



High Value Homeowners Policy

Declarations

Your Agent

MULTI STATE AGENCY
454 Agent ave
Suite 124
New York, NY 10031
774-348-1099
28472300

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.

NAME & ADDRESS OF INSURED

Kevin Venturi
3493 Molokai Road
West Sacramento, CA 95691

Policy Number	HO119268900
Policy Period	12/11/2023 To 12/11/2024 at 12:01 AM Standard Time
Issuing Company	Privilege Underwriters Reciprocal Exchange 800 Corporate Drive, Suite 420 Fort Lauderdale, FL 33334 888-813-7873

LIABILITY COVERAGE	COVERAGE LIMIT
Personal Liability	\$300,000
Medical Payments to Others	\$25,000

INSURED LOCATION	TYPE OF INSURED LOCATION
3493 Molokai Road West Sacramento, CA 95691	Homeowner

COVERAGE	COVERAGE LIMIT
Dwelling	\$2,000,000
Other Structures	\$400,000
Contents	\$1,000,000
Loss of Use	400,000
Location Premium	\$9,211

DEDUCTIBLE	
All Other Peril	\$5,000 per covered loss

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FORMS & ENDORSEMENTS

The following forms and endorsements are attached for the location.

NAME	FORM NUMBER	EDITION DATE
Home Owners Declarations Page	PHVH-DEC-CA-001	05/01/2019
OFAC Notice	PURE-DSC-GEN-001	08/01/2015
Consumer Services Notice - California	PURE-DSC-CA-001	08/01/2019
California Residential Property Insurance Bill of Rights and Claim Reporting Disclosure	PHVH-DSC-CA-003	12/01/2019
High Value Homeowners Policy	PHVH-PCF-CA-001	04/01/2021
Fraud and Cyber Defense Coverage	PHVH-END-GEN-029	03/01/2021
Designated Additional Person Notice - CA	PHVH-END-CA-001	07/01/2016
Basic Earthquake Extension for Dwellings - California	PHVH-020-CA	06/01/2013
Extended Replacement Cost Coverage - California	PHVH-END-CA-007	04/01/2019
Fire and Lightning Extension for Landscaping	PHVH-END-GEN-025	07/01/2016
Workers Compensation Residence Employees - California	PHVH-063-CA	06/01/2013
California Earthquake Coverage Discount Notice	PHVH-RETRO-CA	06/01/2013
Privacy Notice	PURE-038-GEN	03/01/2014
Important Notice Regarding Flood Insurance	PHVH-043-GEN	03/01/2008

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CREDITS & SURCHARGES

Major Renovation Surcharge	No
Year Built	1995
Vacancy Surcharge	No
Central Reporting Burglar Alarm Credit	Yes
Central Reporting Fire Alarm Credit	Yes
Guard Gated Community Credit	No
External Perimeter Security Protection Credit	No
Gas Leak Detector Credit	No
Lightning Protection System Credit	No
Residential Sprinkler System Credit	No
Full Time Live-in Caretaker Credit	No
24 Hour Signal Continuity Protection Credit	No
Year Renovated	
Sprinkler System with Water Flow Alarm Credit	No
External Perimeter Gate Credit	No
Low Temperature Monitoring Device Credit	No
Permanently Installed Generator Credit	No
Water Leak Detection System with Master Shut Off	None
Automatic Seismic Shut-Off Valve Credit	No
Gated Community Patrol Service Credit	No
Exterior Sprinkler Credit	No
Ember Resistant Venting Credit	No
Protection Class	1
No Eaves or Enclosed Eaves Credit	No
Annual Brush Removal Contract Credit	No
Permanently Installed Wildfire Spray System Credit	No
Portable Fire Break System Credit	No
Monitored Heat Sensors Credit	No
Shelter-in-Place Credit	No
Jewelry and Art Companion Credit	No
Auto Companion Credit	No
Excess Companion Credit	No
PURE Marketing Group Credit	N/A
Construction Type	Brick
LEED® Certified Home Credit	No
Flood Zone	PRP - B/C/X
Seasonal Surcharge	No
Rented to Others Surcharge	No
Minor Renovation Surcharge	No

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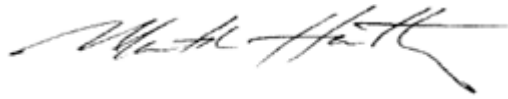
Workers Compensation Schedule of Employees				
Class	Description	No. of Employee	Rate per Employee	Premium
0910	Less than full time classification	1	\$100	\$100
0912	Full time Outside Residence Employee working 10 or more hours per week	0	\$286	\$0
0913	Full time Inside Residence Employee working 20 or more hours per week	0	\$464	\$0

Total Premium \$9,211

Surplus Contribution \$921

Grand Total \$10,132

YOU WILL BE BILLED SEPARATELY FOR ANY PREMIUM DUE.



Authorized Company Representative



U.S Treasury Department's Office of Foreign Assets Control ("OFAC")

Advisory Notice to Policyholders

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- **Foreign agents;**
- **Front organizations;**
- **Terrorists;**
- **Terrorist organizations; and**
- **Narcotics traffickers;**

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

Consumer Services Notice - California

Your policy has been issued by:

Privilege Underwriters Reciprocal Exchange (PURE)
800 Corporate Dr., Suite 420
Fort Lauderdale, FL 33334

If you are having problems, you can contact PURE at the following address and telephone number:

Privilege Underwriters Reciprocal Exchange (PURE)
44 South Broadway, Suite 301
White Plains, NY 10601
888.813.7873

YOU CAN CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING ADDRESS, TOLL-FREE TELEPHONE NUMBER OR INTERNET WEB SITE IF A SATISFACTORY RESOLUTION TO YOUR PROBLEM CANNOT BE OBTAINED FROM YOUR INSURANCE AGENT OR PURE:

THE DEPARTMENT OF INSURANCE
CONSUMER SERVICES
300 SOUTH SPRING STREET
LOS ANGELES, CA 90013
1-800-927-HELP
<http://www.insurance.ca.gov/01-consumers/>



California Residential Property Insurance Bill of Rights and Claim Reporting Disclosure Notice

CALIFORNIA RESIDENTIAL PROPERTY BILL OF RIGHTS

The largest single investment most consumers make is their home and related property. In order to best protect these assets, it is wise for consumers to understand the residential property insurance market. Consumers should consider the following:

Read your policy carefully and understand the coverage and limits provided. Residential property insurance policies contain sublimits for various coverages such as personal property, debris removal, additional living expense, detached fences, garages, etc.

Keep accurate records of renovations and improvements to the structure of your home, as it could affect your need to increase your coverage.

Maintaining a list of all personal property, pictures and video equipment may help in the case of a loss. The list should be stored away from your home.

Comparison shop for insurance, as not all policies are the same and coverage and prices vary.

Take time to determine the cost to rebuild or replace your property in today's market. You can seek an independent evaluation of this cost.

An agent or insurance company may help you establish policy limits that are adequate to rebuild your home.

Once the policy is in force, contact your agent or insurance company immediately if you believe your policy limits may be inadequate.

A consumer is entitled to receive information regarding residential property insurance. The following is a limited overview of information that your insurance company can provide:

- The California Residential Property Insurance Disclosure.
- An explanation of how your policy limits were established.
- The insurance company's customer service telephone number for underwriting, rating and claims inquiries.
- A written explanation for any cancellation or nonrenewal of your policy.
- A copy of the insurance policy.
- In the event of a claim, an itemized, written scope of loss report prepared by the insurer or its adjuster within a reasonable time period.
- In the event of a claim, notification of a consumer's rights with respect to the appraisal process for resolving claims disputes.
- In the event of a claim, a copy of the Unfair Practices Act and, if requested, a copy of the Fair Claims Practices Regulations.
- An offer of coverage and premium quote for earthquake coverage, if eligible.

A consumer is also entitled to select a licensed contractor or vendor to repair, replace or rebuild damaged property covered by the insurance policy.

The information provided herein is not all inclusive and does not negate or preempt existing California law. If you have any concerns or questions, contact your agent, broker, insurance company, or the California Department of Insurance consumer information line at 1-800-927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

CLAIMS REPORTING DISCLOSURE

THIS INSURER REPORTS CLAIM INFORMATION TO ONE (OR MORE) CLAIMS INFORMATION DATABASE(S). THE CLAIM INFORMATION IS USED TO FURNISH LOSS HISTORY REPORTS TO INSURERS. IF YOU ARE INTERESTED IN OBTAINING A REPORT FROM A CLAIMS INFORMATION DATABASE, YOU MAY DO SO BY CONTACTING:

LexisNexis Consumer Disclosure Center
1-800-456-6004
www.consumerdisclosure.com



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Your High Value Homeowners Policy - Quick Reference

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This policy is issued by Privilege Underwriters Reciprocal Exchange (PURE), a reciprocal insurance company. By purchasing this policy, you are a Subscriber to PURE. You are subject to the Subscriber's Agreement and Power of Attorney. This is a non-assessable policy consistent with section 629.261, Florida Statutes. The liability of the Subscriber to PURE is limited to the costs associated with the insurance policies only. This is a participating policy and you are entitled to dividends as may be declared by PURE. PURE may annually allocate a portion of surplus to subscriber savings accounts. Amounts allocated to subscriber savings accounts remain a part of PURE's surplus. They may be used to support the operations of PURE. Your right to the balance in the subscriber savings account is limited as set forth in the Subscriber's Agreement.

Insuring Agreement

PURE 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 or domestic partner registered under State law, 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.

Abrupt Collapse

Abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

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 bodily harm, sickness or disease, including required care, loss of services, death, shock, emotional distress or mental injury that results.

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. **Business** does not include **incidental business**.

Contents

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

- a. Personal property you or a **family member** owns or possesses;
- 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.

Deductible

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

Dwelling

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

Earthquake

Earthquake means the shaking or trembling of the earth that is volcanic or tectonic in origin. **Earthquake** includes land shock waves or tremors before, during or after a volcanic eruption. One or more **earthquake** shocks that occur within a 72- hour period shall be considered one **earthquake**. Losses resulting from **earthquake** outside each 72- hour period shall be adjusted as separate losses and separate **deductibles** will apply. **Earthquake** does not mean the sinking, rising, shifting, expanding or contracting of earth, whether combined with water or not.

Family Member

Family Member means a person that is a resident of your household and is related to you by blood, marriage, domestic partnership registered under State law, or adoption. **Family member** also includes other persons under the age of 25 who lives in your household and is in your care or the care of another **family member**. **Family member** also includes other persons under the age of 25 who is a resident of your household and is in your care or the care of another **family member**.

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.

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**. **Fungi** also includes wet or dry rot.

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 including but not limited to 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:
 - a) Does not yield gross revenues in excess of \$10,000 in any year;
 - b) Has no employees subject to any workers' compensation, disability benefits, unemployment compensation or other similar laws;
 - c) Conform to local, state, and federal laws; and
 - d) Does not involve employment of others for more than 1,250 hours of farm work during the Policy Period.

Insured

Insured means you and:

- a. Your **family members**;
- b. A Trust that is established for the ownership of the **residence premises** including any natural person named as executor, administrator or trustee of that Trust, but only:
 1. If recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction;

2. With respect to **Section II – Property Coverage**, for property covered under this policy;
 3. With respect to **Section III – Liability Coverage**, for **damages** due to an **occurrence** at the **residence premises**; and
 4. While acting within the scope of their duties as executor, administrator or trustee of your Trust; and
- c. With respect to **Section III Liability Coverage**, 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.

Landscaping

Landscaping means trees, shrubs, lawns or other plants on the grounds of your **residence premises**. **Landscaping** does not include any type of native naturally-occurring vegetation, including but not limited to forests, brush, woodlands, grasslands or wetlands. **Landscaping** also does not include any artificial lawn or turf.

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 some other 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.

Offense

Offense means one or more of the following:

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

Other Structures

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

Personal Injury

Personal injury means injury or death resulting from **bodily injury** or an **offense**.

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 with equivalent construction at the same location with materials and workmanship of like kind and quality and for like use. **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 that is not subject to motor vehicle registration or operator licensing used as a means of travel about your **residence premises**, 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 employee

Residence employee means:

- a. An employee of an **insured**, or an employee leased to an **insured** by a labor leasing firm, under an agreement between an **insured** and the labor leasing firm, whose duties are related to the maintenance or use of the **residence premises**, including household or domestic services; or
- b. One who performs similar duties elsewhere not related to the **business** of an **insured**.

A **residence employee** does not include a temporary employee who is furnished to an **insured** to substitute for a permanent **residence employee** on leave or to meet seasonal or short-term workload conditions.

Residence Premises

Residence Premises means any **dwelling, other structures** and grounds or any condominium unit, cooperative unit, or apartment unit 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 or a boat propelled solely by human power 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

- a. For a covered loss we will pay the **reconstruction cost** for your **dwelling** up to the coverage limit shown for that location on your Declarations.
- b. However, if the **dwelling** coverage limit shown for that location on your Declarations is not enough pay the full **reconstruction cost**, we will pay any necessary additional cost up to an additional 100% of the coverage limit shown for that location on your Declarations. We will only pay this additional amount if you:
 - (1) Maintain at least the amount of coverage for your **dwelling** as previously agreed to, including any adjustments we make based on appraisals or revaluations; and

(2) Begin to repair or rebuild your **dwelling** within two (2) years from the date of loss.

If a total loss has occurred and:

- (1) The **dwelling** is rebuilt at a new premises; or
- (2) You purchase an existing **dwelling** at a new premises;

we will pay this increased costs if you would have incurred them had you repaired, rebuilt or replaced the **dwelling** at the original premises.

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. However, if the **other structures** coverage limit shown for that location on your Declarations is not enough pay the full **reconstruction cost**, we will pay any necessary additional cost up to an additional 100% of the coverage limit shown for that location on your Declarations. We will only pay this additional amount if:
 - (1) The **other structures** coverage limit shown for that location on your Declarations is at least 20% of the coverage limit for your **dwelling**;
 - (2) You 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; and
 - (3) You begin to repair or rebuild your **other structures** within two (2) years from the date of loss.

If a total loss has occurred and:

- (1) The **other structures** are rebuilt at a new premises; or
- (2) You purchase existing **other structures** at a new premises;

we will pay this increased costs if you would have incurred them had you repaired, rebuilt or replaced the **other structures** at the original premises.

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 **reconstruction cost** less depreciation, but not to exceed the coverage limit shown on your Declarations. We will pay this amount whether or not you actually repair or rebuild. You must still maintain at least the amount of coverage for your **dwelling** and **other structures** as previously agreed to, including any adjustments we make based on appraisals or revaluations. 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.

This is the most we will pay for any one covered loss regardless of the number of residences involved or number of claims made. We will not make any additional payments for **contents** under any other part of this policy.

However, if this residence has been acquired within the last sixty (60) days before 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

Unless otherwise noted in this policy, the 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. If more than one **deductible** applies to a covered loss, we will only apply the highest **deductible**.

a. Waiver of Deductible

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

This waiver of **deductible** does not apply to:

1. Any special **deductible** separately listed on your Declarations. This includes a special deductible for earthquake; and
2. The **Construction Deductible**.

b. 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** which is the greater of your base **deductible** or 5% of **dwelling** coverage will apply to each covered loss in lieu of a base **deductible**. This special **deductible** applies to your **dwelling**, **other structures**, **contents**, and additional coverages. The dollar amount of this special **deductible** is based on the **dwelling** coverage limit shown on your Declarations for that location at the time of the loss. This special **deductible** does not eliminate any other special **deductibles** that may apply. If we otherwise give our prior written consent, the special construction **deductible** will not apply.

6. Special Coverage Limits 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.

If your **residence premises** is a:

Dwelling, this special limit is increased to \$50,000 if your Declarations show a limit for **contents** coverage that is 50% or more of the coverage for your **dwelling**. However, the most we will pay for any one article is \$25,000.

Condominium unit, cooperative unit, or apartment unit, this special limit is \$50,000 if your Declarations show a limit for **contents** that is at least \$1,000,000. However, the most we will pay for any one article is \$25,000.

The special limits described under f. do not apply if the items are stored in a bank vault or bank safe deposit box.

- 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. Breakage of fragile articles, including but not limited to crystal, porcelains, china, figurines, statues, sculptures, mirrors, wine bottles, glassware and other similar articles. Fragile articles do not include jewelry, watches, cameras and photographic lenses - \$50,000.

This sub-limit j. does not apply if the loss is caused by:

- (1) Fire or lightning;
- (2) Smoke from any source other than agricultural smudging or industrial operations;
- (3) Theft, attempted theft, vandalism or malicious mischief;
- (4) Motor vehicles or aircraft;
- (5) Rain, snow, sleet, wind or hail;
- (6) Riot or civil commotion; or
- (7) Sudden and accidental loss of water or steam from a plumbing system, heating system, air conditioning system, fire protective sprinkler system or household appliance.

7. Loss of Use

Additional Living Expenses

If a covered loss to your **dwelling** or **contents** makes the **residence premises** not fit to live in for you or any of your **family members**, we cover the following, up to the amount shown on the Declarations for that location for Loss of Use Coverage:

- a. 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
- b. 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.

No **deductible** applies to this coverage.

Fair Rental Value

If a covered loss to your **dwelling** or **contents** makes the **residence premises** not fit to live, we will pay up to the amount shown on the Declarations for that location for Loss of Use Coverage, the amount of rent shown on a signed lease agreement less any expenses that do not continue while the **residence premises** is not fit to live in.

Payment will be for the shortest reasonable time required to restore your **residence premises** to a habitable condition. This time period is not limited by the expiration of this policy.

No **deductible** applies to this coverage.

Civil Authority

If a civil authority:

- a. Forces you or any of your **family members** to evacuate your **residence premises due to a reasonable threat of a loss covered under this policy**; or
- b. Prohibits you or any of your **family members** from use of your **residence premises as a direct result of a covered peril**,

we cover 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.

No **deductible** applies to this coverage.

8. 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.

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

- a. 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. The assessment must be made as a result of direct physical loss or damage to property owned by all members collectively, caused by a peril that would have been covered under this Policy.

The limit of \$50,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one **deductible**, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. 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

We will pay up to the coverage limits shown on your Declarations for physical loss or damage to property caused by:

- a. Water which backs up through sewers or drains on your **residence premises**.
A sewer or drain is a pipe physically connected to the **residence premises** plumbing system, gutters or downspouts, or other drainage pipe located on the **residence premises** used to drain water and waste away from the **residence premises**; or
- b. Water which overflows from a sump pump pit if such overflow results from the mechanical breakdown of the sump pump. This additional coverage is intended to cover damage caused by water that overflows the sump pit due to the mechanical breakdown of the sump pump, but not damage caused by surface or groundwater before it enters the sump pump pit. This coverage does not apply to direct physical loss or damage of the sump pump or related equipment, which is caused by mechanical breakdown.

Provided, however, if there is evidence of flood, surface water (whether temporary or not), ground water, waves, tidal water or overflow of a body of water on the **residence premises** other than through the backing up of sewers or drains located on the **residence premises** or from overflow of a sump pump pit, physical loss or damage to property is excluded regardless of any other cause, peril or event contributing concurrently or in any sequence to the loss.

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 \$5,000 for expenses you incur to replace your personal data stored on a personal computer or portable computing device lost as a result of a covered loss.

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 unit, cooperative unit or apartment unit, 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. Business Property

We will pay up to \$10,000 for a covered loss to property owned or leased by you and used for a **business** conducted at a **residence premises** listed on your Declarations.

This coverage shall be excess over any other collectible insurance providing coverage for the property.

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

If the loss or damage is to the **landscaping** only, 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.

This Additional Coverage **14.** only applies to **contents**. 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. Temporary Precautionary Repairs

We will pay the reasonable expenses incurred by you for the necessary temporary measures taken to protect covered property that is damaged by a covered peril, from the risk of immediate damage. This coverage ends when the peril causing the direct physical loss to the covered property ends.

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 construction, demolition, remodeling, renovation, replacement or repair of the:

- a. Damaged portion of the structure made necessary due to a covered loss, including removal of any resulting debris;
- b. Undamaged portion of the structure necessary to complete the repair, replacement or removal of the portion of the structure damaged by a covered loss; and
- c. Undamaged portion of the structure, because the entire structure must be completely demolished due to a covered loss.

This coverage does not apply:

- a. If you choose not to repair, rebuild or replace your **dwelling, other structure**, or improvements and betterments at the loss location; or
- b. To any cost for you to comply with any law or ordinance that you were required to comply with before the loss and you failed to comply with.

However, if a total loss has occurred and:

- a. The **dwelling or other structure** is rebuilt at a new premises; or
- b. You purchase an existing **dwelling or other structure** at a new premises;

we will pay this increased costs if you would have incurred them had you repaired, rebuilt or replaced the **dwelling or other structure** at the original premises.

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. Loss to an **insured** caused by forgery or alteration of any check or negotiable instrument; and
- d. 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.c.** above.

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 that is not subject to a special **deductible**, 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 the damaged portions of your **dwelling, other structures** or improvements and betterments.

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

26. Collapse

- a. We insure for direct physical loss to your **dwelling** or **other structures** involving **abrupt collapse** if such collapse was caused by one or more of the following:
 1. A peril covered under this Policy;
 2. Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an **insured** prior to collapse;
 3. Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an **insured** prior to collapse;
 4. Weight of contents, equipment, animals or people;
 5. Weight of rain which collects on a roof; or

6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- b. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under a.2. through 6. above, unless the loss is a direct result of the collapse of a building or any part of a building.
- c. This Additional Coverage – Collapse does not apply to:
 1. A building or any part of a building that is in danger of falling down or caving in;
 2. A part of a building that is standing, even if it has separated from another part of the building; or
 3. A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. This Additional Coverage – Collapse does not increase the limit of liability that applies to the damaged covered property.

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 property that is owned by or used for any **incidental business**.
 - 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**;
 - (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, explosion or water damage from a ruptured sprinkler system from within a structure unless another exclusion applies.

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.

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

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 tsunamis, 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**.

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.

j. **Dishonest Acts**

Dishonest or criminal acts by you or a **family member**, or by a person directed by you or a **family member**.

k. Water freezing in plumbing, heating, air conditioning, automatic fire sprinkler system or household appliance unless you have used reasonable care to:

- (1) maintain proper heat in your residence; or
- (2) close and drain the water system or appliances if the home is **vacant**, unoccupied or being constructed.

However, if the residence is equipped with a automatic fire sprinkler system, you must use reasonable care to continue the water supply and maintain proper heat in the residence for coverage to apply.

l. Extremes of temperature, dampness, humidity 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 **C. Additional Coverages, 8. Food Spoilage**.

3. We do not insure for loss to covered property caused by any of the following. However, we do insure ensuing covered loss to covered property unless another exclusion applies:

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 or bacteria;
- (4) mechanical breakdown;
- (5) latent defect;
- (6) inherent vice; or
- (7) any quality in property that causes it to damage or destroy itself.

d. 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.

e. Renovating, refinishing or repairing any kind of **contents**. This exclusion does not apply to jewelry, watches, and furs.

f. 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.

g. 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.

h. Weather conditions. However, this exclusion only applies if the weather condition contributed in any way with a cause or event excluded in **2.** above to produce the loss.

i. 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 including their components, 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.

j. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all **insureds** and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

k. Birds, vermin, rodents or insects.

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 liability coverage limit shown on your Declarations for damages for which an **insured** is legally liable. We will not pay more than the liability coverage limit shown on your Declarations for any single **occurrence** regardless of the number of **insureds**, claims made or persons injured. Damages include prejudgment interest awarded against an **insured**; 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 up to 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 **residence premises** shown on the Declarations 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 a **residence premises** with the permission of you or a **family member**; or
2. To a person off the **residence premises** if the **bodily injury**:
 - a. Arises out of a condition at a **residence premises**, or the ways immediately adjoining a **residence premises**;
 - 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. Damage to Property of Others

We will pay up to:

1. \$10,000 per **occurrence** if your **residence premises** is a home; or
2. \$25,000 per **occurrence** if your **residence premises** is a condominium, cooperative or apartment

To repair or replace the property of others that have been damaged due to or resulting from:

1. The acts or omissions;
2. Property owned; or
3. An incident that originated or emanated from the **residence premises**, regardless of fault, by you or a **family member**.

We will not pay under this coverage for **property damage**:

1. That is payable under **Section II** or **A. Personal Liability** of this Section;
2. Caused intentionally by an **insured** who is 13 years of age or older; or
3. To property owned by or rented to a tenant of an **insured** or a resident in your household.

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.

D. 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. 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** not excluded 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.

E. 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, for which the insured receives no compensation other than the reimbursement of expenses.

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 Acts, Molestation or Abuse

Personal injury or property damage arising directly or indirectly out of actual, alleged or threatened:

- a. Sexual contact or activity;
- b. Sexual molestation;
- c. Sexual harassment;
- d. Corporal punishment;
- e. Physical or mental abuse; or
- f. Sexual misconduct.

This exclusion applies:

- a. Regardless if the above acts were accidental, intentional or negligent;
- b. Regardless if the **insured** believed the claimant consented to the acts; or
- c. To claims of defamation, libel or slander related to statements admitting, denying, responding to, or otherwise addressing any alleged acts in 9.a. to 9.f. above whether such statements are verbal or in a written or electronic format.

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 the first **occurrence**.

20. Assessments

Any assessment charged against an **insured** as a member of an association, corporation or community of property owners.

This Exclusion does not apply to the extent coverage is provided under **D. Additional Coverages, 2. Loss Assessments**.

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 **insureds** interest at the time of loss; or

2. For more than the applicable limit of liability.

B. Your Duties After a Loss

In the event of a loss for which coverage may be provided under this policy, you or an **insured** or someone acting for an **insured** must:

1. Give prompt notice to us, any of our agents in this state or your agent. Any written notice given by any claimant to us or any of our agents in this state, containing particulars sufficient to identify the **insured**, will be deemed notice to us;
2. Notify the police in case of loss by theft;
3. 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;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim, settlement or the defense of any claim or suit;
6. 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;
7. 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;
8. 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 6. 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;
9. Provide us with the names and addresses of any claimants and witnesses;
10. Promptly forward to us every notice, demand, summons or other process relating to the loss.
11. 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
12. 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.

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

1. With respect to loss caused by fire, we do not provide coverage to the **insured** who 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.
2. With respect to loss caused by a peril other than fire, we provide coverage to no **insureds** under this policy, if, whether before or after a loss, an **insured** 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. Liberalization Clause

If a change is made which broadens coverage under this edition of our policy without any premium charge, the change will automatically apply to your policy as of the date we made the change in your state.

J. Bankruptcy

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

K. 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.

L. Suit Against Us

With respects to Section **II** of this policy, no action can be brought against us unless there has been full compliance with all of the terms under Section **II** and the action is started within twenty four (24) months after the date of loss.

With respects to Section **III** of this policy:

1. No action can be brought against us unless there has been full compliance with all of the terms under this Section **III**;
2. No one will have the right to join us as a party to any action against an **insured**; and

3. Also, no action with respect to coverage provided under Paragraph **A.** can be brought against us until the obligation of such **insured** has been determined by final judgment or agreement signed by us.

M. Appraisal

If you and we fail to agree on the amount of loss, then either party may make a written request for an appraisal. However, both parties must agree to the appraisal. If the other party agrees in writing to participate in appraisal, then appraisal shall proceed pursuant to the written agreement of the parties.

N. Inspection

1. We reserve the right to inspect the **residence premises** and other property insured under this policy as often as we reasonably require in order to:
 - a. verify and update the current value of the property;
 - b. provide reports to you regarding the conditions we find; and
 - c. make recommendations and/or requirements
2. You agree and have the responsibility to:
 - a. allow the inspections; and
 - b. agree to our requirements

O. 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.

P. 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:
 - a. Cancel for a reason other than for non-payment of premium; or
 - b. Not renew,this policy, we will notify the mortgagee at least thirty (30) days before the date cancellation or non-renewal takes effect.

If we decide to cancel this policy for non-payment of premium, we will notify the mortgagee at least twenty (20) days before the date cancellation 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.

Q. 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. If a state of emergency under California Law is declared and the **dwelling** or **other structure** is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not cancel this Policy for one year, beginning from the date the state of emergency is declared, solely because the **dwelling** or **other structure** is located in an area in which a wildfire has occurred.
However, we may cancel:
 - a. When you have not paid the premium, at any time by letting you know at least 10 days before the date cancellation takes effect.
 - b. If willful or grossly negligent acts or omissions by the named **insured**, or his or her representatives, are discovered that materially increase any of the risks insured against.
 - (1) When this Policy has been in effect for less than 60 days and is not a renewal with us, we will notify you at least 20 days before the date cancellation takes effect.
 - (2) When this Policy has been in effect for more than 60 days, we will notify you at least 30 days before the date cancellation takes effect.
 - c. If there are physical changes in the property insured against, beyond the catastrophe damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.
 - (1) When this Policy has been in effect for less than 60 days and is not a renewal with us, we will notify you at least 20 days before the date cancellation takes effect.
 - (2) When this Policy has been in effect for more than 60 days, we will notify you at least 30 days before the date cancellation takes effect.
3. In all other cases, we may cancel 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 or the person designated to receive notice of cancellation at the 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 60 days and is not a renewal with us, we may cancel for any reason, except as provided below, by letting you know at least 20 days before the date cancellation takes effect.
We may not cancel this Policy solely because:
 - (1) You accepted an offer of earthquake coverage;
 - (2) Corrosive soil conditions exist on the residence premises; or
 - (3) You cancelled or did not renew an earthquake policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.
However, we may cancel this policy if you have accepted a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.
However, in the event of a total loss to the **residence premises**, we will not cancel while any structure at that location is being rebuilt except for the reasons stated in Paragraphs 2.a. and 2.c. of this Condition **P. Cancellation**.
 - c. When this Policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may only cancel if there has been:
 - (1) Conviction of a crime having as one of its necessary elements an act increasing the hazard insured against; or
 - (2) Discovery of fraud or material misrepresentation by:

- (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy; or
 - (3) Discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
 - (4) Physical changes in the property insured against which result in the property becoming uninsurable.
- However, we may not cancel this Policy solely because:
- (a) Physical changes occur due to a total loss; or
 - (b) Corrosive soil conditions exist on the **residence premises**; or
- (5) Acceptance of a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

This can be done by notifying you at least 30 days before the date cancellation takes effect.

- d. When this Policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 45 days before the date cancellation takes effect.
4. When this Policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata. However, the return premium may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this Policy.
5. If, when we cancel this Policy, the return premium is not refunded with the notice of cancellation, we will refund it within 25 business days after we send the cancellation notice to you. If, when you cancel this Policy, the return premium is not refunded when this Policy is returned to us, we will refund it within 25 business days of the date when we receive your notice of cancellation.

R. Nonrenewal

1. We may elect not to renew this Policy, subject to the provisions of 2. below. We may do so by delivering to you, at your mailing address shown in the Declarations, written notice at least 75 days before the expiration date of this Policy. Proof of mailing will be sufficient proof of notice.

If we fail to give you notice of nonrenewal at least 75 days prior to the policy expiration, as required in the paragraph above, this Policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to you. A notice to this effect shall be provided by us to you with the notice of nonrenewal.

2. We will not refuse to renew this Policy:
 - a. Solely because you accepted an offer of earthquake coverage.
However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew this Policy after you have accepted an offer of earthquake coverage if one or more of the following reasons apply:
 - (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
 - (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or
 - (3) We have:
 - (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
 - (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; andthe Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.
 - b. Solely because you cancelled or did not renew an earthquake policy, issued by the CEA, that included an earthquake policy premium surcharge;
 - c. Solely because corrosive soil conditions exist on the **residence premises**; or
 - d. Solely on the grounds that a claim is pending under the Policy unless such claim is made under coverage for loss caused by an earthquake.

3. If this Policy is written for a period of less than one year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.
4. If a state of emergency under California Law is declared and the dwelling or other structure is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this Policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may nonrenew:

- a. If willful or grossly negligent acts or omissions by the named **insured**, or his or her representatives, are discovered that materially increase any of the risks insured against;
- b. If losses unrelated to the post-disaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or
- c. If there are physical changes in the property insured against, beyond the catastrophe damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

S. 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.

T. Subrogation

1. All rights of recovery against any person or entity for the **insured's** damages are automatically transferred to us from the **insured** upon our payment to the **insured** under any coverage of this policy to the extent of our payment without need to obtain a written assignment or transfer of rights from the **insured**.
2. The **insured** must do nothing after loss to impair our recovery rights. Upon our request, the **insured** must sign and deliver all papers and cooperate with us in the prosecution of our subrogation claim.
3. Subrogation does not apply to **SECTION III - LIABILITY COVERAGE, B. Medical Payments to Others**, or to **SECTION III - LIABILITY COVERAGE, C. Damage to Property of Others**.

U. Abandonment of Property

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

V. Loss Payment

With respects to Section **II** of this policy, we will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

Privilege Underwriters Reciprocal Exchange

In witness whereof, we have caused this policy to be executed and attested, and if required by state law this policy shall not be valid unless countersigned by our authorized representative.



Attorney-in-fact



Fraud and Cyber Defense Coverage

This endorsement changes the policy. Please read it carefully.

This endorsement amends **your** High Value Homeowners Policy (“the Policy”) to add Fraud and Cyber Defense Coverage, subject to its own terms, definitions, exclusions, limits and conditions, as set forth herein. The Limits of Insurance shown in the Fraud and Cyber Defense Coverage Schedule (“the Schedule”) are separate from, and in addition to, the coverage limit under the Policy. All amounts paid under this endorsement will reduce and may completely exhaust the Limits of Insurance shown in the Schedule.

SCHEDULE

1.	Coverage Part A. - First Party Loss Limits of Insurance (event discovered and reported coverage)	
	Data Recovery and System Restoration	\$100,000
	Cyber Extortion	\$100,000
	Fraud and Cyber Crime	\$100,000
	Breach Notification Costs	\$100,000
2.	Coverage Part A. Aggregate Limit	\$100,000
3.	Coverage Part A. Deductible	\$500 each Insured Event
4.	Coverage Part B. – Privacy and Security Claims Limit of Insurance (claims-made and reported coverage)	\$100,000
5.	Coverage Part B. Deductible	\$500 each Privacy and Security Claim
6.	Combined Aggregate Limit of Insurance	\$100,000
7.	Endorsement Effective Date	12/11/2023 at 12:01 AM Standard Time

SECTION I - DEFINITION

Solely with respect to the coverage provided by this endorsement, the terms that appear in bold are defined as follows. If a term is defined below and in SECTION I – DEFINITIONS of the Policy, the definitions below will apply only to this endorsement and will not otherwise amend, delete or alter SECTION I – DEFINITIONS of the Policy.

1. **Attorney** means any person who is duly licensed to practice law at the time and place the legal services are rendered. **Attorney** does not include any **insured**.
2. **Breach Notification Costs** means:

Fraud and Cyber Defense Coverage

Page 2

- a. reasonable and necessary fees and costs of an **attorney** hired by an **insured** to determine the scope, cause and extent of an actual or suspected **privacy breach** or **security breach**; to determine whether an **insured** has a legal obligation to provide notification of an actual or suspected **privacy breach** or **security breach** to affected individuals; and/or to assist an **insured** in notifying affected individuals of a **privacy breach** or **security breach**;
 - b. reasonable and necessary fees and costs of a professional IT forensic investigation firm or IT security expert hired by an **insured** to investigate and identify the source and scope of a **privacy breach** or **security breach**;
 - c. reasonable and necessary printing costs and mailing and postage expenses to notify affected individuals of a **privacy breach** or **security breach**; and
 - d. reasonable and necessary expenses to provide support activity to individuals affected by a **privacy breach** or **security breach**, including the cost to provide a maximum of twenty-four (24) months of credit, identity or healthcare record monitoring services, fraud alert services, and credit or identity repair and restoration services.
3. **Business** means any employment, trade, occupation, profession or enterprise intended to realize a benefit or financial gain, whether engaged in on a full-time, part-time, occasional or temporary basis.
4. **Business Identity Theft** means the theft or unauthorized, unlawful or fraudulent use, access or transfer of a means of identifying a **business**, with the intent to commit, or aid or abet another to commit, a crime, including the theft or fraudulent use of a **business** name, federal or state tax identification number, or other **business** records or information to establish corporate credit accounts, secure loans or enter into contracts.
5. **Computing Device** means a desktop, laptop or tablet computer or wi-fi router or other internet access point. Such device must be owned or leased by an **insured** and operated under an **insured's** control.
6. **Connected Home Device** means any electronic device, other than a **computing device**, that connects to the internet or to other electronic devices. This includes, but is not limited to, networked versions of any of the following:
 - a. smart phones;
 - b. thermostats;
 - c. entertainment systems;
 - d. appliances;

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- e. smoke, fire and home security monitoring systems; or
- f. cameras.

Such device must be owned or leased by an **insured** and operated under an **insured's** control.

7. **Credit Card Fraud** means the loss, theft or unauthorized and fraudulent use of an **insured's** credit, debit or bank card or card number by a **third party**. **Credit Card Fraud** does not include the use of any **insured's** credit, debit or bank card or card number by another **insured** without permission.
8. **Criminal Proceedings** means any governmental action, indictment or investigation for the enforcement of criminal laws, including offenses for which conviction could result in imprisonment and/or criminal fine(s).
9. **Cyber Attack** means any of the following malicious or unauthorized electronic attacks that is initiated by a **third party**, directed at or enacted upon a **computing device** or **connected home device**, and designed to damage, destroy, corrupt, overload or impair the functionality of the **computing device** or **connected home device**:
 - a. unauthorized access or use, meaning the gaining of access to a **computing device** or **connected home device** by an unauthorized **third party**, including any such unauthorized access or use resulting from the theft of a password from an **insured** or from a **computing device** or **connected home device**; or
 - b. a malware attack, meaning damage to a **computing device**, **connected home device** or an **insured's** data arising from a **virus**.
10. **Cyber Bullying** means harassment or intimidation, including embarrassment, humiliation, defamation of character, slander, invasion of privacy or threats of violence, committed using a computer, telephone, mobile device or other electronic device. **Cyber Bullying** methods include, but are not limited to, the use of texting, instant messaging, chat rooms, photos and other content posted on social networking sites to harass and intimidate.
11. **Cyber Crime Event** means:
 - a. **wire transfer fraud**;
 - b. a **phishing attack** directed at an **insured**, which fraudulently induces the **insured** to willingly transfer, pay or deliver **money**, **securities** or cryptocurrency to an unintended party through a traceable means of delivery, including, but not limited to, check, wire

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transfer or credit or debit card payment; however, cash is not a traceable method of delivery;

- c. the theft of **money** or **securities** from an **insured bank account** or an **insured's** credit card as a result of a **cyber attack**; or
- d. the theft of cryptocurrency from an **insured's** cryptocurrency wallet as a result of a **cyber attack**.

12. Cyber Extortion Event means any of the following directed at or enacted upon a **computing device** or **connected home device**:

- a. a demand for money or other consideration made by a **third party** based on a credible threat to damage, disable, deny access to or disseminate content from a **computing device** or **connected home device** or an **insured's** data; or
- b. a demand for money or other consideration made by a **third party** based on an offer to restore access or functionality in connection with an attack on a **computing device**, **connected home device** or an **insured's** data.

13. Cyber Extortion Expenses means reasonable and necessary costs and expenses, other than **cyber extortion payments**, that directly result from a **cyber extortion event**, including the cost of a professional IT firm hired by an **insured** to determine the validity and severity of a **cyber extortion event** and/or provide advice regarding how best to respond to a **cyber extortion event**.

14. Cyber Extortion Payments means any payment as directed by the **cyber extortion event**, but only when that payment is:

- a. incurred as a direct result of a **cyber extortion event** directed against an **insured**; and
- b. approved in advance by **us**. However, **we** will pay **cyber extortion payments** that we did not approve in advance if **we** determine that:
 - (1) it was not practical for the **insured** to obtain **our** prior approval; and
 - (2) if consulted at the time **we** would have approved the payment.

15. Damages means a monetary judgment, award or settlement that an **insured** is legally obligated to pay because of a **privacy and security claim**. **Damages** does not include punitive, liquidated, exemplary or multiplied damages; fines, penalties, taxes or sanctions; the costs to comply with any judgment, award, court order or settlement; liability assumed under a contract; any amount an **insured** is not financially or legally obligated to pay; or any amounts deemed uninsurable under applicable law.

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- 16. Data Recovery Costs** means the costs of a professional IT firm hired by an **insured** to retrieve, replace or restore the **insured's** electronic data that has been lost, damaged or corrupted in a **cyber attack**. If it is determined that an **insured's** data cannot be retrieved, replaced or restored, **we** will reimburse only the actual and necessary **data recovery costs** incurred up to such determination. **Data Recovery Costs** does not mean or include costs to research, re-create or replace any of the following:
- a. software programs or operating systems that are obsolete or not commercially available; or
 - b. data that cannot reasonably be replaced, including, but not limited to, photographs, music, movies or other media or recordings for which no back-up is available.
- 17. Defense Costs** means reasonable and necessary **attorney** fees for legal services rendered, and associated costs and expenses, incurred by an **insured** in the defense of a **privacy and security claim**.
- 18. Denial of Service Attack** means an event caused by unauthorized or unexpected interference or a malicious attack which is intended by the perpetrator to overwhelm the capacity of a **computing device** or **connected home device** by sending an excessive volume of data to such **computing device** or **connected home device** in order to deny, restrict or hinder access to such **computing device** or **connected home device**.
- 19. Endorsement Period** means the period of coverage beginning on the Endorsement Effective Date specified in Item 7 of the Schedule and ending on the earlier of the termination, cancellation or expiration date of the Policy; provided however, that the **endorsement period** will not exceed a period of 12 months.
- 20. Family Member** means a person that is a resident of **your** household and is related to **you** by blood, marriage, civil union, or domestic partnership registered under state law, or adoption. **Family Member** also includes other persons under the age of twenty-five (25) who are residents of **your** household and are in **your** care or the care of another **family member**.
- 21. Financial Fraud Loss** means an **insured's** direct loss of **money, securities** or cryptocurrency which is fraudulently taken from the **insured** as a direct result of **credit card fraud, forgery** or a **cyber crime event**. However, **Financial Fraud Loss** does not mean or include:
- a. any amounts that have been reimbursed, or are reimbursable, to an **insured** by a credit card company, bank or other financial institution; or

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- b. any interest, time value or potential investment gain on the amount of **money, securities** or cryptocurrency fraudulently taken from an **insured**.

22. Forgery means the alteration of an **insured's** negotiable instrument, or the imitation of an **insured** on a negotiable instrument, with instructions to pay, including counterfeit items, and with the intent to deceive.

23. Identity Fraud means the act of knowingly transferring or using, without lawful authority, a means of identification of an **insured**, 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, including the fraudulent use of an **insured's** personal identity to establish credit accounts, secure loans or enter into contracts, or the fraudulent use of an **insured's** health insurance information to file false health insurance claims or to seek medical treatment or prescription drugs. **Identity Fraud** also includes **business identity theft**.

24. Insured means:

- a. **you**;
- b. any **family member**; and
- c. a trust that is established for the ownership of the residence premises including any natural person named as executor, administrator or trustee of that trust, but only;
 - (1) if recognized under applicable state law as a legal entity with the capacity to sue or be sued in a court having jurisdiction; and
 - (2) while acting within the scope of their duties as executor, administrator or trustee of **your** trust.

As used herein, "residence premises" has the same meaning as defined in the DEFINITIONS section of the Policy.

25. Insured Bank Account means a personal account at a financial or banking institution which is maintained by an **insured** in the **insured's** name, or in the name of a legal entity established by an **insured** or on an **insured's** behalf to manage the **insured's** personal assets, from which the **insured** may request the transfer, payment or delivery of **money** or **securities**. **Insured Bank Account** includes an **insured's** personal trust, credit, brokerage and investment accounts, but does not include any **business** account.

26. Insured Event means:

- a. solely with respect to Data Recovery and System Restoration Coverage, a **cyber attack**;

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- b. solely with respect to Cyber Extortion Coverage, a **cyber extortion event**;
- c. solely with respect to Fraud and Cyber Crime Coverage, **credit card fraud, forgery** or a **cyber crime event**; and
- d. solely with respect to Breach Notification Costs Coverage, a **security breach** or **privacy breach**.

27. Loss means:

- a. solely with respect to Data Recovery and System Restoration Coverage, **data recovery costs** and **system restoration costs**;
- b. solely with respect to Cyber Extortion Coverage, **cyber extortion expenses** and **cyber extortion payments**;
- c. solely with respect to Fraud and Cyber Crime Coverage, **financial fraud loss**; and
- d. solely with respect to Breach Notification Costs Coverage, **breach notification costs**.

28. Money means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including, but not limited to, currency, coins, bank notes, bullion, travelers' checks, registered checks and **money** orders held for sale to the public.

29. Named Insured means any natural person listed as such on the Policy declaration page.

30. Other Property means any tangible property, other than **money** or **securities**, which has intrinsic value.

31. Personally Identifiable Information means information that can be used to determine, distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual, including, but not limited to, financial account numbers, security codes, personal identification numbers (PINs), credit and debit card numbers, medical or healthcare information, social security numbers, driver's license numbers, addresses, passwords, and any other non-public information.

32. Phishing Attack means the use by a **third party** of fraudulent and intentionally deceptive telephone calls, emails, texts, instant messages or other electronic communications or malicious websites to impersonate a legitimate or trustworthy contact, organization or person to solicit **private information, money** or cryptocurrency.

33. Privacy and Security Claim means a **suit** alleging:

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- a. liability for a **privacy breach**;
- b. liability for the failure to prevent the transmission of a **virus** from a **computing device** or **connected home device** to a **third party's** device;
- c. liability for the failure to prevent or hinder participation by a **computing device** or **connected home device** in a **denial of service attack** directed against a **third party's** device;
- d. liability for the failure to prevent a **security breach**, which in turn results in a **privacy breach**;
- e. liability for the failure to timely disclose a **security breach** or **privacy breach** affecting **private information**; or
- f. infliction of emotional distress or mental anguish, but only if directly resulting from a peril described in **a.** through **e.** above.

A **privacy and security claim** will be deemed to be first made against an **insured** when it is first received by the **insured**.

34. Privacy Breach means:

- a. the unauthorized collection, disclosure, use, access, destruction or modification of **private information**;
- b. the theft of **private information**, including the theft of **private information** stored on a **computing device**;
- c. an **insured's** surrender of **private information** in a **phishing attack**; or
- d. an infringement or violation of any rights to privacy directly resulting from a peril described in **a.** through **c.** above.

35. Private Information means **personally identifiable information** of a **third party** that is in an **insured's** possession or entrusted to an **insured** solely because of the **insured's** activities or responsibilities in connection with volunteer work for a non-profit organization or other non-**business** related activity. **Private Information** does not mean or include information of, or relating to, any **business**, including proprietary information.

36. Securities means negotiable or non-negotiable instruments or contracts representing **money** or **other property**. **Securities** does not include **money** or cryptocurrency.

37. Security breach means:

- a. a **cyber attack**, whether a specifically targeted attack or a generally distributed attack; or
- b. the theft or loss of a **computing device** containing **private information**.

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38. Suit means:

- a. the service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **insured** seeking **damages** or non-monetary relief; or
- b. a written demand made against an **insured** for **damages** or non-monetary relief.

39. System Restoration Costs means reasonable and necessary costs of a professional IT firm hired by an **insured** to do the following in order to restore a **computing device** or **connected home device** to the level of functionality it had before the **cyber attack**:

- a. replace or reinstall computer software programs;
- b. remove a **virus**; or
- c. configure, or correct the configuration of, the **computing device** or **connected home device**.

System Restoration Costs does not mean or include any of the following:

- a. costs to increase the speed, capacity or utility of a **computing device** or **connected home device**;
- b. an **insured's** time or labor; or
- c. any costs that exceed the replacement value of a **computing device** or **connected home device**, including applicable hardware and software.

40. Third Party means any entity, company, organization or person who does not qualify as an **insured** under this endorsement.

41. Unauthorized Trading means trading, which at the time of the trade, exceeds permitted financial limits or is outside of permitted product lines.

42. Virus means malicious software intentionally designed to insert itself by a variety of forms into a **computing device** or **connected home device** to damage, destroy, corrupt, overload or otherwise impair the functionality of such **computing device** or **connected home device**. **Virus** includes, but is not limited to, worms, Trojan horses, spyware, keyloggers, dishonest adware and malware.

43. We, Us and Our mean the Company providing this Fraud and Cyber Defense Coverage.

44. Wire Transfer Fraud means an intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution, directing such institution to debit, transfer, withdraw or disburse **money** or **securities** from an **insured bank account**, which instruction purports to have been transmitted by an **insured**, but was in fact

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fraudulently transmitted by a **third party** without the **insured's** knowledge or consent. **Wire Transfer Fraud** does not mean or include fraud committed against **business**, commercial or non-consumer accounts.

45. **You** or **Your** means the **named insured**.

SECTION II - COVERAGE PART A. FIRST PARTY LOSS INSURING AGREEMENTS AND EXCLUSIONS

1. Data Recovery and System Restoration Coverage

Subject to the applicable Deductible and Limit of Insurance, **we** will reimburse an **insured** for **data recovery costs** and **system restoration costs** directly resulting from a **cyber attack**, but only if all of the following conditions are met:

- a. the **insured** first discovers the **cyber attack** during the **endorsement period**;
- b. the **insured** or the **insured's** representatives report the **cyber attack** to **us** during the **endorsement period**, but no later than 60 days after the expiration or termination of the **endorsement period**; and
- c. the **insured** provides clear evidence that the **data recovery costs** and **system restoration costs** directly result from a **cyber attack**.

2. Cyber Extortion Coverage

Subject to the applicable Deductible and Limit of Insurance, **we** will reimburse an **insured** for **cyber extortion expenses** and **cyber extortion payments** directly resulting from a **cyber extortion event**, but only if all of the following conditions are met:

- a. the **insured** first discovers the **cyber extortion event** during the **endorsement period**;
- b. the **insured** or the **insured's** representatives report the **cyber extortion event** to **us** during the **endorsement period**, but no later than 60 days after the expiration or termination of the **endorsement period**; and
- c. the **insured** makes every reasonable effort to notify local law enforcement authorities and the Federal Bureau of Investigation before surrendering any **cyber extortion payments** in response to a **cyber extortion event**.

3. Fraud and Cyber Crime Coverage

Subject to the applicable Deductible and Limit of Insurance, **we** will reimburse an **insured** for **financial fraud loss** directly resulting from **credit card fraud**, **forgery** or a **cyber crime event**, but only if all of the following conditions are met:

- a. the **insured** first discovers the **credit card fraud**, **forgery** or **cyber crime event** during the **endorsement period**;

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- b. the **insured** or the **insured's** representatives report the **credit card fraud, forgery or cyber crime event** to **us** during the **endorsement period**, but no later than 60 days after the expiration or termination of the **endorsement period**; and
- c. the **insured** provides written confirmation to **us** that the **insured's** credit card company, bank or other financial institution has refused to reverse or prevent a payment transaction or to indemnify or reimburse the **insured** for the **financial fraud loss**.

4. Breach Notification Costs Coverage

Subject to the applicable Deductible and Limit of Insurance, **we** will reimburse an **insured** for **breach notification costs** directly resulting from a **security breach** or **privacy breach**, but only if all of the following conditions are met:

- a. the **insured** first discovers the **security breach** or **privacy breach** during the **endorsement period**; and
- b. the **insured** or the **insured's** representatives report the **security breach** or **privacy breach** to **us** during the **endorsement period**, but no later than 60 days after the expiration or termination of the **endorsement period**.

5. Free Choice of Attorneys, Professional IT Firms and Service Providers

- a. An **insured** has complete freedom of choice in the selection of **attorneys**, professional IT firms and/or service providers to assist the **insured** in any **insured event**. However, reimbursement of any costs, fees or charges of any **attorney**, professional IT firm or service provider will be limited to a maximum hourly rate of \$400.
- b. An **insured** will have a direct relationship with any **attorney**, professional IT firm or service provider such **insured** hires, whether paid for, in whole or in part, under this endorsement. All **attorneys** and service providers work for the **insured**.

6. Exclusions Applicable to Coverage Part A. First Party Loss

The following exclusions apply to all insuring agreements of Coverage Part A. First Party Loss of this endorsement.

We do not cover:

- a. **loss** caused by or resulting from any fraudulent act or intentional violation of the law by an **insured**, whether acting alone or in collusion with others; however, this exclusion does not apply to any **insured** who did not commit, participate in or have prior knowledge of any conduct to which this exclusion would otherwise apply.
- b. any **criminal proceedings**.
- c. any physical damage or injury to, or impairment, destruction or corruption of, any tangible property, including the loss of use thereof.

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- d. any damage to a motor vehicle, watercraft, aircraft, or other vehicle. As used herein, “watercraft” and “aircraft” have the same meaning as defined in the DEFINITIONS section of the Policy.
- e. any amounts an **insured** is legally obligated to pay to a **third party**, including judgements, award or settlements.
- f. any fines, penalties, taxes or sanctions imposed by law, or any matters deemed uninsurable under applicable law.
- g. **loss** arising from any activities of, or relating to, any **business** or incidental business owned or operated by any **insured**, or any **insured’s** activities as a stockholder, manager, agent, partner, officer, director or paid employee or contractor of any for-profit or non-profit organization. As used herein, “incidental business” has the same meaning as defined in the DEFINITIONS section of the Policy.
- h. except as specifically provided under Data Recovery and System Restoration Coverage, costs to research or correct any deficiency.
- i. any **insured event** first discovered by, or known to, any **insured** prior to the first Fraud and Cyber Defense Coverage Endorsement issued by **us** to **you**.
- j. any amounts incurred by an **insured** in disputes with respect to this insurance, including questions as to whether amounts are payable under this endorsement.
- k. any costs to replace or repair any property, hardware, **computing device** or **connected home device**; however, **we** will pay to replace or repair any property, hardware, **computing device** or **connected home device** if **we** determine that doing so reduces the amount of **loss** payable under this endorsement.
- l. any amounts incurred by an **insured** to institute legal proceedings against any person or organization.
- m. **loss** arising from a false report of an **insured event** made by an **insured**, whether acting alone or in collusion with others.
- n. **loss** caused by or resulting from fire, smoke, explosion, leakage, lightning, wind, water, flood (including waves, tidal waves, or the rising of, breaking out of, or overflow of a body of water, whether natural or manmade), earthquake, volcanic eruption, landslide, hail, extreme weather, force majeure, or any other natural or physical event, however caused.
- o. **loss** caused by or resulting from the seizure, confiscation, commandeering, nationalization, requisition or destruction of, or damage to, any **computing device**, **connected home device**, data, hardware or equipment by or under order of any government or public authority for whatever reason.
- p. **loss** caused by or resulting from a breach of, or liability assumed by an **insured** under, a written or oral contract or agreement.
- q. **loss** arising from an **insured’s** civic or public activities, including an **insured’s** pursuit or holding of any public office; however, this exclusion does not apply to a **privacy breach**.

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- r. **loss** arising from illness, substance abuse or death.
- s. any costs to comply with any order, grant or agreement to provide non-monetary relief.
- t. **loss** caused by or resulting from any **business** use of a credit, debit or bank card.
- u. any **identity fraud** or **cyber bullying**.
- v. **loss** caused by or resulting from any electrical or mechanical surge, failure or interruption, including electrical disturbance, spike, brownout or blackout; or a total, partial, temporary or intermittent outage, failure, disruption or reduction in supply of any utility service or infrastructure, including, electricity, gas, water, telephone, cable, internet, satellite or telecommunications, or any failure, outage, disruption, degradation or termination of any critical part of such service or infrastructure.
- w. retainers or any advanced costs.
- x. any amounts an **insured** has paid, or agree to pay, as part of any service or maintenance contract.
- y. **loss** caused by or resulting from errors or shortcomings in legitimate electronic code or code installed on a **computing device** or **connected home device** during the manufacturing process.
- z. **loss** caused by or resulting from a **computing device** or **connected home device** that has had its software altered from the original manufactured state (also known as “jailbroken”).
- aa. any amounts to retrieve, replace, recreate or restore any **business** records or **business**-related data, including any such data or records that is stored on a **computing device**;
- bb. income loss caused by or resulting from **unauthorized trading**.
- cc. **loss** caused by or resulting from an outage, interruption, failure, suspension or degradation of service of a computer system owned, controlled, leased or operated by an **insured’s** cryptocurrency wallet provider or any cryptocurrency or digital currency exchange; the theft of cryptocurrency in a network attack against a computer system owned, controlled, leased or operated by an **insured’s** cryptocurrency wallet provider or any cryptocurrency or digital currency exchange, including a **denial of service attack** or infection of such computer system by a **virus**; or the insolvency or bankruptcy of any cryptocurrency wallet provider or cryptocurrency or digital currency exchange.
- dd. any amounts that have been wholly or partially reversed by a credit card company or financial institution.
- ee. **loss** caused by or resulting from the use of a credit, debit or bank card, card number or account number associated with a bank account, credit account, brokerage account, investment account, digital currency account or other financial institution account:

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- (1) by a person who has ever received any authorization from an **insured** to use such card, card number or account number, unless such authorization was obtained through a criminal deception of the **insured**; or
- (2) if an **insured** has not complied with all terms and conditions under which such card, card number or account number was issued.
- ff. indirect costs, such as lost time, lost wages or damaged reputation.
- gg. any amounts paid or payable under Coverage Part B of this endorsement.
- hh. any matter paid, or deemed payable, by **us** under any other insuring agreement or coverage section of the Policy.

SECTION III - COVERAGE PART B. PRIVACY AND SECURITY CLAIMS INSURING AGREEMENT AND EXCLUSIONS

1. Privacy and Security Claims Coverage

Subject to the applicable Deductible and Limit of Insurance, **we** will reimburse an **insured** for **damages** and reasonable and necessary **defense costs** that the **insured** becomes legally obligated to pay as a result of a **privacy and security claim**, but only if all of the following conditions are met:

- a. the **privacy and security claim** is first made against the **insured** during the **endorsement period**;
- b. the **insured** or the **insured's** representatives report the **privacy and security claim** to **us** during the **endorsement period**, but no later than 60 days after expiration or termination of the **endorsement period**; and
- c. the actual or alleged acts, events or incidents giving rise to the **privacy and security claim** first occur on or after the inception date of the first Fraud and Cyber Defense Coverage endorsement issued by **us** to **you**.

2. No Duty to Defend; Free Choice of Counsel

- a. **We** will have no duty to defend any **privacy and security claim**, but only to reimburse an **insured** for **defense costs** and **damages** to which this endorsement applies. The obligation to defend any **privacy and security claim** resides solely with an **insured**, and an **insured's** reasonable and good faith defense of any **privacy and security claim** is a condition of coverage under Coverage Part B of this endorsement.
- b. **We** will reimburse an **insured** only for **defense costs** incurred for actual services rendered and/or **damages** sustained against the **insured** in a **privacy and security claim**, up to the applicable Limit of Insurance. However, actual payment by an **insured** of **defense costs** or **damages** will not be a condition of reimbursement.

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- c. An **insured** has complete freedom of choice in the selection of an **attorney** to represent the **insured** in any **privacy and security claim**. However, reimbursement of **defense costs** will be limited to a maximum hourly **attorney** rate of \$400. The **insured** will have a direct relationship with any **attorney** retained by the **insured**.
- d. There shall be no infringement upon the professional judgment of any **attorney**, and no **attorney** providing legal services in respect of which **defense costs** are reimbursable under this endorsement shall be required to act in derogation of such **attorney's** professional responsibilities.

3. Exclusions Applicable to Coverage Part B. Privacy and Security Claims

The following exclusions apply to Coverage Part B. Privacy and Security Claims of this endorsement.

We do not cover:

- a. any amounts incurred by an **insured** in disputes with respect to this insurance, including questions as to whether amounts are reimbursable under this endorsement.
- b. any amounts incurred by an **insured** to institute legal proceedings against any person or organization.
- c. any **privacy and security claim** based upon, arising from or involving any acts, events or incidents which were known to any **insured** prior to the inception date of the first Fraud and Cyber Defense Coverage Endorsement issued by **us** to **you**.
- d. any matter brought against an **insured** for physical damage or injury to, or impairment, destruction or corruption of, any tangible property, including the loss of use thereof.
- e. any matter brought against an **insured** for physical injury, sickness, disease or death sustained by any person, and where resulting from such physical injury only, mental anguish, mental injury, shock, humiliation or emotional distress.
- f. any **privacy and security claim** for, based upon, arising from or involving any breach of, or liability assumed by, an **insured** under a written or oral contract or agreement; however, this exclusion does not apply to any liability an **insured** would have had in the absence of such contract or agreement and which would have been insured under Coverage Part B of this endorsement.
- g. any **privacy and security claim** based upon, arising from or involving any **insured's** activities as a stockholder, owner, manager, agent, partner, officer, director or employee of any **business**, organization, corporation or company.
- h. any **privacy and security claim** based upon, arising from or involving an **insured's** civic or public activities, including an **insured's** pursuit or holding of any public office; however, this exclusion does not apply to a **privacy and security claim** arising from a **privacy breach**.

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- i. any **privacy and security claim** for, based upon, arising from or involving any fraudulent act, intentional violation of law or intentional **privacy breach** committed by an **insured**; however, this exclusion does not apply to any **insured** who did not commit, participate in or have prior knowledge of any conduct to which this exclusion would otherwise apply.
- j. any costs to comply with any order, grant or agreement to provide non-monetary relief.
- k. fines, penalties, taxes or sanctions, or any matters deemed uninsurable under applicable law.
- l. punitive, exemplary, liquidated, or multiplied damages; however, if a **privacy and security claim** is made against an **insured** seeking both compensatory and punitive or exemplary **damages**, then **we** will reimburse **defense costs** incurred in such **privacy and security claim** without liability for punitive or exemplary **damages**.
- m. any **privacy and security claim** made by or on behalf of an **insured** against another **insured**.
- n. **criminal proceedings**.
- o. retainers or any advanced costs.
- p. any amounts an **insured** has paid or agree to pay, as part of any service or maintenance contract.
- q. any amounts paid or payable under Coverage Part A of this endorsement.
- r. any matter paid, or deemed payable, by **us** under any other insuring agreement or coverage section of the Policy.

SECTION IV - LIMITS OF INSURANCE AND DEDUCTIBLES

1. Coverage Part A. First Party Loss Limits of Insurance and Deductible

- a. The Coverage Part A. First Party Loss Limits of Insurance shown in Item 1 of the Schedule are the most **we** will reimburse under each insuring agreement of Coverage Part A of this endorsement for **loss** arising from any one **insured event** first discovered during the **endorsement period**, and in the aggregate for all **insured events** first discovered during the **endorsement period**, regardless of the number of **insured events** or **insureds**. If any Limit of Insurance shown in Item 1 of the Schedule is exhausted, **our** obligations under the applicable insuring agreement will end.
- b. The Coverage Part A Aggregate Limit of Insurance shown in Item 2 of the Schedule is the most **we** will reimburse under Coverage Part A of this endorsement for all **insured events** first discovered during the **endorsement period**, regardless of the number of **insured events**, **insureds** or insuring agreements of Coverage Part A. All **loss** paid

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under Coverage Part A of this endorsement will reduce and may completely exhaust the Coverage Part A Aggregate Limit of Insurance shown in Item 2 of the Schedule.

- c. The Coverage Part A Deductible shown in Item 3 of the Schedule applies to any one **insured event**. If the amount of **loss** from any one **insured event** is less than or equal to the Deductible, **we** will not reimburse an **insured** for that **loss**. If the amount of **loss** resulting from any one **insured event** exceeds the Deductible, **we** will subtract the Deductible from the amount of **loss** incurred, and **we** will reimburse an **insured** for the remaining amount of such **loss**, up to the applicable Limit of Insurance.

2. Coverage Part B. Privacy and Security Claims Limit of Insurance and Deductible

- a. The Coverage Part B. Privacy and Security Claims Limit of Insurance shown in Item 4 of the Schedule is the most **we** will reimburse under Coverage Part B of this endorsement for **defense costs** and/or **damages** arising from any one **privacy and security claim** first made during the **endorsement period**, and in the aggregate for all **privacy and security claims** first made during the **endorsement period**, regardless of the number of **privacy and security claims**, **insureds** or claimants. If the Limit of Insurance shown in Item 4 of the Schedule is exhausted, **our** obligations under Coverage Part B of this endorsement will end.
- b. The Coverage Part B Deductible shown in Item 5 of the Schedule applies to any one **privacy and security claim**. If the amount of **defense costs** and/or **damages** resulting from any one **privacy and security claim** is less than or equal to the Deductible, **we** will not reimburse an **insured** for those **defense costs** and/or **damages**. If the amount of **defense costs** and/or **damages** resulting from any one **privacy and security claim** exceeds the Deductible, **we** will subtract the Deductible from the amount of **defense costs** and/or **damages** incurred, and **we** will reimburse an **insured** for the remaining amount of such **defense costs** and/or **damages**, up to the applicable Limit of Insurance.

3. Combined Aggregate Limit of Insurance

The Combined Aggregate Limit of Insurance shown in Item 6 of the Schedule is the most **we** will reimburse under this endorsement for all **loss** under Coverage Part A and all **defense costs** and **damages** under Coverage Part B. If the Combined Aggregate Limit of Insurance is paid, **our** obligations under this endorsement will end.

4. Related Claims

- a. If one **insured event** causes **loss** in more than one **endorsement period**, all such **loss** will be subject to the Limits of Insurance of the **endorsement period** in effect when the **insured event** was first discovered by an **insured**.

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- b. **Loss** resulting from a series of related, repeated or continuing **insured events** will be considered one **insured event**, even if such series of **insured events** continue into a subsequent **endorsement period**. Such **insured event** will be deemed to have been discovered by an **insured** on the date the first **insured event** in that series was first discovered by an **insured** and will be deemed to have been reported to **us** on the date the first **insured event** in that series was reported to **us**.
- c. All **privacy and security claims** arising from the same event, incident, act or circumstance, or a series of related, repeated or continuing events, incidents, acts or circumstances, will be deemed to be a single **privacy and security claim**; will be deemed to have been first made against an **insured** on the date the earliest of such **privacy and security claims** was first made against an **insured**; and will be deemed to have been first reported to **us** on the date the earliest of such **privacy and security claims** was first reported to **us** in writing. Appeals and any post-trial proceedings or consolidated proceedings approved by **us** will be part of the original **privacy and security claim**.
- d. If a **privacy breach** or **security breach** under Coverage Part A results in a **privacy and security claim** under Coverage Part B, such matters will be deemed to be related, even if the **privacy and security claim** is made against an **insured** in a subsequent **endorsement period**. Such **privacy and security claim** will be subject to the Limits of Insurance of the **endorsement period** in effect when the **privacy breach** or **security breach** was first discovered by an **insured**.

5. Non-Stacking of Limits

If an **insured event** or **privacy and security claim** is covered, in whole or in part, under this endorsement and any Fraud and Cyber Defense Coverage Endorsement attaching to another insurance policy issued by **us**, then the amount **we** will be obligated to reimburse with respect to such **insured event** or **privacy and security claim** will not exceed the single largest applicable Limit of Insurance under any such Fraud and Cyber Defense Coverage Endorsement. Such largest applicable Limit of Insurance will apply only once to such **insured event** or **privacy and security claim**. The applicable Deductible under each Fraud and Cyber Defense Coverage Endorsement will be applied to the portion of the **insured event** or **privacy and security claim** that is allocated to the respective **insured**.

SECTION V - CONDITIONS

The following conditions apply only to this endorsement.

1. Duties in the Event of an Insured Event or Privacy and Security Claim

- a. The **insured** must notify **us** of an **insured event** or **privacy and security claim** during the **endorsement period**, but no later than 60 days after expiration or termination of the **endorsement period**.

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- b. The **insured** must notify law enforcement authorities of any **insured event** as soon as possible.
- c. The **insured** must immediately send us copies of any demands, notices, summonses or legal papers that an **insured receives** in a connection with a **privacy and security claim**.
- d. In the event of **credit card fraud**, the **insured** must notify the issuing credit card company or bank of the facts and circumstances surrounding such **credit card fraud** as soon as possible.
- e. The **insured** must submit to **us** any supporting receipts, bills, records or other documents within 90 days of **our** request. **We** may also request a signed and notarized description of any **privacy and security claim, insured event** or proof of **loss**.
- f. The **insured** must cooperate with **us** fully and authorize **us** to obtain records and other information.

2. Confidentiality

As respects Cyber Extortion Coverage, all **insureds** must make every reasonable effort not to divulge the existence of this coverage.

3. Due Diligence

All **insureds** agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and widely-practiced steps for:

- a. providing and maintaining appropriate system and data security; and
- b. maintaining and updating at appropriate intervals backups of electronic data.

4. Legal Advice

We are not any **insured's** legal advisor. **Our** determination of what is or is not insured under this endorsement does not represent advice or counsel from **us** about what an **insured** should or should not do.

5. Other Insurance

The coverage provided by this endorsement is excess insurance over any other valid and collectible insurance available to an **insured**, including any self-insured retention or deductible portion thereof, unless such insurance specifically applies as excess insurance over the insurance provided under this endorsement.

6. Bankruptcy

An **insured's** bankruptcy or insolvency will not relieve **us** of our **obligations** under this endorsement.

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7. Office of Foreign Assets Control

Payment under this endorsement will only be made in full compliance with all United States of America economic or trade sanctions, laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

This endorsement is issued as part of Policy HO119268900. 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.



Designated Additional Person to Receive Notice of Cancellation or Nonrenewal - California

This endorsement changes the policy. Please read it carefully.

SECTION IV- GENERAL PROVISIONS

The following is added to **Section IV:**

Notice Of Cancellation Or Nonrenewal To Additional Designated Person

1. If you have designated a person to receive notice of lapse, termination, expiration, nonrenewal, or cancellation of your policy for nonpayment of premium, we will mail or deliver to the designated person advance written notice at least 10 days before the effective date of such lapse, termination, expiration, nonrenewal, or cancellation of your policy for nonpayment of premium.
2. No benefit under this Policy is provided to such designated person, other than the right to receive the aforementioned notice.

This endorsement is issued as part of Policy **HO119268900**. 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.



Basic Earthquake Extension for Dwellings - California

This endorsement changes the policy. Please read it carefully.

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

In consideration of the additional premium charge, the following applies to direct physical loss or damage caused by **earthquake**:

SCHEDULE

This Endorsement is applicable to the following location:

3493 Molokai Road
West Sacramento, CA 95691

Coverage	Limit
Dwelling	\$2,000,000
Contents	\$5,000
Loss of Use	\$1,500
Increased Limits Loss of Use	\$0 per month for a maximum of twenty four (24) months

The coverage limits listed above are part of the coverage amounts shown for that location on the Declarations and do not increase them.

Earthquake Deductible	\$300,000 per covered loss
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UNLESS ENDORSEMENT PHVH-077-CA IS SHOWN ON THE DECLARATIONS TO THIS POLICY FOR THIS LOCATION THE FOLLOWING APPLIES:

IMPORTANT EXCLUSION FROM YOUR EARTHQUAKE COVERAGE: YOUR HOMEOWNERS POLICY PROVIDES NO BENEFITS OR COVERAGE FOR LOSS ASSESSMENTS WHICH YOUR HOMEOWNERS ASSOCIATION MAY CHARGE TO YOU FOR EARTHQUAKE DAMAGE TO COMMON AREAS AND/OR OTHER ASSOCIATION PROPERTY.

Basic Earthquake Extension for Dwellings – California

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SECTION I – DEFINITIONS

The Definition of **contents** is replaced by the following:

Contents

Contents means personal property you or a **family member** own or possess.

The following definition is added:

Hardscape

Hardscape means inanimate elements of landscaping. **Hardscape** includes but is not limited to the following:

- a. Outdoor fixtures – playground equipment, light posts, barbeques, gazebos or trellises;
- b. Swimming pools, spas, and hot tubs, including the tile attached to the pool, spa or hot tub to a deck, whirlpool baths and pools such as fish ponds and decorative pools, including all concrete stone, tile or similar decking material and all related equipment;
- c. Docks, piers, pilings, bulkheads and wharves that are not integral to the structure of the **residence premises**;
- d. Walkways and patios that are not necessary for regular entry to or exit from the **residence premises**;
- e. Driveways;
- f. Fences or retaining walls that are not integral to the structure of the **residence premises**; or
- g. Awnings or patio coverings, whether or not attached or otherwise connected to the **residence**.

SECTION II – PROPERTY COVERAGE

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

A. Peril Insured Against

We insure against direct physical loss or damage to your **dwelling** and **contents** caused by **earthquake** that occurs during the policy period, unless otherwise stated or an exclusion applies.

B. **Coverage and Loss Settlement, 1. Dwelling** is replaced by the following:

Basic Earthquake Extension for Dwellings – California

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1. Dwelling

For a covered loss caused by **earthquake**, we will pay the **reconstruction cost** for your **dwelling** up to the coverage limit shown on the Schedule.

B. Coverage and Loss Settlement, 2. Other Structures is deleted and does not apply.

B. Coverage and Loss Settlement, 3. Dwelling or Other Structures under Construction is revised as follows:

All references to **other structures** and the word “or” that precedes them are deleted.

B. Coverage and Loss Settlement, 4. Contents is replaced by the following:

4. Contents

- a. The coverage amount for your **contents** is listed in the Schedule. **Contents** coverage only applies when the cost to repair damages to the **dwelling** equals or exceeds the **earthquake deductible**.
- b. We will pay the lesser of the amount required to repair the damage or the cost to replace without deduction for depreciation. However, if the **contents** are obsolete or unusable as a result of their age or condition, depreciation will be applied.
- c. The amount of coverage for **contents** depends on where the loss occurs. For a covered loss to **contents** that occurs:
 - 1) at a **residence premises** listed in the Schedule and it does not have **contents** coverage, we will pay nothing on this policy;
 - 2) within thirty (30) days after you begin to move property into a newly acquired residence not listed in the Schedule, we will pay up to 10% of the **contents** limit in the Schedule. After thirty (30) days, we will pay nothing for **contents** unless coverage is requested by you and extended by us; or
 - 3) at a location that is not listed in the Schedule, or is covered on another policy, then we will pay nothing under this policy.

The most we will pay for a covered loss is the lesser of the amount required to repair the damage or the full cost to replace the **contents** without deduction for depreciation, up to the coverage limit.

B. Coverage and Loss Settlement, 5. Deductible is amended as follows:

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The **Waiver of Deductible** provision is deleted and does not apply.

B. Coverage and Loss Settlement, 6. Special Coverage Limits for Contents is replaced by the following:

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 - \$1,500.
- b. **Watercraft**, including their trailers, furnishings, equipment and outboard engines or motors - \$2,000.
- c. Trailers not used with **watercraft** - \$3,000.
- d. Grave markers - \$1,000.
- 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, china, glassware, porcelain or ceramic items and artwork, including but not limited to items such as: statuary, antiques, , musical instruments, collectibles, paintings, wine, sculpture; planters; murals; stained or leaded glass; mirrors; chandeliers; mosaics, carvings; inlays, reliefs, and fountains, aquariums and their systems - \$2,500.

B. Coverage and Loss Settlement, 7. Loss of Use is replaced by the following:

7. Loss of Use

The coverage limit shown on the Schedule for Loss of Use is the most we will pay under all of parts a., b. and c. described below at the time of the covered loss. This is the most we will pay in the aggregate for each covered **earthquake** loss. Your **earthquake deductible** does not apply to these coverages unless otherwise stated.

If a covered loss 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

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- (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.

b. Fair Rental Value

The amount of rent shown on a signed lease agreement less any expenses that do not continue while the **residence premises** is not fit to live in.

Payment will be for the shortest reasonable time required to restore your **residence premises** to a habitable condition. This time period is not limited by the expiration of this policy.

c. Civil Authority

If a civil authority forces you to evacuate your **residence premises** or a civil authority prohibits or denies access to a covered location as a result of direct or indirect loss caused by **earthquake**, we will reimburse you for the reasonable increase in your living expenses necessary to maintain your household's normal standard of living for up to thirty (30) days. We also cover any loss in fair rental value for up to thirty (30) days if your **residence premises** is rented to others for residential purposes.

C. Additional Coverages, the lead in Paragraph is replaced by the following:

C. Additional Coverages

The coverages shown below reduce the limits shown for that location on the Schedule unless otherwise indicated. Your **earthquake 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**.

C. Additional Coverages, 5. Debris Removal is replaced by the following:

5. Debris Removal

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We will pay for your reasonable costs incurred for removal of debris that results from a covered **earthquake** loss and of the property that caused the covered **earthquake** loss. We will pay up to the **dwelling** limit shown on the Schedule at the time of a covered loss. We will also pay up to \$500 to remove a tree from the **residence premises** felled by **earthquake**; or a neighbor's tree felled by an **earthquake** provided the tree(s) damaged a covered **dwelling** or **other permanent structure**. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

C. Additional Coverages, 10. Land is replaced by the following:

10. Land

In the event of a covered **earthquake** loss to your **dwelling**, if the related repair or reconstruction requires stabilization, excavation, or replacement of land under or around your **dwelling**, we will pay the reasonable incurred costs, up to \$5,000 of the amount of a covered loss to your **dwelling**.

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

19. Building Code Coverages

If at the time of a covered **earthquake** loss, your **dwelling** is bolted to the foundation so as to resist seismic motion, we will pay up to \$10,000 of the **dwelling** limit in the Schedule for costs you incur to bring the **dwelling** up to current local building code standards when required by the local entity as a condition of the reconstruction building permit.

However, this coverage does not apply unless you repair, replace, or rebuild your **dwelling** at the same location.

C. Additional Coverages, is revised by adding the following:

26. Inspection and Demolition

After meeting the **earthquake deductible**, we will pay up to 5% of the **dwelling** limit in the Schedule to pay costs you incurred for:

- a. A structural engineering inspection, except when provided by a public entity, to determine whether the **dwelling** is safe to occupy; and
- b. The demolition of the **dwelling** when an order of structural condemnation is issued by a public entity as a result of **earthquake** damage;

C. Additional Coverages, is revised by deleting the following:

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1. Loss Assessment
4. Data Replacement
6. Ensuing Fungi or Bacteria
7. Fire Department Service Charge
8. Food Spoilage
11. Landscaping
12. Lock Replacement
13. Loss by Domestic Animals
22. Loss Mitigation Measures
23. Environmentally Friendly Upgrades
24. Tree Removal
25. Pet Injury

D. Exclusions, 6. **Earth Movement** is revised by adding the following:

6. Earth Movement

This exclusion does not apply to coverage provided by this Earthquake Extension Endorsement.

D. Exclusions, 8. **Fungi, Wet or Dry Rot, or Bacteria** is replaced by the following:

8. Fungi, Wet or Dry Rot, or Bacteria

We do not cover any loss caused by the 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.

D. Exclusions, is revised by adding the following:

25. Landscaping

We do not cover any loss to **landscaping**.

26. Hardscape

We do not cover any loss to **hardscape**.

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27. Other Structures

We do not cover any loss to **other Structures**.

28. Masonry

We do not cover masonry, including any type of brick, stone, block or other similar material. However, we do cover load-bearing walls necessary for the structural integrity of the **dwelling** or **other structures** constructed completely of masonry, stucco, masonry chimneys or foundations that are part of the dwelling or other structures. If there is a covered loss to a masonry chimney, we will pay for the replacement of the damaged masonry chimney with a non-masonry earthquake resistance chimney in accordance with minimum building code requirements. Any amount we pay for these items reduces the limit of insurance that applies to the covered property.

All other provisions of this policy apply.



Extended Replacement Cost Coverage - California

This endorsement changes the policy. Please read it carefully.

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

3493 Molokai Road
West Sacramento, CA 95691

SECTION II – PROPERTY COVERAGE

B. Coverage and Loss Settlement, 1. Dwelling and 2. Other Structures, are deleted and replaced with the following:

B. Coverage and Loss Settlement

1. Dwelling

- a. For a covered loss we will pay the **reconstruction cost** for your **dwelling** up to the coverage limit shown for that location on your Declarations.
- b. However, if the **dwelling** coverage limit shown for that location on your Declarations is not enough pay the full **reconstruction cost**, we will pay any necessary additional cost up to an additional 50% of the coverage limit shown for that location on your Declarations. We will only pay this additional amount if you:
 - (1) Maintain at least the amount of coverage for your **dwelling** as previously agreed to, including any adjustments we make based on appraisals or revaluations; and
 - (2) Begin to repair or rebuild your **dwelling** within two (2) years from the date of loss.

If a total loss has occurred and:

- (1) The **dwelling** is rebuilt at a new premises; or
- (2) You purchase an existing **dwelling** at a new premises;

we will pay this increased costs if you would have incurred them had you repaired, rebuilt or replaced the **dwelling** at the original premises.

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.

Extended Replacement Cost Coverage - California

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- b. However, if the **other structures** coverage limit shown for that location on your Declarations is not enough pay the full **reconstruction cost**, we will pay any necessary additional cost up to an additional 50% of the coverage limit shown for that location on your Declarations. We will only pay this additional amount if:
- (1) The **other structures** coverage limit shown for that location on your Declarations is at least 20% of the coverage limit for your **dwelling**;
 - (2) You 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; and
 - (3) You begin to repair or rebuild your **other structures** within two (2) years from the date of loss.

If a total loss has occurred and:

- (1) The **other structures** are rebuilt at a new premises; or
- (2) You purchase existing **other structures** at a new premises;

we will pay this increased costs if you would have incurred them had you repaired, rebuilt or replaced the **other structures** at the original premises.

This endorsement is issued as part of Policy HO119268900. 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.



Fire and Lightning Extension for Landscaping

This endorsement changes the policy. Please read it carefully.

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

3493 Molokai Road
West Sacramento, CA 95691

SECTION II – PROPERTY COVERAGE, C. Additional Coverages, 11. Landscaping
is revised by adding the following:

11. Landscaping

We will also pay for loss or damage to **landscaping** caused by fire or lightning.

This endorsement is issued as part of Policy **HO119268900**. 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.



Workers Compensation Residence Employees – California

This endorsement changes the policy. Please read it carefully.

A. Agreement

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

UNDER COVERAGE I

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

UNDER COVERAGE II

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

1. In the United States of America, its territories or possessions, or Canada, or
2. Temporarily elsewhere if the **residence employee** is a citizen or resident of the United States or Canada.

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

B. Who Is Covered

A **residence employee** is covered if during the 90 calendar days immediately before the date of injury the employee has:

- a. Actually been engaged in such employment by the **insured** for no less than 52 hours, and
- b. Earned no less than one hundred dollars (\$100) in wages.

C. Application Of Coverage

This insurance applies only to **bodily injury** which occurs during the policy period. If the **bodily injury** is a disease, it must be caused or aggravated by the conditions of the **residence employee's** employment by the **insured**.

D. Policy Provisions

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

1. Under Section IV – General Provisions:

- B. Duties After a Loss
- E. Assignment
- F. Waiver Or Change Of Policy Provisions
- P. Cancellation
- S. Subrogation
- F. Suit Against Us

2. Under Section III – Liability Coverage, our agreement to defend an insured as provided under A. Personal Liability.

3. Under Section III – Liability Coverage, C. Additional Coverages:, 1. Claim Expenses.

4. The definitions of **bodily injury**, **business**, **insured** and **residence employee**.

Workers Compensation Residence Employees – California

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E. Additional Provisions Applicable To Coverage I

The following provisions are applicable to Coverage I:

1. We shall be directly and primarily liable to any **residence employee** of an **insured** entitled to the benefits of the California Workers' Compensation Law.
2. As between the **residence employee** and us, notice to or knowledge of the **occurrence** of the injury on the part of an **insured** will be deemed notice or knowledge on our part.
3. The jurisdiction of an **insured** will, for the purpose of the law imposing liability for compensation, be our jurisdiction.
4. We will be subject to the orders, findings, decisions or awards rendered against an **insured**, under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of this policy. This policy shall govern as between an **insured** and us as to payments by either in discharge or an **insured's** liability for compensation.
5. The **residence employee** has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the **residence employee**, we will pay it directly to the **residence employee**. Your obligation to the **residence employee** will be discharged to the extent of such payment.

F. Limits Of Liability Coverage II

Our total limit of liability will not exceed \$100,000 for all damages because of **bodily injury**:

1. Sustained by one or more **residence employees** in any one accident; or
2. Caused by disease and sustained by a **residence employee**.

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

G. Other Insurance

This insurance does not apply to any loss to which other valid and collectible Workers' Compensation or Employers' Liability Insurance applies.

H. Conformity To Statute

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

I. Exclusions

This policy does not apply:

1. To liability for additional compensation imposed on an **insured** under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of the serious and willful misconduct of an **insured**, or because of **bodily injury** to an employee under 16 years of age and illegally employed at the time of injury;
2. To liability for **bodily injury** arising out of **business** pursuits of an **insured**.

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3. Under Coverage II:

- a.** To liability assumed by the **insured** under any contract or agreement.
- b.** To **bodily injury** by disease unless a written claim is made or suit brought against the **insured** within 36 months after the end of the policy period.
- c.** To any obligation under a workers' compensation, unemployment or disability benefits law or any similar law.



California Earthquake Coverage Discount Notice

IF YOUR DWELLING IS OF FRAME CONSTRUCTION, YOU MAY QUALIFY FOR A REDUCED PREMIUM IF THE FOLLOWING REQUIREMENTS ARE MET:

- **YOUR DWELLING WAS BUILT PRIOR TO 2001 AND;**
- **YOUR DWELLING MEETS SPECIFIC VERIFIABLE RETROFITTING REQUIREMENTS.**

Please contact us or your agent for further information.



Privacy Notice

Important notice regarding your policy.

What Does PURE Do with Your Personal Information?

Why does PURE collect personal information?

Financial companies choose how they use and share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What kinds of personal information does PURE collect?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security Numbers, email address, dates of birth, physical addresses;
- Vehicle information, motor vehicle and claims histories;
- Vehicle operators information, mortgages, lien or lease holder information;
- Credit card information and credit reporting information such as scores; and
- Occupation and whether you own or rent your residence.

When you are *no longer* our customer, we continue to share your information as described in this notice.

At any time you can access any of your personal information that we may have. To do so, please submit a written request to us describing the information you want to review, and properly identify yourself and specifically grant us permission so that we can release requested information if it is able to be disclosed.

How does PURE collect my information?

PURE collects only the information necessary to underwrite insurance policies, adjust claims and operate the other functions necessary to provide you with the products and services we offer. PURE collects this information from various reporting or database and agencies or bureaus.

We collect your personal information, for example, when you:

- Apply for insurance, file a claim, contact us for information or with questions;
- Send us emails or other correspondence; or
- If you communicate with us by telephone (please note that we may record or monitor the call).

How does PURE protect my information?

Privacy Notice

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To protect your personal information from unauthorized access and use, we use security measures that comply with state and federal law. These measures include computer safeguards and secured files and buildings. We restrict access to nonpublic personal information to those employees who need to know that information to provide products or services to you. We take reasonable measures to ensure that the companies we choose as our business partners support our commitment to protecting the privacy of our subscribers in their handling of our subscribers' personal data.

How does PURE use my personal information?

All financial companies need to share customer's 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 PURE chooses to share subscribers' personal information; and whether you can limit this sharing.

Any information which we have or may obtain about you or other individuals listed as policyholders on your policy will be treated confidentially.

Reasons we can share your personal information	Does PURE share?	Can you limit this sharing?
For our everyday business purposes — such as policy issuance, claim adjustment, responding to service requests from you or your broker, responding to court orders and legal investigations, government agencies for regulatory reporting, etc.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies.	No	N/A
For our affiliates' everyday business purposes — information about your transactions and experiences.	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness.	No	N/A
For nonaffiliates to market to you.	No	N/A

PURE Affiliates: Privilege Underwriters, Inc. (PUI), PURE Insurance Company (PIC), PURE Risk Management, LLC (PRM)

Privacy Notice

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Non-affiliates: Companies not related by common ownership or control. They can include claims and other servicing vendors, insurance agencies, government agencies and departments, insurance servicing and reporting entities.

Why I can't I limit all sharing?

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes - information about our creditworthiness; and
- Sharing for non-affiliates to market to you,

neither of which PURE does. The only sharing PURE does is to allow PURE to run its everyday business.

Can I change the personal information PURE has?

If you ask us to amend or delete information about you, we will correct, amend or delete the personal information in dispute or notify you of the action we will take along with the reason for our decision. You can submit your request for additional information or your request to amend your information to:

Privacy Officer
Privilege Underwriters Reciprocal Exchange
44 South Broadway, Suite 301
White Plains NY 10601

(If the information you ask us to modify is from another source such as a Credit Reporting entity, we will not be able to change their information and you will need to work directly with that provider).

How do you use Credit or Consumer Reports?

In accordance with applicable federal and state laws, a credit report or other consumer report about you may be used to develop an insurance score. Your insurance score will be used to review your application for insurance and subsequent amendments and renewals. An insurance score uses information from your credit and/or consumer report to help predict how often you are likely to file claims and how expensive those claims will be. Insurance score information is then used to determine how much we will charge for insurance.

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Items from a credit report that could affect an insurance score include payment history, number of revolving accounts, number of new accounts, and the presence of collection accounts, bankruptcies and foreclosures. We will use information provided by LexisNexis (formerly ChoicePoint), or an equivalent third party vendor, in connection with the development of your insurance score. You have the right to a free copy of the credit report or consumer report used to develop your insurance score, and you have the right to work with the credit reporting agency that provided it to correct information which may be inaccurate.

What is an extraordinary life circumstance and how might it apply to me?

If an insurance score was used to rate your policy, you have the right to request in writing that we consider extraordinary life circumstance in connection with the use of your insurance score. PURE is an insurer authorized to do business in certain states that allow insurance score to be used to rate risks for a policy of personal insurance. In those states where permitted, PURE may, on written request from a consumer, provide exceptions to its rules for a consumer who has experienced, and whose credit information has been directly influenced by, events considered extraordinary circumstances such as; 1. Catastrophic illness or injury; 2. Death of a spouse, child or parent; 3. Divorce; 4. Identity theft; 5. Temporary loss of employment; 6. Military deployment overseas; 7. Total or other loss that makes your home uninhabitable; 8. Other events determined by PURE.

In the case that we receive an extraordinary life event submission, we may, but are not required to, do any of the following: 1. Require you to provide reasonable written and independently verifiable documentation of the event. 2. Require you to demonstrate that the event had direct and meaningful impact on your credit information. 3. Require that such request be made no more than sixty days after the date of the application for insurance or the policy renewal. 4. Grant an exception despite the fact that you did not provide the initial request for an exception in writing. 5. Grant an exception where you ask for consideration of repeated events or we have considered this event previously. 6. Assign a neutral insurance score.



Important Notice Regarding Flood Insurance

IMPORTANT FLOOD INSURANCE NOTICE

Your homeowners or dwelling policy does NOT provide coverage for loss caused by flood or mudslide, which is defined, in part, by the National Flood Insurance Program as:

A general and temporary condition of partial or complete inundation of normally dry land areas from overflow of inland or tidal waters or from the unusual and rapid accumulation or runoff of surface waters from any source.

If you are required by your mortgage lender to have flood insurance on your property, or if you feel that your property is susceptible to flood damage, insurance covering damage from flood is available on most buildings and contents in participating communities through the National Flood Insurance Program.

Information about flood insurance and whether your community participates in the program can be obtained from your insurance company, from your insurance agent/broker, or directly from the National Flood Insurance Program by calling **1-800-638-6620**.