

Named Insured & Mailing Address

Carrol Huffman
4501 S IH 35 Frontage Rd
Austin, TX 78744

POLICY FACE

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and this insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of 4.85 percent tax on gross premium.

Surplus lines broker:

PURE Programs, LLC
300 Colonial Center Pkwy
Suite 200
Roswell, GA 30076

Retail broker:

System Validation Only LLC
1 North Lexington Avenue
Suite 13
Silver Spring, MD 20905

A handwritten signature in black ink, appearing to read "John J. Willis". The signature is fluid and cursive, with the first and last names being more prominent than the middle initial.

John J. Willis
License Number 2168276

High Value Home Policy

Renewal Declarations

Your Declarations summarizes your coverage and premium. Please read your policy, any attached forms and endorsements and your Declarations for a full description of your coverage.

Surplus Lines Broker:

PURE Programs, LLC
300 Colonial Center Pkwy
Suite 200
Roswell, GA 30076
(888) 813-PURE

Retail broker:

System Validation Only LLC
1 North Lexington Avenue
Suite 13
Silver Spring, MD 20905

Named Insured & Mailing Address

Carrol Huffman
4501 S IH 35 Frontage Rd
Austin, TX 78744

Policy Number: HS246023001
Policy Period: 03/16/2025 To 03/16/2026 at 12:01 Standard Time
Insurance Company: **Accredited Specialty Insurance Company**

**THIS POLICY MAY CONTAIN A SEPARATE DEDUCTIBLE FOR WINDSTORM
AND/OR HAIL LOSSES WHICH MAY RESULT IN HIGH OUT-OF-
POCKET EXPENSES TO YOU. PLEASE REVIEW THIS POLICY CAREFULLY**

COVERAGE	COVERAGE LIMIT
Personal Liability	\$300,000
Medical Payments to Others	\$10,000

INSURED LOCATION4501 S IH 35 Frontage Rd
Austin, TX 78744**INSURED LOCATION TYPE**

Home Dwelling

COVERAGEDwelling
Other Structures
Contents
Loss of Use
Rebuilding to Code**COVERAGE LIMIT**\$107,000
\$0
\$53,500
\$10,700
\$26,750**LOCATION PREMIUM****\$1,480**

DEDUCTIBLE

Hurricane or Named Storm

All Other Peril Deductible applies

Hail

\$3,210 (3% of Dwelling Coverage Limit) per covered loss

All Other Peril

\$2,500 per covered loss

**Insured Location Rating
Information**

Territory: 1000

Protection Class: 2

Construction Type: Frame

County: Travis

Year Built: 2010

Roof Shape: Flat / Other

Age of Roof: 15 yrs

Roof Covering: Wood Shake

FORMS AND ENDORSEMENTS

The following forms and endorsements are attached to this Policy.

Title	Form Number	Edition Date
POLICY FACE	PPHV-DSC-TX-001	11/01/2018
TEXAS - IMPORTANT NOTICE	PPRE-DSC-TX-001	06/01/2023
Privacy Notice	RQACC-PN-202105	07/27/2021
Notice Under FCRA	PPHV-DSC-GEN-003	02/01/2016
High Value Home Policy	PPHV-PCF-GEN-001	01/01/2017
Special Provisions - Texas	PPHV-END-TX-001	11/01/2018
Communicable Disease Exclusion	PPHV-END-GEN-069	01/01/2022
Witness Clause	PPHV-OTH-GEN-006	09/01/2021
Water Damage Deductible Notice	PPHV-DSC-GEN-006	08/01/2021
Valuable Articles Coverage	PPHV-END-GEN-055	11/01/2018
Hail Deductible	PPHV-END-GEN-058	12/01/2018
Cosmetic Marring Exclusion for Roof Covering	PPHV-END-GEN-064	11/01/2019
Roof Covering Payment Schedule Endorsement	PPHV-END-GEN-059	06/01/2022
Water Intrusion Damage Deductible	PPHV-END-GEN-074	09/01/2021

Total Premium	\$1,480.00	
Inspection Fee	\$.00	YOU WILL BE
Surplus Lines Broker Fee	\$150.00	BILLED
State Taxes	\$79.06	SEPARATELY
Stamping Fee	\$.65	FOR
Grand Total	\$1,709.71	ANY PREMIUM DUE.

THIS DECLARATIONS PAGE WITH POLICY PROVISIONS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETES THE ABOVE NUMBERED POLICY.

AUTHORIZED REPRESENTATIVE:

Date Issued:

03/21/2024

A handwritten signature in black ink, appearing to read "John J. Willis". The signature is fluid and cursive, with the first name "John" and last name "Willis" clearly distinguishable.

John J. Willis

IMPORTANT NOTICE

Where you can get information or make a complaint

If you have a question or a problem with a claim or your premium, contact your insurance company first. You can also get information or file a complaint with the Texas Department of Insurance.

Accredited Specialty Insurance Company

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

- Call: PURE Programs at (888) 813-7873
- Online: www.pureprograms.com
- Email: service@pureprograms.com
- Mail: 300 Colonial Center Parkway
Suite 200
Roswell, GA 30076

The Texas Department of Insurance

To get help with an insurance question, learn about your rights, or file a complaint with the state:

- Call: 1-800-252-3439
- Online: www.tdi.texas.gov
- Email: ConsumerProtection@tdi.texas.gov
- Mail: Consumer Protection, MC: CO-CP,
Texas Department of Insurance, P.O. Box
12030, Austin, TX 78711-2030

To compare policies and prices

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

Donde puede obtener información o presentar una queja

Si tiene una pregunta o un problema con una reclamación o con su prima de seguro, comuníquese primero con su compañía de seguros. Usted también puede obtener información o presentar una queja ante el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés).

Accredited Specialty Insurance Company

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

- Teléfono gratuito: PURE Programs al (888) 813-7873
- En línea: www.pureprograms.com
- Correo electrónico: service@pureprograms.com
- Dirección postal: 300 Colonial Center Parkway
Suite 200
Roswell, GA 30076

El Departamento de Seguros de Texas

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

- Llame con sus preguntas al: 1-800-252-3439
- Presente una queja en: www.tdi.texas.gov
- Correo electrónico: ConsumerProtection@tdi.texas.gov
- Dirección postal: Consumer Protection, MC: CO-CP, Texas Department of Insurance, P.O. Box 12030, Austin, TX 78711-2030

Para comparar pólizas y precios

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

PRIVACY NOTICE

FACTS	WHAT DOES R&Q DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal and state laws give consumers the right to limit some, but not all sharing. Federal and state laws also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ▪ Social Security number, account number, date of birth ▪ Account balances, income, payment history ▪ Credit card number, PIN ▪ Credit scores, credit history ▪ Loan records, taxes ▪ Name, address, email, telephone number ▪ Assets ▪ Credit-based insurance scores, insurance claim history ▪ Medical information ▪ Criminal history ▪ Employment information ▪ Motor vehicle records. <p>We may disclose all of the information that we collect as described below.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons R&Q chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does R&Q share?	Can you limit this sharing?
<p>For our everyday business purposes – We may disclose your information without your prior authorization for our everyday business purposes, such as to process your transactions, maintain your account(s) and insurance policy(ies), respond to court orders and legal investigations or detect or prevent criminal activity, fraud, material misrepresentation or material nondisclosure in connection with an insurance transaction. Additionally, we may share your information with our affiliates and nonaffiliated third parties to the extent necessary to service or process an insurance product or service that you have requested or authorized. For example, we may share your information with insurance agents, brokers or sales representatives, or other insurance companies or insurance support organizations to determine your eligibility for an insurance benefit or payment or to process claims. We are also permitted to disclose customer information to nonaffiliated third-party companies that perform services for us which have agreed to certain contractual protections regarding the use and disclosure of your information. For example, we may share your information with third-parties that provide claims investigations, medical examinations, inspection and appraisals, for roadside assistance or the repair of your vehicle if you have a claim.</p>	Yes	No

For our marketing purposes – to offer our products and services to you.	No	No, we don't share
For joint marketing with other financial companies	No	No, we don't share
For our affiliates' everyday business purposes – We only share information about your transactions and experiences with our affiliates. We do not share information we receive from a credit reporting agency or insurance support organization, such as motor vehicle records, credit report information and claims history.	Yes	No
For our affiliates' everyday business purposes – information about your credit worthiness.	No	No, we don't share
As required by law or with your consent – We share information with your consent or at your direction and to your legal representative as may be necessary. We may also share information without your prior authorization in response to a subpoena or request from a regulator; in connection with a merger, acquisition, reorganization, liquidation, change in control or other sale by R&Q (in each case whether in whole or in part); or to comply with federal, state or local laws and to protect against fraud.	Yes	No
For our affiliates to market to you	No	No, we don't share
For nonaffiliates to market to you	No	No, we don't share
Who are we		
Who is providing this notice?	Randall & Quilter America Holdings Inc.'s family of companies, including its affiliates listed below ("R&Q"). R&Q offers a broad range of insurance solutions, including insurance investments, reinsurance processing, administration and consulting services, underwriting and captives.	

What we do	
How does R&Q protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal and state laws. These measures include computer safeguards and secured files and buildings.</p> <p>R&Q recognizes the need to prevent unauthorized access to the information we collect, including information held in electronic format, and we use commercially reasonable technical and physical security measures to protect your personal information in the following ways:</p> <ul style="list-style-type: none"> ▪ We restrict access to your personal information to those individuals, such as our employees, agents and service providers, who are contractually bound to keep this information confidential, agree to safeguard your personal information and who need that information to serve you or to assist us in conducting our operations. ▪ We maintain physical, electronic and procedural safeguards that comply with applicable regulatory standards to guard your personal information. ▪ We do not sell your information to mass marketing or telemarketing companies. ▪ We do not disclose any non-public personal information about you except as described in this notice or as otherwise required or permitted by applicable law.

How does R&Q collect my personal information?	<p>R&Q collects your personal information from you, for example, when you:</p> <ul style="list-style-type: none"> • Provide information, such as your social security number, assets, income, and property information on applications or other forms; • Transact with us, our affiliates or others; and • Visit the websites we operate. <p>R&Q also collects your personal information from other sources. R&Q may collect your personal information from nonaffiliated third parties, such as:</p> <ul style="list-style-type: none"> • Consumer reporting agencies or insurance support organizations to receive information like motor vehicles records, credit report information and insurance claims history; • Information we receive from your employer and/or association for our products and services, such as employment information; and • If you obtain a life, long-term care or disability product, medical professionals who have provided care to you and insurance support organizations.
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> ▪ Sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ Affiliates from using your information to market to you ▪ Sharing for nonaffiliates to market to you. <p>State laws and individual companies may give you additional rights to limit sharing.</p> <p>We do not disclose any personal information about our customers or former customers to anyone, including our affiliates and nonaffiliated third parties, except as permitted by law, including but not limited to servicing or processing an insurance product or service, maintaining or servicing a customer account, providing reinsurance, preventing fraud, performing audits, complying with applicable laws and governmental requests and in connection with a merger, acquisition, reorganization, liquidation, change in control or other sale by or of us or any affiliated entity (in each case whether in whole or in part).</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ▪ Accredited Surety and Casualty Company, Inc. ▪ Accredited Specialty Insurance Company ▪ Global Reinsurance Corporation of America ▪ ICDC, Ltd. ▪ National Legacy Insurance Company ▪ Randall & Quilter Investment Holdings, Ltd. ▪ R&Q Reinsurance Company ▪ R&Q RI Insurance Company ▪ Transport Insurance Company
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ▪ These may include insurance companies other than R&Q, reciprocals, investment companies, underwriters, brokers/dealers, reinsurers, insurance support organizations, adjusters, appraisers, banks, third

	party administrators, benefit plan sponsors, consumer reporting agencies, our service providers (e.g., vendors that provide marketing services), medical providers and third parties such as the Medical Information Bureau.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

Other important information

California residents: For accounts with a California mailing address, we will not share your personal information with a financial company for joint marketing purposes, except as required or permitted by law.

Vermont residents: For accounts with a Vermont mailing address, we will not share your creditworthiness information with our affiliates, except as required or permitted by law.

Information Collected from an Insurance-Support Organization

Please note that information about you that we obtain from a report prepared by an insurance-support organization may be retained and disclosed by that organization.

Your Rights to Access, Correct, Amend and Delete Your Personal Information

You have the right to know what personal information we have collected about you. You also have the right to correct, amend or delete such information. To exercise these rights, please make your request in writing to privacy.info@accredited-inc.com and include your full name, mailing address, phone number and policy number. When we receive your written request, we will respond within thirty (30) business days. For requests to know the personal information we've collected about you, we will describe such personal information, whom we know we've shared it with in the last two (2) years, and how you may request a correction, if necessary. If we requested a consumer report, we will tell you the name and address of the consumer reporting agency. You may also view and copy the information we have, except for certain privileged documents such as those concerning claims and lawsuits. For requests to correct and amend your personal information, we will review your request and investigate the matter. If we agree with your request, we will correct our records, notify you and send a correction letter to anyone who received the original information. If we do not agree, you will be allowed to send us a statement explaining why you believe the information is incorrect, which will be attached to your file so that anyone reviewing the disputed information will see it.

Contact Us

If you have any questions about this notice, please contact us at privacy.info@accredited-inc.com or 1-800-432-2799.

NOTICE UNDER THE FAIR CREDIT REPORTING ACT (FCRA)

03/21/2024

The purpose of this notice is to share some important information with you regarding your Policy.

We understand that as a good insurance risk you want to be rewarded with lower premiums. We use many factors in determining the price of your insurance, making the rate you pay commensurate with your individual situation.

One of the factors we consider in determining your premium is an insurance score, which is obtained from a consumer report. Due in part to your insurance score your policy did not receive the highest possible discount or your policy premium increased. The primary factors in the consumer report that contributed to your insurance score are:

The consumer report we used to determine your insurance score was provided by a consumer reporting agency. You have the right to obtain a free copy of your consumer report within 60 days of receiving this notice. You also have the right to dispute incomplete or inaccurate information with them.

The consumer reporting agency name and contact information is:

LexisNexis® Consumer Service Center
P. O. Box 105108
Atlanta, Georgia 30348-5108
(800) 456-6004
www.consumerdisclosure.com
Reference Number: 24077000130496

Please note that this consumer reporting agency did not make any decision regarding your policy premium and is therefore unable to answer questions regarding your policy or premium determination.

If, after any reinvestigation of any information disputed by you, an item of the report is found to be inaccurate or incomplete or cannot be verified, the consumer reporting agency must promptly:

- Delete that item of information from your report, or modify that item of information, as appropriate, based on the results of the reinvestigation; and
- Notify the furnisher of that information and you that the information has been modified or deleted from your report

We will then re-underwrite or re-rate your policy and shall make any adjustments necessary consistent with our underwriting and rating guidelines within thirty (30) days of receiving notice from you.

In addition, please also let us know if you feel your consumer report has been adversely influenced by extraordinary life events, including but not limited to catastrophic illness, injury, loss of employment, divorce, death of spouse, child or parent or identity theft. We will review the circumstances as reported by you or your agent and will request and review your consumer report.

If it is determined the extraordinary life event did directly influence your consumer report, your policy will be re-rated without using the insurance score that was based on your consumer report.

If you would like to learn more about how we use insurance score to provide you the best possible price, please contact **PURE Member Services** at **1-888-813-7873**.

High Value Home Policy

Your High Value Home Policy - Quick Reference

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Insuring Agreement	

The Insurance company shown on the Declarations will provide the insurance described in this policy in return for payment of the premium and compliance with all applicable provisions of the policy.

SECTION I - DEFINITIONS

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

In addition, certain words and phrases are defined below. When used throughout the policy the defined words will be bolded.

Actual Cash Value

Actual cash value means the amount it would cost to repair or replace covered property with material of like kind and quality, subject to a deduction for depreciation, deterioration and obsolescence.

Aircraft

Aircraft means any device used or designed for flight. **Aircraft** does not include model or hobby craft not used or designed to carry people or cargo.

Bodily Injury

Bodily Injury means physical bodily harm, sickness or disease. This includes required care, loss of services and resulting death.

Business

Business means a trade, occupation or profession engaged in on a full-time, part-time or occasional basis. **Business** also means any activity engaged in for money or other compensation. This does not include **incidental business**.

Collectibles

Collectibles means collections of rare, unique or novel items of personal interest. Examples of collectibles include but are not limited to memorabilia, model trains, books and dolls.

Contents

Contents means personal property you or a **family member** own or possess. For any **residence premises** listed on your Declarations that is a condominium or cooperative, **contents** means:

- a. Personal property you or a **family member** possess;
- b. Improvements, betterments, installations or fixtures that you paid for or acquired along with the **residence premises**; and
- c. All property located within the boundaries of your unit which is your insurance responsibility under a corporation or association of property owners agreement.

Damages

Damages means the sum required to satisfy a claim for an **occurrence** covered by this policy, whether settled and agreed to in writing by us or resolved by judicial review. **Damages** include prejudgment interest awarded against an **insured**

Deductible

Deductible means the amount you are responsible to pay for any covered loss we pay.

Dwelling

Dwelling means the owned one or two family house at each location named on your Declarations. **Dwelling** is not a condominium or a cooperative.

Family Member

Family member means a person that resides in an **insured location** and is related to you by blood, marriage, or adoption.

Family member also includes

- a. Other persons under the age of 25 who resides in an **insured location** and are in your care or the care of another **family member**; and
- b. A student enrolled in school full-time, as defined by the school, who was a resident in an **insured location** before moving out to attend school, provided the student is under the age of 25 and is:
 - 1) Related to you by blood, marriage, or adoption; or
 - 2) In your care or the care of another **family member**.

Fine Arts

Fine arts means paintings, etchings, statuary, antiques and any other bona fide works of art, historical value or artistic merit.

Flood

Flood means:

- a. A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties from:
 1. Overflow of inland or tidal waters;
 2. Unusual and rapid accumulation or runoff of surface waters from any source;
 3. **Mudflow**; or
- b. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a **flood** as defined in a. above.

All flooding in a continuous or protracted event will constitute a single flood.

Fungi

Fungi means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products, produced or released by **fungi**.

Incidental Business

The definition of **Incidental Business** depends upon where the **incidental business** is conducted.

- a. Away from your **residence premises**.

Incidental Business means a self-employed business activity normally undertaken by persons under the age of 18 such as newspaper delivery, babysitting, caddying, and lawn care. Any of these activities must:

1. Not yield gross revenues in excess of \$10,000 in any year;
2. Have no employees subject to any workers' compensation, disability benefits, unemployment compensation or other similar laws; and

3. Conform to local, state, and federal laws; or

- b. At your **residence premises**.

Incidental Business means the following business activities, conducted in whole or in part on your **residence premises**:

1. Managing one's own personal investments, regardless of where the revenues are produced;
2. Renting to others for use as a private residence or farm, the **residence premises**; or
3. Any other business activity that:
 - i) Does not yield gross revenues in excess of \$10,000 in any year;
 - ii) Has no employees subject to any workers' compensation, disability benefits, unemployment compensation or other similar laws;
 - iii) Conforms to local, state, and federal laws; and
 - iv) Does not involve employment of others for more than 1,250 hours of farm work during the Policy Period.

Insured

Insured means you or a **family member**. As respects **Section III Liability**, an **insured** also includes any individual or other legal entity given permission by you or a **family member** to use a vehicle or **watercraft** covered under this policy with respect to their legal responsibility arising out of its use.

Insured Location

Insured location means:

- a. The **residence premises**;
- b. The part of other premises, other structures and grounds used by you as a residence; and
 - 1) Which is shown in the Declarations or on an endorsement; or
 - 2) Which is acquired by you during the policy period for your use as a residence;

- c. Any premises used by you in connection with a premises described in a. and b. above;
- d. Any part of a premises where an **insured** is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an **insured**;
- f. Land owned by or rented to an **insured** on which a one or two family dwelling is being built as a residence for an **insured**;
- g. Individual or family cemetery plots or burial vaults of an **insured**; or
- h. Any part of a premises occasionally rented to an **insured** for other than **business** use.

Landscaping

Landscaping means trees, shrubs or other plants on the grounds of your **residence premises**.

Medical Expenses

Medical Expenses includes reasonable charges for:

- a. medical;
- b. surgical;
- c. X-ray;
- d. dental;
- e. ambulance;
- f. hospital;
- g. professional nursing;
- h. prosthetic devices; and
- i. funeral services.

Mudflow

Mudflow means a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements, such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not **mudflows**.

Occurrence

Occurrence means an accident or act, including continuous or repeated exposure to substantially the same general harmful conditions, which results

in **personal injury** or **property damage** during the policy period.

Other Structures

Other Structures means outdoor structures on the grounds of your **residence premises** set apart from the **dwelling** by clear space. This includes structures connected to the **dwelling** by only a fence, utility line or similar connection.

Personal Injury

Personal Injury means injury or death arising out of one or more of the following:

- a. **Bodily injury**;
- b. Unlawful detention, false imprisonment or false arrest;
- c. Shock, emotional distress or mental injury;
- d. Invasion of privacy;
- e. Defamation, libel or slander;
- f. Malicious prosecution;
- g. Wrongful entry or eviction; or
- h. Assault and battery when committed with the intent of protecting persons.

Property Damage

Property Damage means physical injury to, destruction of, or loss of use of tangible property.

Reconstruction Cost

Reconstruction Cost means the lesser of the amount required at the time of the loss to repair or replace a structure at the same location with materials and workmanship of like kind and quality. **Reconstruction cost** does not include deduction for depreciation or any amount required to comply with the enforcement of any ordinance or law. It also does not include any amount required for the excavation, replacement or stabilization of land under or around a structure.

Recreational Motor Vehicle

Recreational Motor Vehicle means a:

- a. motorized land vehicle not owned by an **insured** designed for use primarily off

- public roads, not subject to motor vehicle registration or operator licensing;
- b. motorized land vehicle owned by an **insured** designed for use primarily off public roads, not subject to motor vehicle registration or operator licensing, and which is used solely on your **residence premises**;
- c. golf cart used as a means of travel about your residence, your residence community or a golf course for golfing purposes or community or other private activities;
- d. vehicle used to assist the handicapped and not designed for or required to be registered for use on public roads; or
- e. motorized land vehicle in dead storage at your **residence premises**.

Residence Premises

Residence Premises means any **dwelling**, **other structures** and grounds or any condominium unit, cooperative, or apartment which is listed on your Declarations and that you own or live in.

Watercraft

Watercraft means a boat or craft principally designed to be propelled on, over or under water. A model boat or hobby craft not used or designed to carry people is not considered a **watercraft**.

SECTION II - PROPERTY COVERAGE

A. Perils Insured Against

We insure against all risks of sudden and accidental direct physical loss or damage to your **dwelling**, **contents** and **other structures** unless an exclusion applies.

B. Coverage and Loss Settlement

1. Dwelling

For a covered loss we will pay the **reconstruction cost** for your **dwelling**, even if this amount is greater than the coverage limit shown for that location on your Declarations. However, the most we will pay is the coverage limit shown for that location on your Declarations if:

- a. you do not begin to repair or rebuild your **dwelling** within two (2) years from the date of loss;
- b. if you do not maintain at least the amount of coverage for your **dwelling** as previously agreed to, including any adjustments we make based on appraisals or revaluations; or
- c. you do not repair or rebuild your **dwelling** at the same location.

At our option, we will pay no more than the **actual cash value** if actual repair or replacement is not complete. Once actual repair or replacement has started or is complete, we will settle the loss on a **reconstruction cost** basis.

2. Other Structures

For a covered loss we will pay the **reconstruction cost** for your **other structures**, even if this amount is greater than the coverage limit shown for that location on your Declarations. However, the most we will pay is the coverage limit shown for that location on your Declarations if:

- a. the coverage limit shown for this location on your Declarations for your **other structures** is less than 20% of the coverage limit for your **dwelling**;
- b. you do not begin to repair or rebuild your **other structures** within two years from the date of loss;
- c. you do not maintain at least the amount of coverage for your **other structures** as previously agreed to, including any adjustments we make based on appraisals or revaluations; or
- d. you do not repair or rebuild your **other structures** at the same location.

At our option, we will pay no more than the **actual cash value** if actual repair or replacement is not complete. Once actual repair or replacement has started or is complete, we will settle the loss on a **reconstruction cost** basis.

3. Dwelling or Other Structures under Construction

If at anytime during the policy period:

- a. You are newly constructing your **dwelling** or **other structures**;
- b. You are constructing additions, alterations or renovations to the **dwelling** or **other structures** and as a result have temporarily vacated the **residence premises**; or
- c. You are constructing additions, alterations or renovations to the **dwelling** or **other structures** and the cost will exceed 10% of the coverage amount for your **dwelling** or **other structures**;

then the most we will pay for a covered loss is the actual **cash value**, but not to exceed the coverage limit shown on your Declarations. We will pay this amount whether or not you actually repair or rebuild. This will remain the loss settlement provision until all construction is completed, and you and we agree on the amount of coverage for your **dwelling** and **other structures**.

4. Contents

The most we will pay for a covered loss to **contents** is the lesser of the amount required to repair or replace the **contents** without application of depreciation up to the amount of coverage for **contents**. However, if the **contents** are obsolete or unusable as a result of their age or condition, depreciation will be applied.

The amount of coverage for **contents** depends on where the loss occurs. For a covered loss to **contents** that occurs;

- a. At a **residence premises** listed on your Declarations, we will pay up to the coverage limit for **contents** at that location for each covered loss. If after a covered loss to your **dwelling** and **contents** we pay more than

the coverage limit for your **dwelling** because the **reconstruction cost** is higher than the insured limit, we will increase the **contents** coverage for the purposes of settling the loss, by the same percentage. This extension of coverage only applies if the **contents** limit on your Declarations is 50% of the **dwelling** limit or greater;

- b. At a residence that an **insured** owns or lives in that is insured under another policy, we will not pay any amount under this policy;
- c. At a residence that an **insured** owns or lives in that is not listed on your Declarations and not insured under another policy, we will pay up to 10% of the highest **contents** limit of any single **residence premises** listed on your Declarations.

However, if this residence has been acquired within sixty (60) days prior to the date of loss, we will pay up to the highest **contents** limit of any single **residence premises** listed on your Declarations; or

- d. Away from any residence that an **insured** owns or lives in, including a **residence premises**, we will pay up to the highest **contents** limit of any single **residence premises** listed on your Declarations.

The limitation in paragraph c. above do not apply if the **contents** were moved from the **residence premises** because it is being repaired, renovated or rebuilt and is not fit to live in or store property in.

5. Deductible

- a. **All Other Peril Deductible**

Unless otherwise noted in this policy, the base All Other Peril **Deductible** or one

of the special **deductibles** shown on your Declarations or by endorsement is the amount of a covered loss you will pay.

b. **Waiver of Deductible**

For a covered loss caused by a peril other than an earthquake that is greater than \$50,000, we will waive the base All Other Peril **Deductible**. This waiver of **deductible** only applies if the base All Other Peril **Deductible** shown on your Declarations is \$25,000 or less.

This waiver of **deductible** does not apply to any special **deductible** for earthquake. This waiver of **deductible** also does not apply to a special construction **deductible**.

c. **Construction Deductible**

If at anytime during the policy period:

- (1) You are newly constructing your **dwelling** or **other structures**;
- (2) You are constructing additions, alterations or renovations to the **dwelling** or **other structures** and as a result have temporarily vacated the **residence premises**; or
- (3) You are constructing additions, alterations or renovations to the **dwelling** or **other structures** and the cost will exceed 10% of the coverage amount for your **dwelling** or **other structures**;

then a special construction **deductible** equal to the greater of the base All Other Peril **Deductible** or 5% of **dwelling** coverage limit will apply to each covered loss in lieu of a base All Other Peril **Deductible**. This **deductible** does not eliminate any other special **deductibles** that may apply. If we otherwise give our prior written consent, this special construction **deductible** will not apply.

6. **Special Limits of Liability for Contents**

These limits do not increase the amount of coverage for your **contents**. The special limit

shown for each category below is the most we will pay for each covered loss to **contents** in that category.

- a. Money, bank notes, bullion, gold other than gold ware, silver other than silver ware, platinum - \$2,500.
This limit is increased to \$10,000 for bank notes, bullion, gold other than gold ware, silver other than silver ware, platinum that are stored in a locked home safe located on the **residence premises** or in a bank vault or bank safe deposit box.
- b. **Watercraft**, including their trailers, furnishings, equipment and outboard engines or motors - \$5,000.
- c. Trailers not used with **watercraft** - \$5,000.
- d. Grave markers - \$10,000.
- e. Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, negotiable papers, passports, tickets - \$5,000.
- f. Jewelry, watches, precious stones or semi precious stones, whether set or unset, that are lost, misplaced or stolen - \$5,000.
- g. Furs that are lost, misplaced or stolen - \$5,000.
- h. Guns that are lost, misplaced or stolen - \$5,000.
- i. Silverware, goldware, pewterware or trophies that are lost, misplaced or stolen - \$10,000.
- j. **Fine Arts** - \$10,000.
- k. **Collectibles** - \$10,000.

7. **Loss of Use**

If a covered loss to your **dwelling** or **contents** makes the **residence premises** not fit to live in, we cover the following:

- a. Additional Living Expense:

- (1) If the **residence premises** is your primary residence, we will pay the necessary reasonable increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
- (2) If the **residence premises** is not your primary residence, we will pay the necessary reasonable increase in living expenses incurred by you so that your household can maintain its normal standard of living for those periods of time that you had planned to use, or customarily use, the residence.

We cover this increase for the shortest reasonable amount of time required to restore your **residence premises** to a habitable condition, or if you permanently relocate, the shortest reasonable amount of time required for your household to settle elsewhere. This time period is not limited by the expiration of this policy.

Civil Authority

If you are forced to evacuate your **residence premises** or a civil authority prohibits you from use of the **residence premises**, we will reimburse you for the reasonable increase in living expenses incurred by you so that your household can maintain its normal standard of living for up to 30 days. The most we will pay for this coverage is \$50,000.

C. Additional Coverages

The coverages shown below are in addition to the coverage amount shown for that location on your Declarations unless otherwise indicated. Your **deductible** applies to these coverages unless otherwise indicated. These coverages are subject to Special Limits of Liability and Exclusions. Exclusions are defined in Section **D**.

1. Loss Assessment

We will pay up to \$50,000 for your share of a loss assessment charged against you during the Policy Period by a corporation or association of property owners. This coverage applies to loss assessments charged against you during the policy period, regardless of when the loss to the corporation or association of property owners occurred. This coverage only applies when the assessment is made as a result of a covered loss to the property owned by all members collectively. We will not pay for assessments made as a result of loss caused by or resulting from earthquake. We will pay your portion of an assessment charged as a result of an ensuing covered loss due to theft, explosion, fire or glass breakage, unless another exclusion applies. A **deductible** does not apply to this coverage.

We will not pay more than \$10,000 for any assessment that results from a deductible in your Association's insurance coverage.

2. Back Up of Sewers and Drains

a. We will pay up to the lesser of the coverage limits shown on your Declarations or \$100,000 for direct physical loss or damage to property caused by water or waterborne material which:

- (1) Backs up through sewer openings or drain openings located inside a fully enclosed structure on the **residence premises**;
- (2) Enters a sump pit or related equipment solely from below the surface of the ground and overflows from the sump pit or related equipment as a result of:
 - i. mechanical breakdown of;
 - ii. power supply failure to; or
 - iii. the overwhelming of a sump pump or related equipment.

If there is evidence of a **flood** on or adjacent to the **residence premises**, we will not pay anything under this coverage.

These payments do not increase your coverage amount.

3. Construction Materials

We will pay for a covered loss to materials and supplies owned by you at each location shown on your Declarations for use in the repair, alteration, or construction of your **residence premises**. These payments do not increase your coverage amount.

4. Data Replacement

We will pay up to \$10,000 for expenses you incur to replace your personal data stored on a personal computer or portable computing device lost as a result of:

- a. a covered loss;
- b. a computer virus, worm or malware; or
- c. the unauthorized electronic access or use of an **insured's** personal computer or portable computing device.

The unauthorized electronic access or use must be committed by someone other than an **insured** for coverage to apply.

A **deductible** does not apply to this coverage.

5. Debris Removal

We will pay the reasonable expenses you incur to remove debris of covered property resulting from a covered loss from the **residence premises**.

If the **residence premises** is a house, these payments increase the amount of your coverage by 10% of the **dwelling** limit shown on your Declarations. If the **residence premises** is a condominium, cooperative or apartment, these payments increase the amount of your coverage by 10% of the **contents** limit shown on your Declarations.

6. Ensuing Fungi or Bacteria

For a covered loss we will not pay more than \$20,000 for each occurrence for all

increased costs that are **fungi** or bacteria remediation expenses described below. This **fungi** or bacteria remediation expense limit does not increase your coverage amount.

This **fungi** or bacteria remediation expense limit does not apply to **fungi** or bacteria resulting from a covered loss caused by fire or lightning.

Fungi or bacteria remediation means the reasonable and necessary costs for:

- a. Testing and monitoring the air or property to confirm the absence, presence or level of **fungi** or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be paid only to the extent that there is a reason to believe that there is the presence of **fungi** or bacteria;
- b. Developing a **fungi** or bacteria remediation plan; and implementing that **fungi** or bacteria remediation plan including the clean up, removal, containment, treatment, or disposal of **fungi** or bacteria;
- c. Tearing out and replacing any part of the building or other covered property as needed to gain access to the **fungi** or bacteria beyond that which is required to gain access to covered property physically damaged by a covered loss;
- d. Removing debris of covered property containing **fungi** or bacteria beyond that which is required to remove debris of the covered property physically damaged by a covered loss; and
- e. Repairing or replacing covered property containing **fungi** or bacteria beyond that which is required to repair or replace the covered property physically damaged by a covered loss.

Fungi or bacteria remediation expenses also includes up to a maximum of \$5,000 for

coverage for loss of use of your **residence premises** resulting from **fungi** or bacteria.

Loss of use means:

- a. The necessary reasonable increase in living expenses incurred by you so that your household can maintain its normal standard of living while your **residence premises** is uninhabitable; and
- b. For a **residence premises** that is rented out, the amount of rent shown on a signed lease agreement, less any expenses that do not continue, while the **residence premises** is uninhabitable.

\$20,000 is the most we will pay regardless of the number of locations insured, or the number of claims. We will not make any additional payments for ensuing **fungi** or bacteria under any other part of this policy.

7. Fire Department Service Charge

We will pay the charges imposed by law or assumed in writing for fire department charges. This coverage applies when the fire department is called to save or protect a **residence premises** listed on your Declarations. Your **deductible** does not apply to this coverage.

8. Food Spoilage

We will cover food that is contained or stored in a refrigerator or freezer at your **residence premises** which spoils due to:

- a. Changes or extremes in temperature caused by an interruption of the power supply; or
- b. Caused by the mechanical or electrical breakdown of refrigeration equipment.

Food Spoilage does not include any loss to wine. These payments do not increase your coverage amount.

9. Incidental Business Property

We will pay up to \$25,000 for a covered loss to property owned or leased by you and

used for an **incidental business** conducted at a **residence premises** listed on your Declarations.

10. Land

We will pay up to 10% of the amount of a covered loss to your **dwelling** or **other structures** for the required stabilization, excavation, or replacement of land under or around your **dwelling** or **other structures**.

11. Landscaping

We will pay for loss or damage to **landscaping** caused by:

- a. fire or lightning;
- b. explosion;
- c. riot or civil commotion;
- d. **aircraft**;
- e. vehicles not owned or operated by a person who lives at the **residence premises**;
- f. vandalism or malicious mischief; or
- g. theft.

We will pay up to the greater of 5% of the coverage limit for **dwellings** or **contents** shown on your Declarations for the **residence premises** at which the covered loss occurs. The most we will pay for any one tree, shrub or plant is \$5,000.

This additional coverage is only applicable if you begin to repair or replace the damaged **landscaping** within one hundred eighty (180) days of the date of loss.

12. Lock Replacement

If the keys to the **residence premises** listed on your Declarations are lost or stolen, we will pay for the cost to replace the locks to that **residence premises**. Your **deductible** does not apply to this coverage.

13. Loss by Domestic Animals

We will pay for loss to your **dwelling, other structures**, and **contents** caused by domestic animals.

14. Loss to a Pair or Set or Parts

For a covered loss to a pair or set, we will pay the lesser of:

- a. The cost to replace any part to restore the pair or set to its value before the loss;
- b. The cost to repair any part to restore the pair or set to its value before the loss; or
- c. The difference between the market value of the pair or set before and after the loss.

However, if you agree to give us the remaining article(s) of the pair or set we will pay the full replacement cost of the entire pair or set.

These payments do not increase your coverage amount.

15. Mine Subsidence

We will pay for direct physical loss to your **dwelling** and **other structures** caused by mine subsidence. Mine subsidence means the lateral or vertical movement of a man-made underground mine or mine-related excavations.

16. Precautionary Repairs

We will pay up to \$5,000 for reasonable expenses incurred by you for the necessary measures taken to protect covered property that is damaged by a covered peril, from further damage.

These payments do not increase your coverage amount.

17. Property Removal

We will pay the reasonable expenses you incur to move **contents** from a **residence premises** to protect the **contents** from damage from a covered loss.

18. Property of Domestic Staff and Guests

We cover the personal property of your domestic staff and your guests located at

the **residence premises** listed on your Declarations. These payments do not increase your coverage amount.

19. Rebuilding to Code

We will pay the necessary cost for you to comply with any law or ordinance requiring or regulating the:

- a. Construction;
- b. Demolition;
- c. Remodeling;
- d. Renovation; or
- e. Repair;

of a covered property damaged by a covered loss, including removal of any resulting debris.

This coverage only applies if you choose to repair, rebuild or replace your **dwelling, other structure**, or improvements and betterments at the loss location.

20. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery, and Counterfeit Money

We will pay up to \$10,000 for:

- a. The legal obligation of an **insured** to pay because of the theft or unauthorized use of credit cards issued to or registered in an **insured's** name;
- b. Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an **insured's** name;
- c. Theft of any unrecovered money from an **insured's** personal account held with a financial institution resulting from unauthorized electronic access and use of the account by someone other than an **insured**;
- d. Loss to an **insured** caused by forgery or alteration of any check or negotiable instrument; and

- e. Loss to an **insured** through acceptance in good faith any counterfeit 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.

We may investigate and settle any claim or suit. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability. If a suit is brought against an **insured** for liability for **20.a.** and **20.b.** above, we will provide a defense at our expense by counsel of our choice. We have the option to defend at our expense an **insured** or an **insured's** bank against any suit for the enforcement of payment under **20.d.** above.

Our limit of liability for this coverage will be reduced by any amount of money recovered or reimbursed by the financial institution with which the account, credit card or access device is held

A **deductible** does not apply to this coverage.

21. Identity Fraud Expense Coverage

- a. If you are a victim of "identity fraud" we will, with your consent, appoint and pay the full cost of, an identity fraud restoration specialist to restore your credit record and identity. Provided that we select the identity fraud restoration specialist we will pay the full cost of the specialist. If you choose a different method of restoring your credit record and identity, we will pay your "identity fraud expenses" up to a maximum of \$25,000, for each individual identity fraud perpetrated. No **deductible** applies to this coverage.

"Identity Fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an **insured**. This must be done with the intent to commit, or to aid or abet another to commit, an unlawful activity

that constitutes a violation of federal law or a crime under any applicable state or local law.

- b. "Identity Fraud Expense" means:

- (1) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (2) Costs for sending certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (3) Lost wages as a result of time off from work to meet with law enforcement agencies, credit agencies, merchants or legal counsel or to complete fraud affidavits, up to \$500 per week for a maximum of 2 weeks;
- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
- (5) Reasonable attorney fees incurred with our prior consent, as a result of "identity fraud" to:
 - i. Defend lawsuits brought against an **insured** by merchants, financial institutions, or their collection agencies;
 - ii. Remove any criminal or civil judgments wrongly entered against an **insured**; and
 - iii. Challenge the accuracy or completeness of any information in an **insured's** consumer credit report.

- (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors or credit agencies to report or discuss an actual “identity fraud”.

This coverage does not apply to losses covered under Credit Card, Electronic Fund Transfer Card or Access Device, Forgery, and Counterfeit Money. This coverage does not apply where an **insured** or someone acting at the direction of an **insured** commits a fraudulent, dishonest or criminal act, whether acting alone or in concert with others.

22. Loss Mitigation Measures

In the event of a covered loss, for which we pay \$10,000 or more, we will also pay for the reasonable costs you incur up to \$2,500 for the installation of an approved loss mitigation measure or loss prevention device to protect your **residence premises** against a subsequent and similar loss in the future.

Examples of approved loss prevention devices include, but are not limited to, fire alarm systems, fire suppression systems, security systems, sump pumps, automatic water shut-off devices, lightning suppression systems and back-up power systems.

These payments do not increase your coverage amount.

23. Environmentally Friendly Upgrades

In the event of a covered loss that exceeds your **deductible** we will pay up to \$50,000 for additional costs incurred to use approved environmentally friendly materials, fixtures, appliances or methods in the necessary rebuilding, repairing or replacing of your **dwelling, other structures** or **contents**.

Examples of approved environmentally friendly materials, fixtures, appliances and

methods include, but are not limited to, appliances and lighting, heating and cooling systems that meet Energy Star or equivalent levels of efficiency and building materials that are sustainably produced, responsibly harvested or composed of recycled content.

These payments do not increase your coverage amount.

24. Tree Removal

Unless covered elsewhere under this policy, we will pay up to a total of \$1,500 for each occurrence to remove trees fallen due to wind, hail, sleet or the weight of ice or snow when the tree does not damage your **residence premises**.

25. Pet Injury

We will pay up to \$5,000 for each occurrence for any necessary **medical expenses** to domestic animals owned by, or in the care, custody and control of an **insured** that arises due to a covered loss. Your **deductible** does not apply to this coverage.

D. Exclusions

The following exclusions apply to **Section II – PROPERTY COVERAGE**.

1. We do not cover any loss to:

- a. **Aircraft** or its parts, whether or not attached to the **aircraft**.
- b. **Dwellings** or **other structures** that are scheduled for demolition, deconstruction or destruction. However, we will pay the cost of debris removal. A building is considered scheduled for demolition, deconstruction or destruction if a contract has been entered into, whether written or verbal, or plans have been drawn up to demolish the building within the next one hundred eighty (180) days.

- c. Property that is owned by or used for any **business**, except **incidental business** property as defined in **C. Additional Coverages**.
- d. Motorized land vehicle, other than a **recreational motor vehicle**.
- e. Property of roomers, boarders, or other tenants. This exclusion does not apply to property of roomers or boarders related to an **insured**.
- f. Fish, birds or other animals.

This exclusion does not apply to the extent coverage is provided under **SECTION II – PROPERTY COVERAGE, C. Additional Coverages, 25. Pet Injury**.

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

- a. **Governmental Action**

Governmental action means the destruction, confiscation or seizure by order of any government or public authority. This exclusion does not apply to such acts ordered by any governmental or public authority that are taken to prevent the spread of fire.

- b. **Earth Movement**

Earth movement means:

- (1) Earthquake, including land shock waves or tremors, before, during or after a volcanic eruption;
- (2) Landslides;
- (3) Mudflows;
- (4) Mudslides; and

- (5) the sinking, rising, or shifting of land.

However, we do insure ensuing covered loss due to theft, fire, glass breakage or explosion unless another exclusion applies.

This Exclusion only applies to your **dwelling** and **other structures**.

- c. **Intentional Loss**

Intentional loss means any loss arising out of any act an **insured** commits or conspires to commit with the intent to cause a loss. This exclusion only applies to an **insured** who commits or conspires to commit an act with the intent to cause a loss.

- d. **Nuclear Hazard**

Nuclear hazard means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. However, we do cover ensuing covered loss due to fire resulting from a nuclear hazard unless another exclusion applies.

- e. **Flood or Surface Water**

Flood or surface water means:

- (1) **Flood;**
- (2) Surface water, water accumulated outside of a building or structure, including but not limited to standing or ponding water, waves, including tidal wave and tsunami, tides, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; including storm surge;
- (3) Run-off of water from any surface; or
- (4) Water-borne material carried or otherwise moved by any of the water referred to in e.(1). to e.(3) of this Exclusion.

f. Ground Water

Ground water means:

- (1) Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a floor, wall, building, sidewalk, driveway, patio, foundation, swimming pool or structure; or
- (2) Waterborne material carried or otherwise moved by any of the water referred to in f.(1) of this Exclusion.

This Exclusion does not apply to the extent coverage is provided in **C. Additional Coverages, 2. Back Up of Sewers and Drains.**

g. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the **residence premises**. But if the failure results in a loss, from a peril covered under this Policy on the **residence premises**, we will pay for the loss caused by that peril.

h. Neglect

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

i. War

War includes the following and any consequence(s) of any 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, seizure or use for a military purpose.

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

3. We do not insure for loss to covered property caused by any of the following. However, any ensuing loss to covered property not precluded by any other provision in this Policy is covered.

a. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

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

b. Presence, growth, proliferation, spread or any activity of **fungi**, wet or dry rot, or bacteria. This includes the cost to test for, monitor, clean up, move, remediate, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of **fungi**, wet or dry rot, or bacteria.

This exclusion does not apply to:

- (1) Coverage provided under **SECTION II – PROPERTY COVERAGE, C. Additional Coverages, 6. Ensuing Fungi or Bacteria**; or
- (2) **Fungi** or bacteria resulting from fire or lightning unless another exclusion applies.

c. Loss caused by:

- (1) wear and tear, marring, deterioration;
- (2) warping, rust or, other corrosion;
- (3) wet or dry rot;
- (4) mechanical breakdown;

- (5) latent defect;
 - (6) inherent vice; or
 - (7) any quality in property that causes it to damage or destroy itself.
- d. Birds, vermin, bats, rodents or insects.
- e. Pollution:
- Pollution means the:
- (1) Discharge;
 - (2) Dispersal;
 - (3) Seepage
 - (4) Migration;
 - (5) Release; or
 - (6) Escape
- of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- f. Renovating, refinishing or repairing any kind of **contents**. This exclusion does not apply to jewelry, watches, and furs.
- g. Settling, shrinking, bulging or expansion, including resultant cracking, of the following:
- (1) Bulkheads;
 - (2) Pavements, patios;
 - (3) Footings, foundations; or
 - (4) Walls, floors, roofs or ceilings.
- h. Stranding, swamping or sinking of a **watercraft** or its trailer, or outboard motor. We also do not cover any loss caused by collision of a **watercraft** other than collision with a land vehicle unless another exclusion applies.
- i. Extremes of temperature, dampness, humidity or dryness of atmosphere, or water vapor to your **dwelling, other structures** or **contents**. This exclusion does not apply to:
- (1) Loss caused directly by rain, sleet, snow or hail; or
 - (2) Coverage provided under **SECTION II – PROPERTY COVERAGE, C. Additional Coverages, 8. Food Spoilage**.
- j. Loss to specific **other structures** caused by:
- (1) Freezing;
 - (2) Thawing;
 - (3) Pressure or weight of water or ice, whether driven by wind or not.
- This exclusion applies to:
- (1) fences, pavements, patios or tennis courts;
 - (2) swimming pools, hot tubs or septic systems;
 - (3) footings, foundations, bulkheads, retaining walls, or any structure or device that supports all or part of a building, or **other structure**; or
 - (4) piers, wharves, docks or bridges.
- k. Water freezing in plumbing, heating or air conditioning system or household appliance if you have not used reasonable care to maintain proper heat in your residence. This includes closing and draining the water system or appliances if the home is vacant, unoccupied or being constructed.

SECTION III - LIABILITY COVERAGE

A. Personal Liability

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

1. Pay up to the applicable liability coverage limit for **damages** for which an **insured** is legally liable. We will not pay more than the:
 - a. liability coverage limit shown on your Declarations for any single **occurrence** at an **insured location**; or
 - b. highest liability coverage limit shown on the Declarations of any in-force homeowner's policy issued by us where you are a "named insured" for an **occurrence**:
 - (1) away from an **insured location**; or
 - (2) at a residence you own or live in that is not covered by any other liability insurance coverage,regardless of the number of **insureds**, **insured locations**, claims made or persons injured; and
2. Provide a defense at our expense even if the suit is groundless, false or fraudulent. You may choose counsel from a panel of firms that we have selected. We reserve the right to assign counsel if a panel has not been selected in the jurisdiction in which the suit is brought or the claim is made. We may investigate and settle any claim or suit at our discretion. Our duty to settle or defend ends when the liability coverage limit for the **occurrence** has been exhausted by payment of a judgment or settlement. Costs of providing a defense, other than settlement payments, are in addition to the liability coverage limit.

B. Medical Payments to Others

We will pay the amount shown on the Declarations for necessary **medical expenses** that are incurred or medically ascertained within three (3) years from the date of an accident causing **bodily injury**. The amount shown on the Declarations is the most

we will pay per person regardless of the number of **insured locations** or in-force homeowners' policies issued by us. This coverage does not apply to you or a **family member**. This coverage applies only:

1. To a person on the **insured location** with the permission of you or a **family member**; or
2. To a person off the **insured location** if the **bodily injury**:
 - a. Arises out of a condition at the **insured location**, or the ways immediately adjoining the **insured location**;
 - b. Is caused by the activities of an **insured**;
 - c. Is caused by a domestic worker in the course of his or her employment by an **insured**; or
 - d. Is caused by an animal owned by or in the care of an **insured**.

C. Additional Coverages

We cover the following in addition to the liability coverage limit, unless stated otherwise:

1. Claims Expenses

We will pay:

- a. Expenses we incur and court costs taxed against an **insured** in any suit we defend;
- b. Reasonable expenses incurred by an **insured** at our request. This includes actual loss of earnings (but not loss of other income) up to a total of \$10,000, for assisting us in the investigation or defense of a claim or suit;
- c. Premiums on bonds required in a suit we defend. This does not apply to bond amounts more than the liability coverage limit shown on your Declarations. We need not apply for or furnish any bond; and
- d. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court, that part of the judgment which does not exceed the liability coverage limit.

2. Damage to Property of Others

We will pay up to \$10,000 per **occurrence** to repair or replace the property of others damaged by an **insured**. If your **residence premises** is a condominium, cooperative or apartment unit we will pay up to \$25,000 per **occurrence** to repair or replace the property of others damaged by an **insured**.

The applicable limit of liability for this coverage is the most we will pay for any one **occurrence** regardless of the number of claims made or **residence premises** shown on the Declarations.

3. Loss Assessment

We will pay up to \$50,000 for your share of a loss assessment charged against you during the policy period as owner or tenant of the **residence premises** regardless of when the loss to the corporation or association of property owners occurred, when the assessment is made as a result of **personal injury** or **property damage** covered under Section III of this policy. This includes damage resulting from an 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 members of corporation or association of property owners; and
- b. the director, officer, or trustee is not compensated for their duties which are solely on behalf of a corporation or association of property owners.

This coverage only applies when the assessment is charged against you as part of an assessment against multiple members of a property owners or tenant association managing a **residence premises**. Regardless of the number of assessments, the limit of \$50,000 is the most we will pay for loss arising out of:

- a. one accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. a covered act of a director, officer or trustee. An act involving more

than one director, officer or trustee is considered to be a single act.

We will not pay for any assessments charged against you or a corporation or association of property owners by any governmental body.

We will not pay more than \$10,000 for any assessment that results from a **deductible** in your Association's insurance coverage.

These payments do not increase your coverage amount.

Section IV – General Provisions, C. Policy Term does not apply to this Additional Coverage.

4. First Aid

We will pay expenses for first aid to others incurred by an **insured** for **damages** for **bodily injury** covered under this policy. However, we will not pay for first aid to any **insured**.

D. Exclusions

We do not provide coverage for damages, defense costs or any other cost or expense for:

1. Motorized Land Vehicles

Personal injury or **property damage** arising out of the:

- a. ownership;
- b. maintenance;
- c. operation; or
- d. loading or unloading

of any motorized land vehicle. This exclusion does not apply to **recreational motor vehicles** except when they are used for participation in or practice for competitive racing.

2. Aircraft

Personal injury or **property damage** arising out of the:

- a. ownership;
- b. maintenance;

- c. operation;
 - d. use;
 - e. loading;
 - f. unloading; or
 - g. towing
- of any **aircraft**.

3. **Watercraft**

Personal injury or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading, or towing of any **watercraft**:

- a. That is over 26 feet in length or has more than 50 horsepower, other than **watercraft** furnished or rented to an **insured** for less than 30 days;
- b. Used for any **business** or commercial purpose; or
- c. Used for participation in or practice for competitive racing (this does not apply to sailing vessels less than 26 feet in length).

4. **Workers' Compensation or Disability**

Any damages or benefits an **insured** is legally obligated to provide under any:

- a. workers' compensation;
- b. disability benefits;
- c. Jones Act or General Maritime Law;
- d. unemployment compensation;
- e. occupational disease; or
- f. similar law.

5. **Directors Errors or Omissions**

Personal injury or **property damage** arising out of an **insured's** actions, errors or omissions as a director or officer of any corporation or organization. This exclusion does not apply to **personal injury** or **property damage** arising out of an **insured's** activities:

- a. For a Condominium or Cooperative Association; or
- b. For a not for profit corporation or organization.

6. **Property in Your Care**

Property damage to property owned by, or in the custody, care or control of, an **insured**. This exclusion does not apply to **property damage**:

- a. Caused by fire, smoke or explosion; or
- b. To a residence that you rent to live in.

7. **Insured**

Personal injury to you or an **insured** under this policy.

8. **Discrimination**

Personal injury or **property damage** arising out of actual, alleged or threatened discrimination or harassment due to:

- a. Age;
- b. race;
- c. national origin;
- d. color;
- e. sex;
- f. creed;
- g. handicapped status;
- h. sexual preference; or
- i. any other discrimination.

9. **Sexual Molestation, Corporal Punishment or Physical or Mental Abuse**

Personal injury or **property damage** arising out of sexual molestation, corporal punishment or physical or mental abuse.

10. **Communicable Disease**

Personal injury or **property damage** which arises out of the transmission of a communicable disease by an **insured**.

11. **Business**

Personal injury or **property damage** arising out of or in connection with an **insured's**

business property or **business** pursuits. However, this exclusion does not apply to:

Incidental business property or **incidental business** pursuits; or

- a. **Personal injury** or **property damage** arising out of the physical condition of your **residence premises** when **business** or professional activities are legally conducted by any **insured** at that **residence premises** and;
- b. There are no employees conducting **business** activities at your **residence premises** who are subject to workers' compensation or other similar disability laws;
- c. You are not a home day care provider; and
- d. There is no other valid collectible insurance.

12. Professional Services

Personal Injury or **property damage** arising out of the rendering of or failure to render professional services.

13. War

Personal injury or **property damage** caused directly or indirectly by war, including any consequence of any of the following:

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

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

14. Claims Settled Without Our Consent

Any claim settled with a third party without our written consent regardless of the cause of loss, or any related expenses such as:

- a. court costs;
- b. legal expense; or

- c. judgment,

when such settlement prejudices our rights to recovery.

15. Nuclear Hazard

Personal Injury or **property damage** caused directly or indirectly by nuclear hazard. Nuclear hazard means:

- a. any nuclear reaction;
- b. radiation; or
- c. radioactive contamination

all whether controlled or uncontrolled or however caused. We do cover subsequent loss due to fire resulting from a nuclear hazard unless another exclusion applies.

16. Expected or Intended Injury

Personal injury or **property damage** resulting from any criminal, willful, intentional, or malicious act or omission by any **insured** which is intended to result in, or would be expected by a reasonable person to cause **personal injury** or **property damage**. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person than expected or intended. This exclusion does not apply to **bodily injury** if the **insured** acted with reasonable force to protect any person or property.

17. Wrongful Employment Act

Personal injury arising out of wrongful termination of employment.

18. Controlled Substances

Personal injury or **property damage** arising out of the:

- a. Use;
- b. Sale;
- c. Manufacture;
- d. Delivery; or
- e. Transfer or possession

by any person of a controlled substance as defined under federal law.

Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. However, this exclusion does not apply to:

- a. The legitimate use of prescription drugs by a person following the order of a licensed physician; or
- b. The **insured(s)** who have no knowledge of the involvement with a controlled substance(s). An **insured's** knowledge of such involvement must be shown by us by competent evidence of such knowledge.

19. Contract or Agreement

Personal Injury or property damage arising from any contract or agreement entered into by an **insured**. However, this exclusion does not apply to any 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 you prior to an **occurrence**.

20. Premises That Are Not An Insured Location

Personal Injury or property damage committed or occurring on, arising out of, or in connection with premises:

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

SECTION IV - GENERAL PROVISIONS

A. Insurable Interest

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

1. To an **insured** for more than the amount of such **insured's** interest at the time of loss; or

2. For more than the applicable limit of liability.

B. Your Duties After a Loss

In the case of a loss for which coverage may be provided under this Policy, we have no duty to provide coverage under this Policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an **insured** seeking coverage, or a representative of either:

1. Give prompt notice to us or your insurance agent. Except for Precautionary Repairs taken under Additional Coverage **C.16** of **Section II**, there is no coverage for repairs that begin before the earlier of:
 - a. 72 hours after we are notified of the loss;
 - b. The time of loss inspection by us; or
 - c. The time of other approval by us;
2. To the degree reasonably possible, retain the damaged property; and allow us to inspect, subject to this paragraph 2, all damaged property prior to its removal from the **residence premises**;
3. Notify the police in case of loss by theft;
4. Notify the credit card or electronic fund transfer card or access device company in case of loss under Credit Card, Electronic Fund Transfer Card or Access Device, Forgery, and Counterfeit Money coverage;
5. Protect covered property from further damage. The following must be done:
 - a. Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under Additional Coverage **C.16** of **Section II**.

A reasonable emergency measure under 5.a. above may include a permanent repair when necessary to protect the covered

- property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect; and
- b. Keep an accurate record of repair expenses;
6. Cooperate with us in the investigation of a claim, settlement or the defense of any claim or suit;
7. Prepare an inventory of damaged property. Show the quantity, description and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
8. As often as we reasonably require:
- a. Show the damaged property;
- b. Provide us with records and documents we request and permit us to make copies; and
- c. Submit to separate examination under oath;
9. Send to us, within sixty (60) days of our request, your signed, sworn proof of loss. The proof of loss must set forth, to the best of your knowledge and belief:
- a. The time and cause of loss;
- b. The interest of all **insureds** and all others in the property involved and all liens on the property;
- c. Other insurance which may cover the loss;
- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged **contents** described in 7. above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money coverage, stating the amount and cause of loss;
10. Provide us with the names and addresses of any claimants and witnesses;
11. Promptly forward to us every notice, demand, summons or other process relating to the loss.
12. At our request, assist us:
- a. To make settlement;
- b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured**;
- c. With the conduct of suits and attend hearings and trials; and
- d. To secure and give evidence and obtain the attendance of witnesses; and
13. No **insured** shall, except as such **insured's** own cost, voluntarily make payment, assume obligation or expense other than for first aid to others at the time of an loss.
- The duties above apply regardless of whether you, an **insured** seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

C. Policy Term

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

D. Recovered Property

In the event we pay for a covered loss to property and the property is recovered, we will offer you an opportunity to buy it back.

E. Assignment

Assignment of this policy, including any entitlement to benefits thereunder, will not be valid unless we give our written consent.

F. Waiver or Change of Policy Provisions

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

G. Concealment or Fraud

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

- a. Intentionally concealed or misrepresented any material fact or circumstance;
- b. Engaged in fraudulent conduct; or
- c. Made false statements;

relating to this insurance.

H. Conformity to Law

If any part of this policy conflicts with state or local law, this policy is amended to conform to those laws.

I. Bankruptcy

Bankruptcy or insolvency of an **insured** will not relieve us of our duties under this policy.

J. Death of an Insured

In the event of the death of an **insured**, this policy will cover the legal representative of the deceased for the remainder of the Policy Period unless cancelled. We will cover the legal representative of the deceased only with respect to the premises and property of the deceased covered under this policy at the time of death.

K. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms of this policy. The action must be brought against us within five years after the date of loss. You may not bring any action until thirty days after proof of

loss has been filed and the amount of loss has been determined.

L. Mediation or Appraisal

If you and we fail to agree on the amount of loss, either may:

1. Demand mediation of the claim, prior to taking legal action. The request must state:
 - a. Why mediation is being requested; and
 - b. The issues in dispute which are to be mediated.

Only one mediation may be requested for each claim, unless all parties agree to further mediation. A party demanding mediation shall not be entitled to demand or request mediation after a suit is filed relating to the same facts already mediated.

The parties must jointly appoint a mutually acceptable mediator. If the parties are unable to agree upon the appointment of a mediator within seven (7) days after a party has given notice of a demand to mediate the dispute, any party may apply to the JAMS Mediation Service, or such other organization or person agreed to by the parties in writing, for appointment of a mediator.

The mediator will notify the parties of the date, time and place of the mediation conference. This conference will be held within forty-five (45) days of the mediation request. If feasible, the conference may be held by telephone.

The mediation shall be conducted as an informal process and formal rules of evidence and procedure need not be observed. Participants must:

- (1) Have authority to make a binding decision; and
- (2) Mediate in good faith.

If the mediator determines that both parties have mediated in good faith, the costs of

the mediation shall be shared equally by both parties.

2. Demand an appraisal of the loss. In this event, each party will choose a competent impartial appraiser with no financial interest in the outcome of the decision within twenty (20) days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within fifteen (15) days, you or we may request that the choice be made by a judge of a court of record in the state where the **residence premises** is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If, however, we demanded the mediation and either party rejects the mediation results, you are not required to submit to, or participate in, any appraisal of the loss as a precondition to action against us for failure to pay the loss.

M. Other Insurance and Service Agreement

1. If a loss covered under **Section II – PROPERTY COVERAGE** of this policy is also covered by:
 - a. 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. However, this insurance is excess over any amounts payable from

any insurance available from the **National Flood Insurance Program (NFIP)**; or

- b. A service agreement; this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized by insurance; or

We will not pay for any loss for an item of jewelry, watch, or precious stone that is specifically scheduled and insured under another policy.

2. Any coverage under **SECTION III - LIABILITY COVERAGE** will be excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

N. Mortgage Clause

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

3. If we decide to cancel or not renew this policy, we will notify the mortgagee at least thirty (30) days before the date cancellation or non-renewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

O. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a. When you have not paid the premium, we may cancel at any time by letting you know at least ten (10) days before the date cancellation takes effect.
 - b. When this policy has been in effect for less than sixty (60) days and is not a renewal with us, we may cancel for any reason by letting you know at least ten (10) days before the date cancellation takes effect.

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

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

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

- d. When this policy is written for a period of more than one (1) year, we may cancel for any reason at anniversary by letting you know at least thirty (30) days before the date cancellation takes effect.
3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
 4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

P. Nonrenewal

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

Q. No Benefit to Bailee

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

R. Subrogation

1. We may require an assignment of rights of recovery for a loss to the extent that payment is made by us.
2. If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us.

3. Subrogation does not apply to **SECTION III - LIABILITY COVERAGE, B. Medical Payments to Others**, or to **SECTION III - LIABILITY COVERAGE, C. 2. Damage to Property of Others**.

S. Abandonment of Property

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

High Value Home Policy

Special Provisions - Texas

This endorsement changes the policy. Please read it carefully.

SECTION I – DEFINITIONS

The following Definitions are added:

Business Day

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

Hurricane or named storm

Hurricane or named storm means:

1. A storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service; and
2. Wind, wind gusts, hail, rain, tornadoes or cyclones caused by or resulting from a hurricane or named storm.

The duration of a **hurricane or named storm** includes the time period:

- a. Beginning 24 hours before a declared **hurricane or named storm** makes landfall;
- b. While that declared **hurricane or named storm** remains; and
- c. Ending 24 hours after the declared **hurricane** is no longer present;

anywhere in the state of Texas.

Roof Covering

Roof covering means:

- a. Shingles or tiles;
- b. Cladding; and
- c. Metal or synthetic sheeting or similar materials covering the roof.

This includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, including flashing.

SECTION II – PROPERTY COVERAGE

A. A. Perils Insured Against is replaced by the following:

A. Perils Insured Against

We insure against all risks of direct physical loss or damage to your **dwelling, contents** and **other structures** unless an exclusion applies.

B. B. Coverage and Loss Settlement, 1. Dwelling and 2. Other Structures is replaced by the following:

B. Coverage and Loss Settlement

1. Dwelling

- a. For a covered loss caused by a peril other than **hurricane or named storm** we will pay the **reconstruction cost** for your **dwelling** up to 200% of the coverage limit shown for that location on your Declarations. However, the most we will pay is the coverage limit shown for that location on your Declarations:

- (1) If you do not maintain at least the amount of coverage for your **dwelling** as previously agreed to, including any

adjustments we make based on appraisals or revaluations; or

- (2) You do not repair or rebuild your **dwelling** at the same location.

- b. For a covered loss caused by or resulting from **hurricane or named storm** we will pay the **reconstruction cost** for your **dwelling** up to 125% of the coverage limit shown for that location on your Declarations. However, the most we will pay is the coverage limit shown for that location on your Declarations:

- (1) If you do not maintain at least the amount of coverage for your **dwelling** as previously agreed to, including any adjustments we make based on appraisals or revaluations; or
- (2) You do not repair or rebuild your **dwelling** at the same location.

- c. At our option, we will pay no more than the **actual cash value** if actual repair or replacement is not complete. Once actual repair or replacement has started or is complete, we will settle the loss on a **reconstruction cost** basis.

2. Other Structures

- a. For a covered loss we will pay the **reconstruction cost** for your **other structures** up to the coverage limit shown for that location on your Declarations.
- b. At our option, we will pay no more than the **actual cash value**

if actual repair or replacement is not complete. Once actual repair or replacement has started or is complete, we will settle the loss on a **reconstruction cost** basis.

C. B. Coverage and Loss Settlement, is revised by adding the following:

1. Screen Enclosures

The most we will pay for the **reconstruction cost** for your screen enclosures due to a covered loss caused by wind or hail is \$20,000. This sub-limit:

- a. Applies to the screen material, frame, footings and/or anchors; and
- b. Does not increase the applicable coverage limit shown for that location on the Declarations.

2. Loss to Roof Covering Due to Hail

With respect to loss to **roof covering** caused by or resulting from hail, the following replaces any other loss settlement provision in this Policy:

- a. For a covered loss to the **roof covering** of your **dwelling** or **other structures** caused by or resulting from hail, we will pay the lesser of the following:
 - (1) The cost to repair or replace that portion of the **roof covering** damaged with material of like kind and quality and for like use without deduction for depreciation,
 - (2) The percentage of the **reconstruction cost** shown in the Roof Covering Payment Schedule found in the Roof Covering Payment Schedule Endorsement attached to this Policy, based on the age and type of **roof covering** on your **residence premises**; or
 - (3) The limit of liability under this Policy that applies to the building.

- b. For a covered loss to the **roof covering** of your **dwelling** or **other structures**, we will pay any additional amount to repair or replace undamaged property in order to achieve a reasonably uniform appearance. However, we will not pay this additional amount if:
- (1) a reasonably uniform appearance will be achieved over time;
 - (2) the repaired or replaced property or the existing undamaged property can be made to achieve a reasonably uniform appearance;
 - (3) a reasonably uniform appearance was not present at the time of loss;
 - (4) a reasonably uniform appearance has been achieved within the same line of sight; or
 - (5) you do not actually repair or replace the damaged **roof covering**.

This additional benefit does not increase the amount payable under a. above.

D. B. Coverage and Loss Settlement, 5. Deductible is revised by adding the following:

Calendar Year Hurricane or Named Storm Deductible

1. Subject to Paragraph 2. below, the **Hurricane or Named Storm Deductible** shown on your Declarations is a calendar year deductible and applies to all covered **hurricane or named storm** losses:
 - (a) To property covered under **SECTION II – PROPERTY COVERAGE**; and
 - (b) Resulting from one or more **hurricanes or named storms** during the same calendar year.

2. With respect to a covered **hurricane or named storm** loss resulting from the:
 - (a) First **hurricane or named storm** during a calendar year, we will pay only that part of the total of all loss payable under **SECTION II – PROPERTY COVERAGE** that exceeds the **Hurricane or Named Storm Deductible** shown on your Declarations; and
 - (b) Second, and each sub-sequent, **hurricane or named storm** during the same calendar year, we will pay only that part of the total of all loss payable under **SECTION II – PROPERTY COVERAGE** that exceeds the greater of:
 - (i) The remaining dollar amount of the **Hurricane or Named Storm Deductible** shown on your Declarations for that calendar year; or
 - (ii) The **deductible** that applies to all perils other than **hurricanes or named storms**.
3. The **Hurricane or Named Storm Deductible** shown on your Declarations applies to all covered losses caused by, contributed to, or in any way resulting from **hurricanes or named storms** regardless of any other causes or events contributing concurrently or in any sequence to the losses.
4. You must maintain receipts or other records of all covered losses resulting from any **hurricane or named storm**, that are less than the **Hurricane or Named Storm Deductible**, and provide us with such receipts or other records as often as we reasonably require, so that we may consider the amount of such losses when adjusting claims resulting from any subsequent **hurricane or named storm** during the same calendar year.

If more than one **deductible** applies to any one covered loss, we will only apply the highest **deductible**.

E. B. Coverage and Loss Settlement, 5. Deductible, b. Waiver of Deductible is replaced by the following:

b. Waiver of Deductible

For a covered loss caused by a peril other than a **hurricane or named storm** or earthquake that is greater than \$50,000, we will waive the base **deductible**. This waiver of **deductible** only applies if the base **deductible** shown on your Declarations is \$25,000 or less.

This waiver of **deductible** does not apply to any special **deductible** for **hurricane or named storm**, or earthquake. This waiver of **deductible** also does not apply to a special construction **deductible**.

F. The lead-in Paragraph under B. Coverage and Loss Settlement, 7. Loss of Use is replaced by the following:

7. Loss of Use

If a covered loss to your **dwelling** or **contents** makes the **residence premises** not fit to live in, we will cover the following. The most we will pay for any one covered loss is the coverage amount shown on your Declarations.

G. C. Additional Coverages, 19. Rebuilding to Code is replaced by the following:

19. Rebuilding to Code

We will pay the necessary cost for you to comply with any law or ordinance requiring or regulating the:

- a. Construction;
- b. Demolition;

- c. Remodeling;
- d. Renovation; or
- e. Repair;

of a covered property damaged by a covered loss, including removal of any resulting debris.

We will pay up to the coverage limit shown on your Declarations for this additional coverage. This coverage only applies if you choose to repair, rebuild or replace your **dwelling, other structure**, or improvements and betterments at the loss location.

H. C. Additional Coverages, 22. Loss Mitigation Measures is revised by adding the following:

This Additional Coverage **22.** does not apply to loss caused by or resulting from hail.

SECTION IV – GENERAL PROVISIONS

A. M. Suit Against Us is replaced by the following:

M. Suit Against Us

1. Except as provided in Paragraph 2., no suit or action can be brought against us unless there has been full compliance with all of the terms under Section II of this policy. Action must be brought against us within two years and one day after the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
2. With respect to suits brought in connection with claims for loss or damage caused by **windstorm** or hail in the catastrophe area, as defined by the Texas Insurance Code:

No action can be brought against us unless there has been compliance with all of the terms of this policy. The action must be brought before the earlier of the following:

- a. Two years and one day from the date we accept or reject the claim; or
- b. Three years and one day from the date of the loss that is the subject of the claim.

B. N. Mortgage Clause is replaced by the following:

N. Mortgage Clause (Without Contribution)

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

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

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

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

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

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

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

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

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

6. If the property described under Section II., B.1. Dwelling or B.2. Other

Structures is foreclosed upon under the deed of trust, the mortgagee may cancel this policy of insurance and will be entitled to any unearned premium from this policy.

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

7. If we elect not to renew this policy, the mortgagee specifically named on the declarations page will be given 30 days written notice of the nonrenewal.

C. The following provisions are added:

T. Loss Payment

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

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

U. Policy A Liquidated Demand

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

V. Residential Community Property Clause

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

W. Catastrophe Claims

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

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

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

X. Notice of Settlement of Liability Claim

We will notify the **insured** in writing of any initial offer to compromise or settle a claim against the **insured** under Section III of this policy. We will give the **insured** notice within 10 days after the date the offer is made.

We will notify the **insured** in writing of any settlement of a claim against the **insured** under Section III of this policy. We will give the **insured** notice within 30 days after the date of settlement.

Y. Previously damaged property

Any payment that we make for a covered loss to covered property will be reduced by the amount paid by any insurer, including us, for a previous loss to the same covered property if you failed to properly repair or replace the covered property.

This endorsement is issued as part of Policy HS246023001. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Policy Expiration Date, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Communicable Disease Exclusion

This endorsement changes the policy. Please read it carefully.

SECTION I - DEFINITIONS

The following Definition is added:

Communicable Disease

Communicable disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

SECTION II – PROPERTY COVERAGE

D. Exclusions is revised by adding the following:

Communicable Disease

This insurance does not cover any loss or damage to property, cost or expense due to any loss of use of property or any other cost or expense based upon, arising out of, resulting from, in any way involving, related to (whether directly or indirectly), or in any way associated with any actual, alleged, threatened, perceived, or suspected direct or indirect transmission of, contact with, exposure to, or impact from any **communicable disease**, including but not limited to any actual, alleged, or perceived fear or threat of any such transmission, contact, exposure, or impact.

SECTION III – LIABILITY COVERAGE

E. Exclusions, 10. Communicable Disease is deleted and replaced by the following:

10. Communicable Disease

This insurance does not cover any claim or suit for **damages**, defense costs or any other cost or expense based upon, arising out of, resulting from, in any way involving, related to (whether directly or indirectly), or in any way associated with any actual, alleged, threatened, perceived, or suspected direct or indirect transmission of, contact with, exposure to, or impact from any **communicable disease**, including but not limited to any actual, alleged, or perceived fear or threat of any such transmission, contact, exposure, or impact.

Communicable Disease Exclusion

Page 2

This Exclusion applies even if the claim or suit against any **insured** allege negligence or other wrongdoing in the:

- a. Supervision, hiring, employing, training or monitoring of others that may be infected with and spread a **communicable disease**;
- b. Testing for a **communicable disease**;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

This endorsement is issued as part of Policy HS246023001. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Policy Expiration Date, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS

ACCREDITED SPECIALTY INSURANCE COMPANY

REGULATORY OFFICE
4798 New Broad Street, Suite 200
Orlando, FL 32814
PHONE: (407) 629-2131

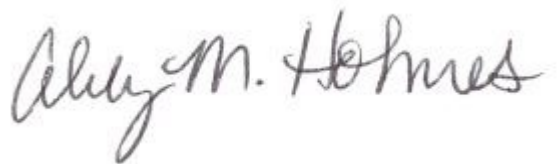
It is hereby agreed and understood that the following Witness Clause supersedes all other Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



William Spiegel
President & CEO



Abby Holmes
Secretary



Special Water Damage Deductible Notice

IT IS AGREED AND UNDERSTOOD WITH RESPECT TO THE FOLLOWING LOCATION

4501 S IH 35 Frontage Rd
Austin, TX 78744

THIS POLICY INCLUDES A WATER DAMAGE AND/OR WATER INTRUSION DAMAGE
DEDUCTIBLE.

PLEASE REFER TO YOUR POLICY AND REVIEW ALL PROVISIONS RELATED TO THE
APPLICATION OF THE WATER DAMAGE AND/OR WATER INTRUSION DAMAGE
DEDUCTIBLE.

SHOULD YOU HAVE ANY FURTHER QUESTIONS PLEASE CONTACT YOUR AGENT.

Valuable Articles Coverage

This endorsement changes the policy. Please read it carefully.

It is agreed and understood the Policy is revised as follows:

SUMMARY OF COVERAGE

CLASS OF VALUABLE ARTICLE	COVERAGE LIMIT	
Worldwide Jewelry		
Scheduled Coverage	\$10,500	
Blanket Coverage	\$10,500	Blanket Coverage Single Article Limit \$10,000

DEDUCTIBLES

Hurricane or Named Storm	N/A - AOP Ded Applies	of the total value of the valuable articles insured, excluding Jewelry and Bank Vaulted Jewelry.
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SCHEDULED ITEMS

ITEM #	SCHEDULED ITEMS DESCRIPTION/TITLE	COVERAGE AMOUNT	APPRAISAL DATE
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1	Worldwide Jewelry WWJ Description	\$10,500	
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SECTION I – DEFINITIONS

- A. The Definition of **contents** is revised by adding the following:

Contents does not include any item scheduled this Endorsement.

- B. The following Definitions are added:

Diminution in Value

Diminution in value means the difference between the **market value** of an item or items immediately before a covered loss and the **market value** of the item or items after restoration.

Market Value

Market value means the dollar amount for which an item could reasonably be replaced by an item of like kind and quality in a reasonable period of time.

Valuable Article(s)

Valuable articles means your personal property for which an amount of coverage is shown on the Schedule of this Endorsement.

SECTION II – PROPERTY COVERAGE

- A. **C. Additional Coverages** is revised by adding the following:

Valuable Articles

- a. Perils Insured Against

We insure for direct and accidental loss of or damage to **valuable articles** anywhere in the world unless an exclusion applies. **Valuable articles** may be subject to a **deductible** as shown on this Endorsement.

- b. Newly Acquired **Valuable Articles**

We will cover property that is newly acquired, consigned or entrusted to an **insured** during the policy period.

For coverage to apply:

1. The newly acquired property must be a class of **valuable articles** for which a coverage limit is shown on the Summary of Coverage above;
2. You must request coverage for this property within ninety (90) days of acquisition or possession; and
3. You must pay the additional premium from the date of acquisition or possession.

This coverage does not increase the total limit of liability for the class of **valuable articles** for which the newly acquired property qualifies for. We reserve the right to decline your request to insure newly acquired property. This coverage does not apply to property under the “miscellaneous” class of **valuable articles**.

- c. Scheduled **Valuable Articles** - Loss Settlement

1. Total Loss

For a covered loss to a **valuable article** that is totally destroyed or lost, we will pay the greater of:

- a. The Coverage Amount for that **valuable article**; or
- b. The **market value** of the **valuable article**.

2. Partial Loss

For a covered partial loss to a **valuable article**, we will pay the lesser of:

- a. The cost to restore the **valuable article** to its condition just before the loss and any **diminution in value**; or

- b. The **market value** of the **valuable article**.

The most we will pay for any one **valuable article** is 150% of the Coverage Amount shown for that item, but not more than the Total Coverage Limit for the class to which the **valuable article** belongs. The most we will pay for any one loss to **valuable articles** of a specific class is the Total Coverage Limit for that class. We reserve the right to declare any loss a total loss.

- d. Blanket Coverage - Loss Settlement

For a covered loss to a **valuable article** covered under Blanket Coverage, we will pay the lesser of:

1. The cost to restore the **valuable article** to its condition just before the loss and any **diminution in value**;
2. The **market value** of the **valuable article**; or
3. The single article limit for that class of **valuable articles** as shown on the Summary of Coverage in this Endorsement.

- e. Pair or Set

For a covered loss to an item that is part of a pair or set, you may choose to:

1. Restore the item to its condition immediately prior to the loss. We will pay the cost to replace or restore any part of the item to its condition just before the loss and any **diminution in value** of the pair or set;
2. Receive the **diminution in value** of the pair or set; or
3. Surrender the undamaged items of the pair or set to us, in which case we will pay you the **market value** of the pair or set immediately prior to the loss.

The most we will pay for any one **valuable article** scheduled on this Endorsement is 150% of the scheduled value, but not more than the coverage limit for the class to which the **valuable article** belongs. The most we will pay for any one loss to a pair or set under blanket coverage is the single article limit for that class of **valuable articles** as shown on your Declarations.

- B. With respect to **valuable articles** covered under this Endorsement, **B. Coverage and Loss Settlement, 5. Deductible** is replaced by the following:

5. Deductible

Hurricane or Named Storm

The Hurricane or Named Deductible listed on this Endorsement is the amount you will pay for a covered loss caused by, contributed to, or in any way resulting from a **hurricane or named storm**. The Hurricane or Named Deductible does not apply to losses to **valuable articles** that are considered Jewelry or Bank Vaulted Jewelry.

- C. With respect to **valuable articles** covered under this Endorsement, **D. Exclusions** is deleted and replaced by the following:

1. Bank Vaulted Jewelry

We do not cover any loss to jewelry insured as "Bank Vaulted" while these items are out of a bank vault, unless we receive notice in advance of the removal and we agree in writing to provide coverage.

2. Confiscation

We do not cover any loss or damage resulting from confiscation, nationalization, requisition or destruction

of property by or under the order of any government, public or local authority.

3. Electrical or Mechanical Breakdown

We do not cover any loss caused by electrical or mechanical breakdown. This exclusion does not apply to loss to wine caused by temperature extremes or changes resulting from the failure of a climate control system.

4. Gradual or Sudden Loss

We do not cover any loss or damage to **valuable articles** due to

- a. Wear and tear, gradual deterioration;
- b. Inherent vice and latent defect;
- c. Smog, rust or other corrosion;
- d. Mold, wet or dry rot; or
- e. Birds, vermin, rodents or insects.

5. Hurricane or Named Storm losses to Outdoor Fine Art and **Collectibles**

We do not cover any loss to **fine art** and **collectibles** that are installed or exhibited outdoors when the loss is caused by, contributed to, or in any way resulting from a **hurricane or named storm**.

6. Intentional Loss

We do not cover intentional loss. This exclusion does not apply, with respect to loss to covered property caused by fire, to an **insured** who does not commit or conspire to commit any act that results in loss by fire. We cover such **insured** only to the extent of that **insured's** legal interest, but not exceeding the applicable limit of liability.

We may apply reasonable standards of proof to claims for such loss.

7. Misappropriation

We do not cover any loss caused by the taking or other misappropriation of a

valuable article(s) from you or a **family member** by you or a **family member**.

8. Nuclear Hazards

We do not cover any loss caused by or resulting from nuclear reaction, radiation or radioactive contamination, whether controlled, uncontrolled or however caused, or any consequence of any of these.

9. Chemical Hazards

We do not cover any loss caused by chemical, biological bio-chemical or electromagnetic contamination, whether controlled or uncontrolled or however caused.

10. Shipments by Mail

We do not cover any loss caused during shipment by mail including regular first class mail unless we agree in advance in writing. This exclusion does not apply to shipments with a value of \$10,000 or less.

11. Specific Class Exclusions

a. Stamps

We do not cover any loss to stamps and **collectibles** due to folding, pleating, fading, thinning, color transfer, scratching, dampness or extreme temperature changes.

b. **Collectibles**

We do not cover any loss to **collectibles** caused during their use other than as a collectible.

c. **Fine Art, Collectibles, Stamps and Coins**

We do not cover any loss or damage to **fine arts**, stamps, coins or **collectibles** resulting from reparation, restoration, or retouching, unless we approve in writing.

12. War Acts

We do not cover any loss caused by war, undeclared war, civil war, insurrection, rebellion or revolution, warlike acts by a military force or military personal or destruction or seizure of property for a military purpose. Discharge of a nuclear weapon, even if accidental, is deemed a warlike act.

If a specific item that is lost or damaged and is covered under both the your High Value Value Home Policy and this Endorsement, you may choose the coverage part under which the covered loss is paid from. Coverage under your High Value Value Home Policy and this Endorsement can not be combined to increase the payment that would be made under either coverage parts separately.

SECTION IV – GENERAL PROVISIONS

M. Other Insurance and Service Agreement is revised by adding the following:

This endorsement is issued as part of Policy HS246023001. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Policy Expiration Date, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Hail Deductible

This endorsement changes the policy. Please read it carefully.

It is agreed and understood with respect to the following location:

4501 S IH 35 Frontage Rd
Austin, TX 78744

SECTION II – PROPERTY COVERAGE

B. Coverage and Loss Settlement, 5. Deductible is revised by adding the following:

Hail Deductible

In the event of direct physical loss to property covered under this policy caused directly or indirectly by hail, the Hail Deductible listed on your Declarations is the amount of the covered loss that you will pay. The Hail Deductible applies regardless of any other cause or event contributing concurrently or in any sequence.

The Waiver of Deductible Provision in this Policy does not apply to this Hail Deductible.

This endorsement is issued as part of Policy HS246023001. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Policy Expiration Date, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Cosmetic Marring Exclusion for Roof Covering

This endorsement changes the policy. Please read it carefully.

It is agreed and understood with respect to the following location:

4501 S IH 35 Frontage Rd
Austin, TX 78744

SECTION I – DEFENITIONS

The following Definition is added:

Cosmetic Marring

Cosmetic marring means any disfigurement, blemish, discoloration, weathering or stretching, or the like, that only alters the physical appearance of property. **Cosmetic marring** includes but is not limited to scratching, chipping, cracking, denting, creasing, gouging, fading, blistering, nicking, oxidizing, scoring, scraping or scuffing of the property, whether occurring immediately or over time. **Cosmetic marring** does not include distinct and demonstrable, actual physical injury to or destruction of property, which injury or destruction causes actual functional impairment of the property.

SECTION II – PROPERTY COVERAGE

D. Exclusions is revised by adding the following:

Cosmetic Marring

We do not cover **cosmetic marring** caused by or resulting from hail to any **roof covering**.

This endorsement is issued as part of Policy HS246023001. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Policy Expiration Date, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Roof Covering Payment Schedule Endorsement

This endorsement changes the policy. Please read it carefully.

All provisions and conditions of this policy apply unless they are altered by this endorsement.

It is agreed and understood with respect to the following location:

4501 S IH 35 Frontage Rd
Austin, TX 78744

SECTION II – PROPERTY COVERAGE

The following is added to this section:

Age of Roof: 15

Roof Covering Material: Wood Shake

The applicable percentage in this chart will apply to all **roof covering** components and installation including the applicable overhead, profit, labor, taxes and fees associated with replacement of the **roof covering(s)**.

Roof Covering Payment Schedule							
Age Of Roof* (In Years)	Type Of Roof Surfacing Material						Asphalt Shingle And Others
	Composition Shingle	Built Up/Roll	Tile	Shake/Wood Shingle	Metal	Slate	
0 - 4	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5	91.7%	91.7%	95.0%	93.8%	96.7%	96.7%	91.7%
6	90.0%	90.0%	94.0%	92.5%	96.0%	96.0%	90.0%
7	88.3%	88.3%	93.0%	91.3%	95.3%	95.3%	88.3%
8	86.7%	86.7%	92.0%	90.0%	94.7%	94.7%	86.7%
9	85.0%	85.0%	91.0%	88.8%	94.0%	94.0%	85.0%
10	83.3%	83.3%	90.0%	87.5%	93.3%	93.3%	83.3%
11	81.7%	81.7%	89.0%	86.3%	92.7%	92.7%	81.7%
12	80.0%	80.0%	88.0%	85.0%	92.0%	92.0%	80.0%
13	78.3%	78.3%	87.0%	83.8%	91.3%	91.3%	78.3%
14	76.7%	76.7%	86.0%	82.5%	90.7%	90.7%	76.7%
15	75.0%	75.0%	85.0%	81.3%	90.0%	90.0%	75.0%
16	73.3%	73.3%	84.0%	80.0%	89.3%	89.3%	73.3%
17	71.7%	71.7%	83.0%	78.8%	88.7%	88.7%	71.7%
18	70.0%	70.0%	82.0%	77.5%	88.0%	88.0%	70.0%
19	68.3%	68.3%	81.0%	76.3%	87.3%	87.3%	68.3%
20	66.7%	66.7%	80.0%	75.0%	86.7%	86.7%	66.7%

Roof Covering Payment Schedule (Cont'd)							
Age Of Roof* (In Years)	Type Of Roof Surfacing Material						
	Composition Shingle	Built Up/Roll	Tile	Shake/Wood Shingle	Metal	Slate	Asphalt Shingle And Others
21	65.0%	65.0%	79.0%	73.8%	86.0%	86.0%	65.0%
22	63.3%	63.3%	78.0%	72.5%	85.3%	85.3%	63.3%
23	61.7%	61.7%	77.0%	71.3%	84.7%	84.7%	61.7%
24	60.0%	60.0%	76.0%	70.0%	84.0%	84.0%	60.0%
25	58.3%	58.3%	75.0%	68.8%	83.3%	83.3%	58.3%
26	56.7%	56.7%	74.0%	67.5%	82.7%	82.7%	56.7%
27	55.0%	55.0%	73.0%	66.3%	82.0%	82.0%	55.0%
28	53.3%	53.3%	72.0%	65.0%	81.3%	81.3%	53.3%
29	51.7%	51.7%	71.0%	63.8%	80.7%	80.7%	51.7%
30 or older	50.0%	50.0%	70.0%	62.5%	80.0%	80.0%	50.0%
* The Age of Roof is determined by subtracting the Year of Installation, as indicated in the Schedule, from the year of the current policy period effective date.							

This endorsement is issued as part of Policy HS246023001. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Policy Expiration Date, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

All other provisions of this policy apply.

Water Intrusion Damage Deductible

This endorsement changes the policy. Please read it carefully.

All provisions and conditions of the policy apply unless they are altered by this endorsement.

It is agreed and understood with respect to the following location:

4501 S IH 35 Frontage Rd
Austin, TX 78744

Section II – PROPERTY COVERAGE, 5. Deductible is amended by adding the following:

5. Deductible

Water Intrusion Damage Deductible

A special **deductible**, which is the greater of your base All Other Peril Deductible or \$25,000, will apply to each covered loss caused by, contributed by, or in any way resulting from the intrusion of water due to:

- a. Rain, sleet, or snow, whether driven by wind or not;
- b. Pressure or weight of water or ice, whether driven by wind or not; or
- c. Water vapor;

through the building envelope of the **dwelling** or any **other structure**. The building envelope includes but is not limited to:

- a. the building envelope;
- b. a roof or any roof components;
- c. chimneys;
- d. vents; or
- e. skylights.

This special **deductible** applies regardless of any other cause or event contributing concurrently or in any sequence to the loss. This special **deductible** applies whether or not the loss event results in widespread damage or affects a substantial area.

The Waiver of **Deductible** Provision described in b. of this Section does not apply to this Water Intrusion Damage **deductible**.

This endorsement is issued as part of Policy HS246023001. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the

Policy Expiration Date, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.