No action or inaction by us will be deemed a waiver of this provision.

13. Salvage and Abandonment

If we pay the 'Coverage Limit' as shown on the Declarations Page for 'Personal Property', we reserve the right to take possession of the remains if we elect. Any recovery or salvage on a loss will accrue entirely to our benefit until the sum paid by us has been made up.

We are not obligated to accept any property you abandon, nor are we obligated to pay any storage fees incurred because you abandoned any property to any other person or organization.

14. Transfer of Interest

We will not provide any coverage under this policy if you sell, assign, transfer or pledge the **covered property** unless written consent has been obtained from us.

In the event of your death, this policy will remain in effect until the end of the policy period for:

- a. persons covered under this policy at the time of your death;
- b. your legal representative while acting within the scope of duties of a legal representative; or
- c. any person having proper custody of the **covered property** until a legal representative is appointed.

15. Severability of Insurance

The insurance applies separately to each of you. This condition will not increase our limit of liability for any **occurrence**.

16. Appraisal

If you dispute our evaluation of the amount of the loss, then you must submit a written request for appraisal within one year of the date of loss. You and we will then each appoint and pay for a competent and disinterested appraiser. If the two appraisers cannot agree on the amount of the loss, the appraisers or a judge of the local court of record will select an umpire who will decide any differences. The expense of the umpire and all other expenses of the appraisal will be shared equally by you and us. An award in writing by any two such persons will determine the amount of your loss. You and we will be bound by that amount.

Appraisal is not available where there is a dispute as to the existence of coverage. Nothing herein will prejudice or in any way impact our right to contest coverage and to bring suit in a court of competent jurisdiction contesting coverage.

17. General Duties Following a Loss

You must report immediately to us or our authorized agent any accident, loss, damage or expense which may be covered under this policy. This report should give full details about when and where the loss occurred, how it happened and the name and address of all the people involved including all witnesses. If we need other information to investigate the loss, we will ask you for it. We may require this information in writing.

You are required to immediately notify the authorities of any **burglary, theft**, vandalism or malicious damage to your **covered property** or if any injury is involved.

If you have a loss, you must use all reasonable means to protect your personal property from any further damage. If emergency repairs to the property are required, you must make reasonable and necessary repairs to the property and keep an accurate record of repair expenses. If you fail to do so, any further damage will not be insured by this policy.

You, as often as we may reasonably require, will:

- a. exhibit to any person we designate all that remains of any property that may be covered under this policy;
- b. submit and subscribe to examinations under oath by any person named by us. If more than one person is examined, we have the right to examine and receive statements separately from each person and not in the presence of the others;
- c. produce for examination and permit extracts and copies of all books of account, bills, invoices, other vouchers and any other tangible items related to the claimed loss, or certified copies thereof if the originals are lost, at such reasonable time and place as may be designated by us or our representative.

We may require that you file with us a signed proof of loss within 60 days after the loss or damage setting forth, to the best of your knowledge and belief:

- a. the time and cause of the loss;
- b. the interest of you and all others in the property involved and all liens on the property;
- c. other insurance which may cover the loss;
- d. specifications of damaged property and detailed repair estimates;
- e. the inventory of damaged **covered property**;
- f. receipts for additional living expenses incurred; and
- g. evidence or an affidavit supporting a claim under the **Credit/Debit Card**, Forgery and Counterfeit Money coverage stating the amount and cause of loss.

You, except at your own cost, may not voluntarily make any payment, assume any obligation or incur any expenses other than First Aid Expenses for others or emergency repairs to your **residence premises** or personal property to protect them from further loss.

You are required to cooperate with us in our effort to investigate the accident or loss, settle any claims against you and defend you.

If you do not comply with these general duties, no coverage for the loss will be provided.

18. Payment of Loss

We will make settlement within 60 days after we receive an acceptable proof of loss from you and the amount of loss is determined as provided in this policy.

GENERAL EXCLUSIONS

No coverage is provided under this policy for loss or damage, liabilities incurred by any person, injury or damages or expenses or **remediation** of any type for loss caused by, resulting from or arising out of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. War or any warlike operation. This includes declared and undeclared war, civil war, insurrection, revolution, rebellion or any consequence thereof;
2. Nuclear hazard, meaning any nuclear reaction, radiation, radon, or radioactive contamination. These are all whether controlled or uncontrolled or how ever caused, or any consequence of any of these;
3. The illegal, unlawful or intentional acts of an **insured** or guest of an **insured**;
4. The actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants** at or from your **residence premises**;
5. Any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **pollutants**;
6. Associated with, due and confined to, or resulting from **mold**, or wet or dry rot.

PROPERTY COVERAGES

Personal Property Coverage

Coverage

We cover sudden direct accidental physical loss or damage to **covered property** owned by or rented by any **insured**. If you ask us to, and when not insured by the owner, we will also pay for sudden accidental direct physical loss or damage to personal property owned by others while it is on the part of the **insured premises** occupied exclusively by any **insured**.

Personal Property Subject to Limited Coverage

We will pay up to the amount listed for each category, but this does not increase the 'Coverage Limit' shown on the Declarations Page for 'Personal Property'. Unless stated otherwise, the limit below is the total limit for each loss for all property in that category.

1. We will provide up to 10% of the 'Coverage Limit' shown on the Declarations Page for 'Personal Property', but not less than \$1,000 for personal property owned by or in the care of an **insured** while the property is away from the **insured premises**. Personal property in your newly acquired principal place of residence is not subject to this limitation for 30 days from the date you begin to move; however, coverage does not extend past the date on which the policy expires or the date on which the policy is terminated.
2. \$1,000 for personal property which is in or upon a **motor vehicle**.
3. \$1,000 for personal property used at any time in whole or in part for **business** while at the **residence premises**.
4. \$500 for personal property used at any time in whole or in part for **business** while away from the **residence premises**.
5. \$200 for money, bank notes, negotiable instruments, bullion, gold other than goldware, silver other than silverware, platinum, coins, medals, and numismatic property.
6. \$250 for loss or damage to any sound equipment not permanently installed in your **motor vehicle** or to tapes, records, discs or other media for use with any electronic apparatus while such property is in or upon a **motor vehicle**.
7. \$500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, stamps or trading cards.
8. \$500 on any type of watercraft, including their trailers, furnishings, equipment, accessories and outboard engines or motors.
9. \$500 on camping trailers, camper bodies and trailers not used with watercraft.

10. \$500 for any one item subject to a maximum of \$1,000 for loss by **burglary** of jewelry, watches, furs, precious and semi-precious stones.
11. \$500 for loss by **burglary** of firearms or accessories.
12. \$500 on electronic data processing equipment and the recording or storage software used with such equipment. Coverage for this property is provided only:
 - a. when located on the **insured premises**; or
 - b. while off the **insured premises** when removed temporarily for up to 30 days. However, property of a student, who is an **insured**, is covered at a residence occupied by the student while away at school.The recording or storage software will be covered only up to:
 - a. the retail value of the software if pre-programmed; or
 - b. the retail value of the software in blank or unexposed form, if blank or self-programmed.
13. \$1,000 for loss by **burglary** of tools while at the **residence premises** unless considered **business** personal property. However, the limit for personal property tools used at any time in whole or in part for **business** is subject to above items 3. and 4.
14. \$500 for loss by **burglary** of tools while away from the **residence premises** unless considered **business** personal property. However, the limit for personal property tools used at any time in whole or in part for **business** is subject to above items 3. and 4.

Personal Property Not Covered

We will not cover the following types of personal property:

1. animals, fish or birds;
2. land **motor vehicles** or **motorized vehicles** or machines or aircraft, whether assembled or unassembled, including their equipment and accessories;
3. property rented or held for rental to others when not on the **insured premises**;
4. trees, plants, shrubs and lawns;
5. **credit/debit cards** except as covered by ***Personal Property Supplementary Coverages***;
6. property of a roomer, boarder, tenant or other resident who is not an **insured**;
7. **business** property owned by others while away from the **insured premises**; or
8. contraband.

Additional Living Expense

If a covered loss occurs that makes part of the **insured premises** where you reside uninhabitable, we will pay any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living up to the 'Coverage Limit' shown on the Declarations Page for 'Additional Living Expense'. Payment will be for the shortest time required to repair or replace the damaged property or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

If a civil authority prohibits you from use of the **insured premises** as a result of direct damage to neighboring premises by a ***Covered Peril***, we will provide this coverage for a period not exceeding two weeks during which use is prohibited.

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

Personal Property Supplementary Coverages

We include the following additional coverages. No deductible applies to these additional coverages:

1. **Credit/Debit Card, Forgery and Counterfeit Money**

We will pay for loss sustained by an **insured**, but not to exceed \$1,000 per loss, when the **insured**:

 - a. becomes legally obligated to pay for the **theft** or unauthorized use of **credit/debit cards** issued to or registered in any **insured's** name;
 - b. suffers a loss through forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or
 - c. accepts in good faith counterfeit United States currency.

We will not pay for loss if:

- a. the **insured** has not complied with the provisions under which the **credit/debit card** was issued;
- b. the loss is caused by the dishonesty of any **insured**;
- c. the loss results from **business** activities of any **insured**; or
- d. the loss occurs while a person, not an **insured**, has possession of the **credit/debit card** with an **insured's** permission.

All loss, whether the result of a single act or a series of acts committed by any one person or persons shall be considered one loss.

2. Debris Removal

We will pay the actual cost up to \$500 for the removal of debris from your **residence premises** following a loss from a **Covered Peril**. This does not apply to removal of debris which would be considered normal maintenance.

3. Fire Department Service Coverage

We will pay up to \$500 when the fire department is called to save or protect **covered property** on the **insured premises** from a **Covered Peril**.

Covered Perils

We insure for sudden accidental direct physical loss or damage caused by:

1. fire or lightning;
2. windstorm or hail. This peril does not include loss to personal property inside a structure caused by dust, rain, sand, sleet, snow, or water, all whether driven by wind or not, which enter through an opening in the structure not made by the direct force of wind or hail;
3. explosion;
4. riot or civil commotion;
5. aircraft;
6. vehicles;
7. smoke. This peril does not include loss caused by smoke from agricultural smudging or industrial operations;
8. vandalism or malicious mischief;
9. **burglary**;
10. breakage of glass:
 - a. which is part of a building and which you have installed at your expense during your tenancy; or
 - b. for which you are made responsible as a result of a written lease or rental agreement directly relating to the maintenance of the **residence premises**. Glass breakage arising out of earthquake is not covered;
11. falling objects which, after damaging or penetrating the roof or wall of a building, damage **covered property**. Damage to the falling object itself is not covered;
12. weight of ice, snow or sleet which causes damage to **covered property** inside a structure. This peril does not include loss or damage to trees, shrubs or plants;
13. freezing or tearing apart, cracking, or bulging of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance;
14. accidental discharge or overflow of water or steam from a plumbing, heating, air conditioning or automatic fire protective sprinkler system; household appliance; or waterbed. However, we will not pay for loss:
 - a. caused by continuous or repeated seepage or leakage whether or not the **insured** was aware of the condition;
 - b. caused by freezing, except as provided under the peril of freezing;
 - c. in the **residence premises** caused by an accidental discharge or overflow which comes from off the premises; or
 - d. to the system or appliance from which the liquid or steam escapes;

15. damage from artificially generated electrical current;
16. volcanic eruption other than loss caused by earthquake, land shock waves or tremors. We will not cover removal of ash, dust, or particulate matter that does not cause direct physical loss to **covered property**.

What We Pay

We will pay the lesser of:

1. the **actual cash value** at the time of loss;
2. the cost to repair or replace the damaged property with property of like kind and quality; or
3. the 'Coverage Limit' shown on the Declarations Page for 'Personal Property'.

Loss to a Pair or Set

In case of loss to an item that is part of a pair or set, we will pay only to replace or repair the item, or we will pay the difference in the **actual cash value** of the pair or set just before the loss and the **actual cash value** just after the loss. In case of loss to a part of an item that consists of several parts when it is complete, we will pay only for the **actual cash value** of the lost or damaged part or the cost to repair or replace it.

Deductible

We will pay for any covered loss to **covered property** only when it exceeds the applicable deductible shown on the Declarations Page.

Exclusions

We will not pay for loss caused by or resulting from any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Wear and tear, marring, deterioration.
2. Enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure.
3. Earth movement. We will not pay for loss which results from earth movement whether or not the earth movement results from natural or artificial causes. Earth movement includes, but is not limited to:
 - a. earthquake;
 - b. landslide, subsidence, erosion;
 - c. mudflow;
 - d. earth sinking, rising, shifting, expanding or contracting.Direct loss by fire or explosion is covered.
4. Water damage, meaning:
 - a. **flood**;
 - b. surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - c. water which backs up through sewers or drains or which overflows from a sump pump; or
 - d. natural water below the surface of the ground, including water which exerts pressure on, or flows, seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.Direct loss by fire or explosion resulting from water damage is covered.
5. Power interruption, meaning the interruption of power or other utility service if the interruption takes place away from the **residence premises**. If a **Covered Peril** ensues in the **residence premises** from a power outage, we will pay only for loss caused by the ensuing peril.
6. Your neglect to use all reasonable means to save and preserve **covered property** at and after the time of loss, or when property is endangered by a **Covered Peril**.
7. Any loss occurring while the hazard is increased by any means within your control or knowledge.
8. Continuous or repeated seepage or leakage of water or steam over a period of time.
9. Unexplained or mysterious disappearance.
10. **Theft**.

PERSONAL LIABILITY and MEDICAL PAYMENTS TO OTHERS COVERAGE

Personal Liability

Coverage

We cover damages for **bodily injury** or **property damage** caused by an **occurrence** covered by this policy for which an **insured** becomes legally liable.

What We Pay

We will pay no more than the 'Coverage Limit' shown on the Declarations Page for 'Personal Liability' for all damages or losses resulting from any **occurrence**. This is the most we will pay, regardless of the number of persons covered under this section, claims made, locations or premiums shown on the Declarations Page. When **bodily injury** or **property damage** is caused by an animal owned by any **insured**, or in any **insured's** care, custody, or control we will not pay more than \$10,000 for any **occurrence**.

Exclusions

We will not pay for **bodily injury** or **property damage**:

1. resulting from any act or omission that is intended by any **insured** to cause any harm or that any **insured** could reasonably expect to cause harm or performed at the direction of any **insured**. This exclusion applies whether or not the **insured**:
 - a. intended or expected the result of the act or omission so long as the resulting **bodily injury** or **property damage** was a natural consequence of the intended act or omission;
 - b. was under the influence of alcohol or narcotics;
 - c. was insane; or
 - d. is deemed not to have had the mental capacity to form the legal intent to commit the act or omission causing **bodily injury** or **property damage**;
2. arising out of any **insured's** business pursuits;
3. arising out of the rental or holding for rental of any **residence premises** owned by you;
4. arising out of the rendering or failing to render professional services;
5. arising out of any premises other than the **residence premises**;
6. vehicles:
 - a. arising out of the ownership, supervision, entrustment, maintenance, operation, use, loading or unloading of any type of **motor vehicle** or **motorized vehicle** owned or operated by or loaned to any **insured**. This exclusion does not apply to **bodily injury** to any **residence employee** arising out of the course of employment by an **insured**;
 - b. we will not cover **bodily injury** or **property damage** arising out of any vicarious parental liability, whether or not strictly imposed by law, for the actions of a child or minor regarding any type of vehicle described in above item a.;
7. arising out of the ownership, supervision, entrustment, maintenance, operation, use, loading, unloading of:
 - a. any aircraft;
 - b. any watercraft other than a watercraft owned by any **insured** that is either powered by less than 25 total horsepower or that is a sailing vessel less than 26 feet in length;
8. arising out of communicable disease or sickness as may have been transmitted by any **insured** or may have arisen from any **insured's** activities;
9. arising out of mental or emotional injury, suffering, or distress that does not result from physical injury;
10. arising out of physical abuse or corporal punishment;
11. arising out of the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, including any amendments. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician;
12. arising out of the **insured's** knowingly permitting or failing to take action to prevent the illegal consumption of alcoholic beverages by an underage person;

13. arising out of any sexual act, including, but not limited to assault, molestation, abuse, incest or rape;
14. arising from liability assumed under any contract or agreement in connection with any **business** of any **insured**;
15. to property owned by any **insured**;
16. to property rented to, occupied or used by, or in the care of, any **insured**. However, this exclusion does not apply to **property damage** to the **residence premises** caused by fire, smoke, water or explosion;
17. to any person eligible to receive any benefits required to be provided or voluntarily provided by any **insured** under any worker's compensation, non-occupational disability or occupational disease law;
18. to a **residence employee** if **bodily injury** occurs off the **residence premises** and does not arise out of, or in the course of, the employment by any **insured**;
19. arising out of one or more of the following offenses:
 - a. false arrest, detention or imprisonment, or malicious prosecution;
 - b. libel, slander or defamation of character;
 - c. invasion of privacy, wrongful eviction or wrongful entry;
20. for any loss assessment charged against any **insured** as a member of an association, corporation or community of property owners;
21. to any **insured** or a resident of your **residence premises**, other than a **residence employee**;
22. arising out of child care services provided for a fee by or at the direction of:
 - a. any **insured**;
 - b. any **insured's** employees; or
 - c. any other person actually or apparently acting on any **insured's** behalf; or
23. arising out of any **occurrence** involving any trampoline owned by, or in the care, custody, or control of any **insured**.

Defense

We have the right and duty to defend any suit to which this insurance applies. However, we may investigate and settle any claim or suit at our discretion. Our duty to defend any claim or suit ends when the amount we pay, or tender to the Court of Jurisdiction for any pending litigation on any **insured's** behalf, for damages resulting from the **occurrence** equals:

1. the 'Coverage Limit' shown on the Declarations Page for 'Personal Liability'; or
2. \$10,000 when **bodily injury** or **property damage** is caused by an animal owned by any **insured**, or in any **insured's** care, custody or control.

If a suit is brought against any **insured** for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action; however, we will not have any obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

Personal Liability Supplementary Payments and Additional Coverages

We include the following additional coverage:

1. Claim Expense
We will 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 more than the 'Coverage Limit' shown on the Declarations Page for 'Personal Liability'. We need not apply for or furnish any bond;
 - c. reasonable expenses incurred by any **insured** at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of any claim or suit; and
 - d. interest on the entire entered judgment until we pay, formally offer, or deposit in court that part of the judgment which does not exceed the applicable coverage limit.

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 any **insured**.

3. Damage to Property of Others

We will pay for **property damage** to property of others caused by any **insured** up to the 'Coverage Limit' shown on the Declarations Page for 'Damage to Property of Others' for each **occurrence**. We will not pay:

- a. if the loss is insured under the **PROPERTY COVERAGES** in this policy;
- b. if the loss is caused intentionally by any **insured** over 13 years old;
- c. for loss to property owned by, or rented to your tenant, or a resident of your **residence premises**, if the loss arises from:
 - i. **business** pursuits;
 - ii. any act or omission in connection with a **residence premises** owned, rented or controlled by you; or
 - iii. the ownership, maintenance, or use of a **motor vehicle, motorized vehicle, aircraft, or watercraft**.

Medical Payments to Others

Coverage

We will cover the reasonable charges for necessary medical, surgical, x-ray, dental, ambulance, hospital and professional nursing services and funeral expenses incurred within three years from the date of an **occurrence** on the **residence premises** causing **bodily injury**.

The injured person must submit to an examination by a physician selected by us when and as often as we reasonably require.

What We Pay

We will pay no more than the 'Coverage Limit' shown on the Declarations Page for 'Medical Payments to Others' for any **occurrence** on the **residence premises**. This is the most we will pay, regardless of the number of persons covered under this section, claims made, locations or premiums shown on the Declarations Page.

No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage provided by this policy.

Each person seeking payment under this coverage must provide us with written authorization for release to us copies of pertinent medical reports and records, and submit a valid proof of loss within one year of the incurred expense.

Exclusions

Payments under this section will not be made to, or on behalf of, any person:

1. who is an **insured** or resident of the **residence premises**;
2. who is a tenant or an employee of a tenant of any **insured**;
3. who is an employee of an **insured** and sustains **bodily injury** during the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless worker's compensation benefits are required or available for that domestic employee;
4. who is injured while taking part in athletics;
5. to whom the **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement other than an **insured contract**;
6. whose injuries arise out of the ownership, supervision, entrustment, maintenance, operation, use, loading or unloading of any aircraft, **motor vehicle, motorized vehicle** or watercraft;

7. whose injuries arise out of any **business** activities conducted by an **insured**;
8. who is injured while trespassing.

Admission of Liability

Any payment made under this section is not an admission of liability by any insured or us.

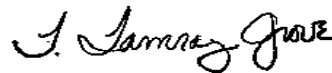
This policy is signed at the Home Office of the company by its president and secretary.

MARKEL AMERICAN INSURANCE COMPANY

Glen Allen, Virginia



Linda S. Rotz
Secretary



T. Tamraz Grove
President

Administrative Offices:

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