

High Value Builders Risk Policy

Declarations

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

Surplus Lines Broker:**PURE Programs LLC**

300 Colonial Center Parkway

Suite 200

Roswell, GA 30076

License Number: 3001694569

Retail broker:

Undercode

100 Main Street North

St. Augustine, FL, 32080

Named Insured & Mailing Address

Nicole Dick

1ST AVE W 210

ABERCROMBIE, ND, 58001

Policy Number: CC247297500**Policy Period:** 05/12/2024 To 05/12/2025 at 12:01 Standard Time

This Policy is not renewable. The Policy Period can be extended with our prior written approval.

Insurance Company: Palomar Excess and Surplus Insurance Company

**THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR WINDSTORM
OR HAIL LOSSES WHICH MAY RESULT IN HIGH OUT-OF-POCKET
EXPENSES TO YOU.**

INSURED LOCATION

1ST AVE W 210

ABERCROMBIE, ND, 58001

INSURED LOCATION TYPE

Homeowner

TYPE OF CONSTRUCTION PROJECT

Ground Up Construction

This policy is issued by an insurer that is not licensed by the state of North Dakota. The insurer is not subject to the financial solvency regulation and enforcement that applies to licensed insurers in this state. The insurer does not participate in insurance guaranty funds created by state law, therefore these guaranty funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.

COVERAGE	COVERAGE LIMIT
SECTION II – PROPERTY COVERAGE	
Dwelling	\$1,000,000
Other Structures	\$100,000
Contents	\$100,000
Property at Temporary Storage	\$100,000
Property in Transit	\$100,000
Loss of Use	\$100,000
Additional Coverages	
Scaffolding and Other Construction Forms	\$100,000
Back Up of Sewers and Drains	\$250,000
Debris Removal	\$100,000
Pollutant Clean-Up and Removal	\$20,000
Ensuing Fungi or Bacteria	\$100,000
Landscaping	\$50,000
Precautionary Repairs	\$5,000
Tree Removal	\$1,500
Valuable Papers and Records	\$100,000
Expediting Expenses	\$20,000
Soft Costs Coverage	\$50,000
Loss Mitigation Measures	\$10,000
Rebuilding to Code	\$250,000
PROPERTY COVERAGE PREMIUM:	\$18,284.00

*** Coverage limits for Dwelling and Other Structures reflect reconstruction cost at project completion. The maximum amount payable for a covered loss during the Policy Period may be less than the coverage limit for your Dwelling or Other Structures. Refer to the definition of “reconstruction cost” under Section I and B. Coverage and Loss Settlement under Section II of your Policy for further details.**

DEDUCTIBLE

Windstorm or Hail	\$100,000 (10% of Dwelling Coverage Limit) per covered loss
All Other Peril	\$2,500 per covered loss

SECTION III – LIABILITY COVERAGE

Personal Liability	\$300,000
Medical Payments to Others	\$10,000
Damage to Property of Others	\$10,000

FORMS AND ENDORSEMENTS

The following forms and endorsements are attached to this Policy.

Title	Form Number	Edition Date
Declarations Page	PPBR-DEC-ND-001	04/01/2023
Privacy Notice	PPHV-DSC-GEN-002	02/01/2016
Contact Information Notice	PPHV-DSC-GEN-004	04/01/2017
Consumer Notice	PPBR-DSC-ND-001	04/01/2023
Notice Under FCRA	PPHV-DSC-GEN-003	02/01/2016
U.S Treasury Department's Office of Foreign Assets Control ("OFAC")	PPHV-DSC-GEN-001	02/01/2016
Important Flood Insurance Notice	PPHV-DSC-GEN-005	01/01/2017
High Value Builders Risk Policy	PPBR-PCF-GEN-001	02/01/2023
Witness Clause	PPHV-OTH-GEN-005	05/01/2021
Special Provisions - North Dakota	PPBR-END-ND-001	04/01/2023
Windstorm or Hail Deductible	PPBR-END-GEN-027	02/01/2023
Protective Safeguards Endorsement	PPBR-END-GEN-024	12/01/2022
Animal Liability Exclusion	PPBR-END-GEN-004	12/01/2022
Business Liability Exclusion	PPBR-END-GEN-005	12/01/2022
Exterior Insulation and Finish Systems (EIFS) Exclusion	PPBR-END-GEN-008	12/01/2022
Named Structures Exclusion	PPBR-END-GEN-013	12/01/2022
Swimming Pool Liability Exclusion	PPBR-END-GEN-018	12/01/2022
Tenant Animal Liability Exclusion	PPBR-END-GEN-019	12/01/2022
Broadened Loss of Use Coverage	PPBR-END-GEN-023	12/01/2022
Cosmetic Marring Exclusion for Metal Roof Covering	PPBR-END-GEN-006	12/01/2022
Minimum Earned Premium	PPBR-END-GEN-012	12/01/2022
Screen Enclosure Exclusion	PPBR-END-GEN-017	12/01/2022
Enhanced Residential Coverage	PPBR-END-GEN-025	02/01/2023

Total Premium	\$18,284.00	
Inspection Fee*	\$350.00	YOU WILL BE
Surplus Lines Broker Fee*	\$350.00	BILLED
Surplus Lines Premium Tax	\$332.23	SEPARATELY
Grand Total	\$19,316.23	FOR
		ANY PREMIUM DUE.

*Fully earned

This policy carries a minimum earned premium of 25%, plus fully earned fees and applicable state taxes and fees.

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

AUTHORIZED REPRESENTATIVE:

Date Issued:

05/12/2024

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

John J. Willis
License Number: 17934862

Privacy Notice

Important notice regarding your policy.

What Does PURE PROGRAMS, LLC Do with Your Personal Information?

Why does PURE Programs, LLC 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 Programs, LLC 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 Programs, LLC collect my information?

PURE Programs, LLC 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 Programs, LLC 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 Programs, LLC protect my information?

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

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 Programs, LLC does. The only sharing PURE Programs, LLC does is to allow PURE Programs, LLC to run its everyday business.

Can I change the personal information PURE Programs, LLC 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
 PURE Programs, LLC
 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.

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 Programs, LLC 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 Programs, LLC 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 Programs, LLC.

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.

Contact Information Notice

Important information about your policy. Please read it carefully.

**FOR INFORMATION OR TO
MAKE A COMPLAINT,
PLEASE CALL:
(888) 813-PURE**

**OR WRITE TO:
PURE PROGRAMS, LLC
300 COLONIAL CENTER PKWY
SUITE 200
ROSWELL, GA 30076**

Notice:

1. An insurer that is not licensed in North Dakota is issuing the insurance policy that you have applied to purchase. These companies are called "nonadmitted" or "surplus lines" insurers.
2. The insurer is not subject to the financial solvency regulation and enforcement that applies to licensed insurers in this state.
3. These insurers generally do not participate in insurance guaranty funds created by state law. These guaranty funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.
4. Some states maintain lists of approved or eligible surplus lines insurers and surplus lines producers may use only insurers on the lists. Some states issue orders that particular surplus lines insurers cannot be used.
5. For additional information about the above matters and about the insurer, you should ask questions of your insurance producer or surplus lines producer. You may also contact the North Dakota Insurance Department.

Signed with your
application package.

Applicant Signature

Date

NOTICE UNDER THE FAIR CREDIT REPORTING ACT (FCRA)

05/12/2024

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

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

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

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

The consumer reporting agency name and contact information is:

LexisNexis® Consumer Service Center
P. O. Box 105108
Atlanta, Georgia 30348-5108
(800) 456-6004
www.consumerdisclosure.com
Reference Number: 24133004831864

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

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

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

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

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

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

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

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.

Important Flood Insurance Notice

Important information about your policy. Please read it carefully.

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 1-888-379-9531 or by going to www.floodsmart.gov.

High Value Builders Risk Policy

Your High Value Builders Risk Policy - Quick Reference

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Insuring Agreement

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

SECTION I – DEFINITIONS

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

Abrupt collapse means an abrupt falling down, falling in pieces 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 means any device used or designed for flight whether manned or unmanned. **Aircraft** does not include model or hobby craft not used or designed to carry people or cargo.

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

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**.

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

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

- a) Substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- b) Method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c) Disease, substance or agent can cause or threaten damage to:
 - 1) Human health or human welfare; or
- d) Property, including, but not limited to, contamination, deterioration, diminution in value, or loss of use.

Contents means personal property **you** or a **family member** owns or possesses and, at **your** discretion, the personal property of **your private staff** and **your** guests located at the **residence premises** listed on **your** Declarations. Guests do not include roomers, boarders or their guests.

Cryptocurrency means an encrypted data string that denotes a unit of currency, whether or not adopted by a domestic or foreign government, including, but not limited to, Bitcoin, Altcoin, Stablecoin, tokens or other forms of digital, virtual or electronic currency.

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

Deductible means the portion of any covered loss for which **you** are responsible for any covered loss. **We** will pay when a covered loss exceeds the applicable **deductible** shown on the Declarations or by endorsement. **We** will only pay the excess amount, unless **we** indicate otherwise in the policy.

Dwelling means **your house** including any materials and supplies owned by **you** at each location shown on **your** Declarations for use in the repair, alteration, or construction of **your house**.

However, if **your residence premises** is a condominium or cooperative, **dwelling** means:

- a) Improvements, betterments, installations or fixtures that **you** paid for or acquired along with the **residence premises**;
- b) Materials and supplies owned by **you** at each location shown on **your** Declarations for use in the repair, alteration, or construction of improvements, betterments, installations or fixtures that **you** paid for or acquired along with the **residence premises**; and
- c) All property other than **contents** located within the boundaries of **your** condominium or cooperative, which is **your** insurance responsibility under a corporation or association of property owners' agreement.

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 are residents of **your** household and in **your** care or the care of another **family member**.

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

Flood means:

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

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

Fungi 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.

House means the owned one to four family free standing home or townhouse at each location named on **your** Declarations.

Incidental business means:

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 including, but not limited to, tutoring, garage sales, at home sales, 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) Conforms 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 shown on the Declarations.

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 claims or suits due to an **occurrence** that arises out of the ownership, maintenance or use of 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:

- 1) 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; or
- 2) Having custody of animals which are owned by **you** or a **family member** with the permission of the owner.

Insured project means the work, which is being performed to construct **your** home or to conduct renovations to **your** home or a condominium or cooperative unit at the **residence premises** in accordance with the contract signed by **you**.

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, wetlands or mangroves. **Landscaping** also does not include any artificial lawn or turf.

Medical expenses includes reasonable charges for:

- a) medical;
- b) surgical;
- c) X-ray;
- d) dental;

- e) ambulance;
- f) hospital;
- g) licensed nursing;
- h) prosthetic devices;
- i) eyeglasses;
- j) hearing aids; and
- k) funeral services.

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 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 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 means outdoor structures on the grounds of **your residence premises** set apart from the **dwelling** by clear space. This includes structures connected to the **dwelling** by only a fence, utility line or similar connection. **Other structures** also includes materials and supplies owned by **you** at each location shown on **your** Declarations for use in the repair, alteration, or construction of **your other structures**.

Personal injury means injury or death resulting from **bodily injury**. **Personal injury** does not include injury or death resulting from an **offense**.

Pollutants mean 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.

Private staff means a person employed to perform duties related to **your** personal affairs or **incidental business**. **Private staff** are paid by you, a **family member** or **your** Trust to perform labor or services at **your** direction. **Private staff** includes temporary workers who work 16 hours or more per week. **Private staff** also includes persons employed by a firm under an agreement between **you** and the firm. Independent contractors and persons hired by **you** who work 15 hours or less per week are not **private staff**.

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

Reconstruction cost means:

- a) For that part of the **residence premises** not under the course of construction or renovation, **reconstruction cost** means the lesser of the amount required at the time of the loss to repair or replace the **dwelling** or **other structure** at the same location with materials and workmanship of like kind and quality and for like use.
- b) For that part of the **residence premises** under the course of construction or renovation, **reconstruction cost** means the lesser of the:
 - 1) **Dwelling** limit or **other structures** limit (whichever is applicable); or
 - 2) Amount required at the time of the loss to repair, replace, or rebuild the **dwelling** or **other structure** at the same location with materials and workmanship of like kind and quality and for like use in order to bring the **insured project** to the same point of completion that had been achieved immediately prior to the loss.

Reconstruction cost does not include:

- 1) Deduction for depreciation or any amount required to comply with the enforcement of any ordinance or law;
- 2) Any amount required for the excavation, replacement or stabilization of land under or around a structure; or
- 3) Diminution in value of a structure.

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;
- d) Vehicle used to assist the disabled 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**.

Recreational motor vehicle does not include recreational motor vehicles used for racing or transporting others for hire.

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

Soft costs means the following actual and necessary costs associated with the reconstruction or repair of the **insured project**:

- a) Interest on construction loans for the **insured project**;
- b) Real estate and property tax assessments;
- c) Commissions or fees for the negotiations of leases;
- d) Insurance premiums;
- e) Legal and accounting fees;
- f) Fees for licenses and permits; and
- g) Architects, engineers and consultants fees.

Vacant means a **house**, condominium, cooperative or apartment:

- a) Substantially empty of owned furnishings and personal property; or
- b) Not supplied with basic utilities;

necessary to sustain normal residential occupancy.

Valuable papers and records means inscribed, printed or written documents, manuscripts or records, including abstracts, books, blueprints, deeds, designs drawings, films, maps or mortgage agreements. However, **valuable papers and records** does not mean:

- a) Money or securities;
- b) Converted data; or
- c) Programs or instructions used in **your** data processing operation, including the materials on which the data is recorded.

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

We, us and **our** means the Company shown on the Declarations and providing this insurance.

Windstorm means a storm with or without precipitation.

You or **your** means the “named insured” shown in the Declarations and if the “named insured” is an individual, the spouse if the spouse is a resident of the same household.

SECTION II – PROPERTY COVERAGE

A. Perils Insured Against

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

B. Coverage and Loss Settlement

1. Dwelling

For a covered loss to **your dwelling**, we will pay the **reconstruction cost** up to the **dwelling** coverage limit shown for that location on **your** Declarations whether or not **you** decide to repair, replace or rebuild.

2. Other Structures

For a covered loss to **your other structures**, we will pay the **reconstruction cost** up to the **other structures** limit shown for that location on **your** Declarations whether or not **you** decide to repair, replace or rebuild.

3. Contents

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

- 1) At the **residence premises**, the most we will pay 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** stated on the Declarations. However, if the **contents** are obsolete or unusable as a result of their age or condition, depreciation will be applied. We will not pay for diminution in value of **contents**;
- 2) While temporarily in storage at a location other than the **residence premises**, the most we will pay is the Property at Temporary Storage Location coverage limit shown on the Declarations;
- 3) While in transit, the most we will pay is the Property in Transit coverage limit shown on the Declarations. We will not provide coverage while **contents** are in transit:
 - (a) If **you** enter into any agreement with any transit carrier releasing them from any legal liability or agreeing that this insurance shall in any way benefit such transit carrier. However, **you** may without prejudice, accept such bills of lading, receipts or contracts of transportation as are ordinarily issued by transit carriers containing a limitation regarding value of any **covered property**; or
 - (b) During the period ocean marine coverage applies; or
- 4) At any other location, we will pay no amount under this policy.

We will not pay under 2) or 3) of this section for property that has not been specifically allocated to or otherwise identified with the **insured project**.

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

- 1) Cost to replace any part to restore the pair or set to its value before the loss;
- 2) Cost to repair any part to restore the pair or set to its value before the loss; or
- 3) Difference between the market value of the pair or set before and after the loss.

However, if **you** agree to give **us** the remaining article(s) of the pair or set, we will pay the full replacement cost of the entire pair or set. These payments do not increase **your** coverage amount.

4. Deductible

Unless otherwise noted in this policy, for any single covered loss, we will pay that amount of a covered loss, which exceeds the applicable base **deductible** or one of the applicable special **deductibles** shown on **your** Declarations or by endorsement. The applicable **deductible** plus the amount we pay shall not exceed the applicable coverage limit. If more than one **deductible** applies to a covered loss, we will only apply the highest **deductible** unless otherwise indicated in the Policy.

5. Loss of Use

- a) If a covered loss under this Policy delays the date **you** are able to take full occupancy of **your** home at the **residence premises**, **we** will pay for the necessary reasonable increase in living expenses incurred by **you** so **your** household can maintain its normal standard of living.

We will pay for the reasonable increase in living expenses for the period of time that would be required with reasonable speed and similar quality to rebuild or restore the **residence premises** to the same point of completion that had been achieved immediately prior to the loss. In no event will **we** pay more than the Loss of Use coverage limit shown on the Declarations. This time period is not limited by the expiration of this policy.

Increase in living expenses includes expenses such as rent for existing or new lease agreements and for reasonable lodging.

- b) If a civil authority prevents access to the **residence premises** due to a loss away from the **residence premises** caused by a peril that would have been covered under this Policy and delays the date **you** are able to take full occupancy of **your** home, **we** will reimburse **you** for the reasonable increase in living expenses incurred by **you** so that **your** household can maintain its normal standard of living for up to thirty (30) days. The most **we** will pay under this coverage is the Loss of Use coverage limit shown on the Declarations.
- c) The **deductible** shown on the Declarations does not apply to this coverage. However, **we** will not pay for the first seven (7) days for any necessary additional living expenses that would otherwise have been covered under this coverage.

6. 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 amounts shown for that location on **your** Declarations unless otherwise indicated. **Your deductible** applies to these coverages unless otherwise indicated. These coverages are subject to any special limits of liability and exclusions. Exclusions are defined in Section **D**.

1. Scaffolding and Other Construction Forms

We will pay up to the Scaffolding and Other Construction Forms coverage limit shown on the Declarations for:

- a) Direct physical loss or damage to scaffolding, construction forms and temporary structures, including fully enclosed offices and fully enclosed tool trailers while they are at the **residence premises** and used solely for the purposes of an **insured project**; and
- b) The cost of re-erection of the scaffold if the loss or damage to the scaffolding is due to a covered loss.

2. Back Up of Sewers and Drains

We will pay up to the applicable property coverage limit(s) shown on **your** Declarations for the location in the event of physical loss or damage to covered property caused by water or waterborne material that:

- a) Backs up through a sewer pipe or drain pipe; or
- b) Discharges or overflows from a sump, sump pump or related equipment even if such discharge or overflow results from the mechanical breakdown of the sump pump or related equipment,

unless there is a **flood** or surface water in the area and the sewer or drain backup, sump pump discharge or overflow, or seepage of water loss would not have occurred without the peril of **flood** or surface water.

Additionally, the overflow of a sewer pipe or drainpipe resulting from the quantity of rainwater, surface water or groundwater trying to enter the sewer pipe or drainpipe is not a back-up of a sewer pipe or drainpipe.

These payments do not increase **your** coverage amount.

3. 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**. **We** will also pay under this Additional Coverage for debris removal of a **tree** that damages a **house** or **other structure** on **your residence premises** if the damage to the **house** or **other structure** is a covered loss. If the cost of debris removal exceeds the applicable coverage limit, **we** will pay up to the Debris Removal coverage limit shown on **your** Declarations.

4. Pollutant Clean-Up and Removal

We will pay the expense to extract **pollutants** from land or water at the **residence premises** if the discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused by or results from a covered loss that occurs during the policy period. The expenses will be paid only if they are reported to **us** within 180 days of the date on which the covered loss occurs.

This Additional Coverage does not apply to costs to test for, monitor, or assess the existence, concentration or effects of **pollutants**. But **we** will pay for testing which is performed in the course of extracting the **pollutants** from land or water.

The most **we** will pay under this Additional Coverage is the Pollutant Clean-Up and Removal coverage limit shown on the Declarations for the sum of all expenses which are incurred as a result of all covered losses during the policy period.

5. Ensuing Fungi or Bacteria

For a covered loss **we** will not pay more than the coverage amount shown on **your** Declarations for Ensuing Fungi and Bacteria for each occurrence for all increased costs that are **fungi** or bacteria remediation expenses described below. This Ensuing Fungi or Bacteria limit does not increase **your** coverage amount.

This Ensuing 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 cleanup, 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 **your residence premises** is uninhabitable.

The coverage amount shown on **your** Declarations for Ensuing Fungi and Bacteria is the most **we** will pay regardless of the number of locations insured, or the number of claims for an occurrence. **We** will not make any additional payments for ensuing **fungi** or bacteria under any other part of this policy.

6. Fire Department Service Charge

We will pay up to \$50,000 for 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.

7. Reward Coverage

At **our** option, **we** may reimburse **you** for rewards **you** pay for information, which leads to the conviction of anyone responsible for loss or damage covered under this Policy. **We** will be the sole judge as to the payment and amount of reimbursement.

8. Land

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

9. Landscaping

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

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

We will pay up to the amount shown on **your** Declarations for **Landscaping** for that location 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.

10. Lock Replacement

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

11. Precautionary Repairs

We will pay up to the amount shown on **your** Declarations for Precautionary Repairs for reasonable expenses incurred by **you** for the necessary measures taken to protect covered property that is damaged by a covered peril, from further damage.

These payments do not increase **your** coverage amount.

12. 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.

13. Rebuilding to Code

We will pay up to the amount shown on **your** Declarations for Rebuilding to Code for 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 or other structures**, at the loss location;
- 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; or
- c) Diminution in value of the structure.

14. Loss Mitigation Measures

In the event of a covered loss, for which **we** pay \$10,000 or more, **we** will also pay for the reasonable costs **you** incur up to the amount shown on **your** Declarations for that location for Loss Mitigation Measures 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.

15. Tree Removal

Unless covered elsewhere under this policy, **we** will pay up to the amount shown on **your** declarations for that location for Tree Removal 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 a **house** or **other structures** on **your residence premises**.

16. Valuable Papers and Records

We will pay up to the Valuable Papers and Records coverage limit shown on the Declarations for a covered loss to **valuable papers and records**. The value will be based on the blank materials for reproducing the records and labor to transcribe or copy the records when there is a duplicate. When there is no duplicate, **we** will pay the costs to research, replace, restore or reproduce the lost information on lost or damaged **valuable papers and records**.

No **deductible** applies to this Additional Coverage.

17. Expediting Expenses

We will reimburse **you** up to the Expediting Expenses limit shown on the Declarations for the reasonable costs and expenses, which **you** incur, to expedite permanent repair or replacement of lost or damaged covered property, provided such repair or replacement is required due to a covered loss.

For purposes of this Additional Coverage, expediting expense means additional expenses such as overtime and the extra cost of express or other rapid transportation, which **you** necessarily incur to complete **your** home in the time period stated by the construction contract.

18. Soft Costs

- a) If a covered loss under this Policy delays the completion of the **insured project**, **we** will pay up to the Soft Costs coverage limit shown on the Declarations for **your soft costs**.

We will pay for **your soft costs** for the period of time that would be required with reasonable speed and similar quality to rebuild or restore **your** damaged covered property to the same point of completion that had been achieved immediately prior to the loss. In no event will **we** pay more than the coverage limit shown on the Declarations for Soft Costs Coverage. This time period is not limited by the expiration of this policy.

- b) The following coverages apply to this additional coverage:
- 1) Loss Mitigation Expense
We will also pay any necessary expenses **you** incur that actually mitigate **your soft costs** (except expenses for which there is coverage elsewhere in this policy). **We** will pay for such expenses to the extent that they do not exceed the **soft costs** that otherwise would have been payable under this additional coverage.
 - 2) Civil Authority
We will also pay for **soft costs** when the delay in the completion the **insured project** is caused by the action of a civil authority that prohibits access to the covered property due to direct physical loss or damage to property away from the **residence premises**, but only if such loss or damage is caused by or resulting from a peril that would have been covered under this Policy. This coverage is extended for a period of three (3) consecutive weeks from the date of that action. However, this does not increase the **soft costs** Coverage Limit.
- c) The following condition applies to this additional coverage:
- Resumption of Construction
We will reduce the amount of **your soft costs** payments to the extent **you** can, in the event of a covered loss, resume the **insured project** in whole or in part by:
- 1) Making complete or partial use of the covered property;
 - 2) Making use of other equipment supplies, machinery; and
 - 3) Doing all that is reasonably possible to minimize the loss.

19. Collapse

- a) **We** will cover direct physical loss to **your house** 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 for the perils under a)2) through 6) above, unless the 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 a direct result of the **abrupt collapse** of a building or any part of a building.
- c) This Additional Coverage does not apply to:
- 1) A building or any part of a building that is in danger of falling down, falling in pieces 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 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) Machinery, tools, equipment and other property not considered **contents** nor intended to become a permanent part of any **dwelling** or **other structure** being constructed on the **residence premises**.
- b) Money, bank notes, bullion, gold including gold ware, silver including silver ware, platinum including platinum ware.

- c) **Aircraft** or its parts, whether or not attached to the **aircraft**.
- d) **Watercraft** including their trailers, furnishings, equipment and outboard engines or motors.
- e) Trailers not used with **watercraft**.
- f) Grave markers.
- g) Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, negotiable papers, passports, tickets.
- h) Jewelry, watches, precious stones or semi-precious stones, whether set or unset.
- i) Furs.
- J) Guns.
- k) **Houses** or **other structures** that are scheduled for demolition, deconstruction or destruction. However, we will pay the cost of debris removal for a peril otherwise covered. 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.

If the scheduled demolition, deconstruction or destruction is only to part of a **house** or **other structure**, then **we** do not cover any loss to that part of a **house** or **other structure** that is scheduled for demolition, deconstruction or destruction. However, **we** will pay the cost of debris removal. A building, whether in whole or part, 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 or deconstruct that part of the building within the policy period.

If the scheduled demolition, deconstruction or destruction is to a condominium or cooperative, whether in whole or in part, then **we** do not cover any loss to the **house** or **contents** located in that part of a condominium or cooperative that is scheduled for demolition, deconstruction or destruction. However, **we** will pay the cost of debris removal. A condominium or cooperative, whether in whole or in part, 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 or deconstruct that part of the building within the policy period.

- l) **Business** property including **houses** or **other structures** owned by or used for any **business**. This Exclusion does not apply to covered property including **houses** or **other structures** used for any **incidental business**.
- m) Motorized land vehicle, other than a **recreational motor vehicle**.
- n) Property of roomers, boarders, or other tenants. This Exclusion does not apply to property of roomers or boarders related to **you** or a **family member**.
- o) Fish, birds or other animals.
- p) Plans, blueprints, designs or specifications except as provided in paragraph **C. Additional Coverages, 16. Valuable Papers and Records**.
- q) **Fine arts** and **collectibles**.
- r) **Cryptocurrency** and non-fungible tokens (NFT's).

- s) **Contents** or materials used solely for the purpose of the **insured project** that are out in the open if the loss is caused by or resulting from rain, snow, sleet, sand or dust. This Exclusion does not apply to **contents** or materials used solely for the purpose of the **insured project** in the custody of a carrier for hire.
 - t) Interior of buildings or structures including any covered property located within the building or structure if the loss is caused by or resulting from rain, snow, sleet, sand or dust whether or not driven.
This exclusion does not apply to interiors of fully enclosed buildings or structures, but only if:
 - 1) The building or structure first sustains damage due to a covered loss to its roof, walls, doors, or windows through which the rain, snow, sleet, ice, sand or dust enters; or
 - 2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - u) Wine, liquor and other spirits.
2. **We** do not insure for any loss caused directly or indirectly by, consisting of, or resulting from, one or more of the following excluded events, perils or conditions. Such loss is excluded regardless of any other event, peril or condition contributing concurrently or in any sequence to the loss. These exclusions apply whether the loss event, peril or condition occurs abruptly or gradually, on or off the **residence premises**, results in isolated or widespread damage, arises from natural or man-made causes, or is a result of any combination of these events, perils or conditions:

- a) **Civil, Governmental or Military Action**
Civil, governmental or military action means the destruction, confiscation, seizure or quarantine by order of any civil, governmental or military authority. This Exclusion does not apply to such acts ordered by any civil, governmental or military authority that are taken to prevent the spread of fire.
- b) **Earth Movement**
Earth movement means:
 - 1) Earthquake, including land shock waves or tremors;
 - 2) Earthquake including land shock waves or tremors, before, during or after a volcanic eruption;
 - 3) Landslides, mudslides or **mudflows**; or
 - 4) The erosion, settling, sinking, rising, or shifting of land.

However, **we** will not apply this Exclusion to damage caused by the perils of theft, fire, glass breakage or explosion that ensue from earth movement.

Additionally, **we** will not apply this Exclusion to direct physical loss caused by mine subsidence. Mine subsidence means the lateral or vertical movement of a man-made underground mine or mine-related excavations.

- c) **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. Nuclear hazard includes blast wave, radiation, fire and heat, electromagnetic pulse (EMP) and fallout resulting from a nuclear hazard.
- d) **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 d)1) to d)3) of this Exclusion.

This Exclusion does not apply to direct loss by fire, explosion or theft that ensues from d)1) to d)4).

e) **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 e)1) of this Exclusion.

This Exclusion does not apply to:

- 1) The extent coverage is provided in **C. Additional Coverages, 2. Back Up of Sewers and Drains**; or
- 2) Direct loss by fire, explosion or theft that ensues from **groundwater**.

f) **Sewer or Drain Overflow or Backup**

Sewer or drain overflow or back up means:

- 1) Water backs up or overflows through a sewer pipe or drain pipe; 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:

- 1) The extent coverage is provided in **C. Additional Coverages, 2. Back Up of Sewers and Drains**; and
- 2) Direct loss by fire, explosion or theft that ensues from sewer or drain overflow or backup.

g) **Sump Pump Overflow**

- 1) Water that discharges or overflows from a sump, sump pump or related equipment even if such discharge or overflow results from the mechanical breakdown of the sump pump or related equipment; or
- 2) Waterborne material carried or otherwise moved by any of the water referred to in g)1) of this Exclusion.

This Exclusion does not apply to:

- 1) The extent coverage is provided in **C. Additional Coverages, 2. Back Up of Sewers and Drains**; and
- 2) Direct loss by fire, explosion or theft that ensues from sump pump overflow.

h) **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.

i) Extremes of temperature, dampness, humidity or water vapor to **your dwelling, other structures or contents**.

This exclusion does not apply to loss caused directly by rain, sleet, snow or hail.

j) **Utility Failure**

Utility 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.

k) **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.

l) **Intentional Loss**

Intentional loss means any loss arising out of any act an **insured** commits or conspires to commit with the intent to cause a loss. This includes any loss that occurs that may be reasonably expected to result from an intentional act. This exclusion only applies to an **insured** who commits or conspires to commit an act with the intent to cause a loss.

m) **Dishonest or Criminal Act**

Dishonest or criminal act means a dishonest or criminal act by **you** or a **family member**, or by a person directed by **you** or a **family member** that results in any loss.

n) 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; or
- 2) Close and drain the water system and appliances if the property is **vacant**, unoccupied or being constructed.

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

o) **Mysterious Disappearance**

Mysterious disappearance means the disappearance of covered property without **your** knowledge, as to the place, time or manner of loss.

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

a) Faulty, inadequate or defective:

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

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

b) Loss caused by:

- 1) Wear and tear, marring, deterioration;
- 2) Warping, rust or, other corrosion;
- 3) Wet or dry rot;
- 4) Mechanical breakdown;
- 5) Latent defect;
- 6) Inherent vice; or
- 7) Any quality in property that causes it to damage or destroy itself.

c) Pollution. Pollution means the:

- 1) Presence;
- 2) Discharge;
- 3) Dispersal;
- 4) Seepage
- 5) Migration;
- 6) Release; or
- 7) Escape

of any **pollutants**.

This Exclusion applies to testing for or monitoring of **pollutants** unless required by law or ordinance.

This Exclusion does not apply to the extent coverage is provided under **C. Additional Coverages, 4. Pollutant Clean-Up and Removal**.

d) Renovating, refinishing or repairing of covered property.

e) 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.
- f) 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.
- g) Freezing, thawing, or pressure or weight of water, ice or snow, whether driven by wind or not, to the following structures:
 - 1) Fences, pavements, patios or tennis courts;
 - 2) Swimming pools, hot tubs, septic systems or any of their components;
 - 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.
- h) Collapse, including any of the following conditions of property or any part of the property:
 - 1) An abrupt falling down, falling apart or caving in;
 - 2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down, falling apart or caving in; or
 - 3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to 1) or 2) above;other than as provided in **C. Additional Coverages, 19. Collapse**.
- i) Birds, vermin, rodents, insects or arachnids, including but not limited to damage caused by these animals, infestations, waste and secretions.

Vermin means animals that tend to access or enter into or under structures for foraging or shelter and, as a result, cause loss. Such animals include, but are not limited to armadillos, bats, beavers, coyotes, lizards, opossums, porcupines, raccoons, skunks, snails, snakes, slugs, or squirrels.

However, this Exclusion does not apply to:

- 1) Building structure glass breakage caused by birds; or
- 2) Loss to covered property caused by domestic animals owned by an **insured** or in an **insured's** care.
- j) **Communicable disease** or the fear or threat (whether actual or perceived) of a **communicable disease**.
- k) Delay in construction or loss of use of the **residence premises**. This exclusion does not apply to the extent coverage is provided in **B. Coverage and Loss Settlement, 3. Loss of Use**.
- l) Penalties for noncompliance with any contract conditions.
- m) Testing, start-up, commissioning, examination or trial of covered property such as boilers, ovens, stoves, turbines, pumps, process equipment or equipment of a similar nature to verify their ability or function. This includes any form of testing making use of feedstock, including operational tests, performance tests, or other tests performed in conjunction with such testing.

This Exclusion does not apply to electrical testing, mechanical testing, pneumatic testing or hydrostatic testing used in the start-up and testing of building systems that are intended to service a building.

- n) Delay in repair or reconstruction. This includes:
 - 1) Interference by strikers or other persons affecting the rebuilding, repairing or replacing of covered property;
 - 2) Suspension, lapse or cancellation of any lease, license, contract or order;
 - 3) The unavailability of funds for repair or reconstruction;

- 4) Improvements necessary to correct deficiencies in the original construction; or
 - 5) Additional time required to repair or replace the covered property as a result of adverse weather conditions.
- o) Temporary raising of the **house** or **other structures**. This includes loss resulting from when:
- 1) The **house** or any **other structure** is in the process of being raised onto pillars, stilts or any other type of temporary building support; or
 - 2) The **house** or any **other structure** is actually set onto pillars, stilts or any other type of temporary building support.
- p) Presence, growth, proliferation, spread or any activity of **fungi** 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** or bacteria.

This exclusion does not apply to:

- a) Coverage provided under **C. Additional Coverages, 5. Ensuing Fungi or Bacteria**; or
- b) **Fungi** or bacteria resulting from fire or lightning unless another exclusion applies.

SECTION III – LIABILITY COVERAGE

A. Personal Liability

If a claim is made or a suit is brought against an **insured** for a **personal injury** or **property damage** caused by an **occurrence** at the **residence premises**, we will:

1. Pay up to the applicable Personal Liability coverage limit for **damages** for any single **occurrence** for which an **insured** is legally liable. **We** will not pay more than the Personal Liability coverage limit shown on **your** Declarations for any single **occurrence** occurring at the **residence premises**; 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 Personal Liability coverage limit shown on the Declarations for the **occurrence** has been exhausted by payment of a judgment or settlement, exclusive of all pre-judgment, post judgment interest, court or bond costs. 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 Medical Payments to Others coverage limit 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 in-force homeowners' policies issued by **us**. This coverage does not apply to **you** or a **family member**. This coverage applies only:

1. To a person on the **residence premises** with the permission of **you** or a **family member**; or
2. To a person off the **residence premises** if the **bodily injury** arises out of a condition at the **residence premises**, or the ways immediately adjoining the **residence premises**.

C. Damage to Property of Others

We will pay up to the Damage to Property of Others coverage limit shown on the Declarations 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 Personal Liability coverage limit, unless stated otherwise:

1. Claims Expenses

We will pay:

- a) Expenses **we** incur and court costs assessed against an **insured** in any suit where **we** provide a defense;
- 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 Personal 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 Personal Liability coverage limit.

2. First Aid

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

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**.

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 or Officers 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.

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 property that **you** rent to live in.

7. Insured

Personal injury to 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; or
- b) Regardless if the **insured** believed the claimant consented to the acts.

10. Communicable Disease

Personal injury or **property damage** which arises out of, contributed to by, resulting from or in connection with the transmission of a **communicable disease** or the fear or threat (whether actual or perceived) 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 whether past or present.

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.

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. Nuclear hazard includes blast wave, radiation, fire and heat, electromagnetic pulse (EMP) and fallout resulting from a nuclear hazard.

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;
 - e) Distribution; or
 - f) Transfer or possession,
- by any person of a controlled substance as defined under federal law.

Controlled 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 the **residence premises**; or
- b) Where the liability of others is assumed by **you** prior to an **occurrence**.

20. Assessments

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

21. Punitive Damages

Punitive **damages** arising out of a monetary award imposed to punish a wrongdoer and to deter others from similar conduct. Punitive **damages** include exemplary **damages**. Punitive **damages** also include any **damages** or penalties, based upon any legal theory that requires proof of the same standard of conduct necessary to support an award of punitive **damages** or exemplary **damages**, under the law of the state in which they are awarded.

SECTION IV– GENERAL PROVISIONS

A. When Coverage Begins and Ends

We will cover risk of loss or damage from the time when **you** are legally responsible for covered property on or after the effective date of this policy if all other conditions are met. Coverage will end at the earliest of the following:

- 1. When **you** abandon the **insured project** with no intention to complete it;
- 2. At the expiration of this policy; or
- 3. When other homeowners insurance becomes effective.

B. Insurable Interest

Even if more than one person or party has an insurable interest in the property covered under this policy, **our** liability will not exceed the lesser of the following amounts in any one loss:

- 1. The amount of such **insureds** interest at the time of loss; or
- 2. The applicable limit of liability.

C. Your Duties After a Loss

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

1. Give prompt notice to **us** or **your** insurance agent. Except for Precautionary Repairs taken under **Additional Coverage C.11** of **Section II**, there is no coverage for repairs that begin before the earlier of:
 - a) 72 hours after **we** are notified of the loss;
 - b) The time of loss inspection by **us**; or
 - c) The time of other approval by **us**;
2. To the degree reasonably possible, retain the damaged property; and allow **us** to inspect, subject to this paragraph 2., all damaged property prior to its removal from the **residence premises**;
3. Notify the police promptly in case of loss by theft;
4. Protect covered property from further damage. The following must be done:
 - a) Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under **Additional Coverage, C.11** of **Section II**.
A reasonable emergency measure under 4.a) above may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for **us** to inspect; and
 - b) Keep an accurate record of repair expenses;
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. At **our** request, send to **us**, within sixty (60) days **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; and
 - g) Receipts for additional living expenses incurred.
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 a loss.

The duties above apply regardless of whether **you**, an **insured** seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this Policy.

D. Policy Term

This policy applies only to a covered loss, which occurs during the Policy Period shown on the Declarations. Upon the expiration date of the policy term, this policy will not renew.

E. Recovered Property

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

F. Assignment

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

G. 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.

H. Concealment or Fraud

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

1. Intentionally concealed or misrepresented any material fact or circumstance;
 2. Engaged in fraudulent conduct; or
 3. Made false statements;
- relating to this insurance.

I. Conformity to Law

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

J. 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.

K. Bankruptcy

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

L. Death of the Named Insured

In the event of the named insured's death, this policy will cover the legal representative of the deceased for the remainder of the Policy Period after **we** are notified of the named **insured's** death unless the policy is 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.

M. Suit Against Us

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

N. Mediation or Appraisal

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

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

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

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

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

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

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

If the mediator determines that both parties have mediated in good faith, the costs of the mediation shall be shared equally by both parties.

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

Each party will:

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

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

O. 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.

Your failure to allow an inspection or comply with **our** requirements may result in cancellation to the extent allowed by the state where the **residence premises** is located.

P. 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 as insurance; or
 - c) Any insurance that describes and specifically covers any **contents**, **we** will not pay any amount under this policy;
 - d) A homeowners insurance policy, **we** will not pay any amount under this policy;
 - e) Any other insurance not considered other insurance under (a) or (b) above; **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; or
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.

Q. 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:
Notifies **us** of any change in ownership, use, occupancy or substantial change in risk of which the mortgagee is aware;
Pays any premium due under this policy on demand if **you** have neglected to pay the premium; and
Submits a signed, sworn statement of loss within sixty (60) days after receiving notice from **us** of **your** failure to do so.
3. If **we** decide to cancel this policy, **we** will notify the mortgagee at least thirty (30) 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.

R. Cancellation

1. **You** may cancel this policy at any time by returning it to **us** or by letting **us** know in writing of the date cancellation is to take effect.
2. **We** may cancel this policy only for the reasons stated below by letting **you** know in writing of the date cancellation takes effect. This cancellation notice may be delivered to **you** or mailed to **you** at **your** mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - a) When **you** have not paid the premium, **we** may cancel at any time by letting **you** know at least ten (10) days before the date cancellation takes effect.
 - b) When this policy has been in effect for less than sixty (60) days, **we** may cancel for any reason by letting **you** know at least ten (10) days before the date cancellation takes effect.
 - c) When this policy has been in effect for sixty (60) days or more, **we** may cancel:
 - 1) If there has been a material misrepresentation of fact which if known to **us** would have caused **us** not to issue the policy; or
 - 2) If **you** have been convicted of a crime arising out of an act that increases the hazard insured against; or
 - 3) If the risk has changed substantially since the policy was issued.

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

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

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 the applicable deductible and **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. Severability of Insurance

If the application for this Policy contains misrepresentations which materially affect **our** acceptance of the risk or were made for the purposes to deceive **us**, **we** shall not pay any amount under this policy for loss based upon, arising from, or in consequence of any such misrepresentation with respect to any **insured** who had knowledge of the matters misrepresented.

IN WITNESS

PALOMAR EXCESS AND SURPLUS INSURANCE COMPANY

REGULATORY OFFICE
4400 West 78th Street, Suite 120
Bloomington, MN 55435
PHONE: (619) 567-5290

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

All other provisions remain unchanged.

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



Jon Knutzen
President



Jason Sears
Secretary

Special Provisions – North Dakota

This endorsement changes the policy. Please read it carefully.

SECTION I – DEFINITIONS

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

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.

SECTION II – PROPERTY COVERAGE

D. **Exclusions**, Paragraph 2.1) is replaced by the following:

1) **Intentional Loss**

- 1) 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.
- 2) However, this exclusion will not apply to deny payment to an innocent co-**insured** who did not cooperate in or contribute to the creation of the loss if:
 - (a) Such loss arose out of domestic violence; and
 - (b) The perpetrator of the loss is criminally prosecuted for the act causing the loss.
- 3) If **we** pay a claim pursuant to Paragraph 1)2), **our** payment to the **insured** is limited to that **insured's** insurable interest in the property less any payments **we** first made to a mortgagee or other party with a secured interest in the property. In no event will **we** pay more than the Limit of Liability.

SECTION III – LIABILITY COVERAGE

D. **Additional Coverages** is revised by adding the following:

3. **Prejudgment Interest**

Prejudgment interest awarded against an **insured** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable limit of liability, **we** will not pay any prejudgment interest based on that period of time after the offer.

SECTION IV – GENERAL PROVISIONS

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

M. Suit Against Us

No action can be brought against **us** unless there has been full compliance with all of the terms under this Policy and the action is started within three years after the date of loss.

B. T. Subrogation is revised by adding the following:

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

This endorsement is issued as part of Policy CC247297500. 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.

Windstorm or Hail Deductible

This endorsement changes the policy. Please read it carefully.

SECTION II – PROPERTY COVERAGE

B. Coverage and Loss Settlement, 4. Deductible is revised by adding the following:

Windstorm or Hail Deductible

In lieu of the base All Other Peril **deductible**, in the event of direct physical loss to property covered under this policy caused directly or indirectly by windstorm or hail, the Windstorm or Hail **Deductible** shown on **your** Declarations is the amount of the covered loss that **you** will pay. The Windstorm or Hail **Deductible** applies regardless of any other cause or event contributing concurrently or in any sequence to the loss.

This endorsement is issued as part of Policy CC247297500. 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.

Protective Safeguards Endorsement

This endorsement changes the policy. Please read it carefully.

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

1ST AVE W 210
ABERCROMBIE, ND 58001

The Policy is amended as follows:

SECTION IV – GENERAL PROVISIONS

The following is added to this Section:

Protective Safeguards

In exchange for the issuance of this Policy, **you** hereby agree that the Protective Safeguards described below for which an “X” is shown in the corresponding box will be maintained at the **residence premises**.

We will exclude coverage if the failure to maintain a selected Protective Safeguard reasonably contributed to a loss.

☐ **Full Perimeter Fence**

The work site must be completely surrounded by a fence and driveway gate. The gate(s) will be closed and locked during the hours that construction operations are not in progress. The fence and gate must be at least 5' in height.

☐ **Central Station Monitored Fire Alarm**

The **residence premises** must have a temporary central station fire alarm installed and activated once the envelope of the structure is enclosed (roof, walls, doors and windows). The system should consist of at least 1 heat detector for every 1,000 sf including the basement, attic and garage.

☐ **Central Station Monitored Burglar Alarm**

The **residence premises** must have a temporary central station burglar alarm installed and activated once the envelope of the structure is enclosed (roof, walls, doors and windows). The system should have motion detectors in all hallways that are accessible from the ground and contacts on all exterior doors.

☐ **Fire Extinguishers**

The **residence premises** must be equipped with at least one fire extinguisher on each floor of each structure including the basement and attic. The fire extinguishers should be ABC rated and at least 10 pounds in capacity.

☐ **Fire Proof Storage Cabinet for Flammable Liquids**

The **residence premises** must be equipped with UL approved flammable liquid storage cabinet for the storage of flammable liquids.

☐ **Oily Rag Disposal**

A UL approved fireproof can must be situated at the work site and used for the disposal of all rags.

☐ **Signage**

No Trespassing signs must be clearly displayed along the perimeter of the **residence premises**.

☐ **No Smoking Policy**

A No Smoking policy must be strictly enforced on site, including the posting of No Smoking signs throughout the **residence premises**.

This endorsement is issued as part of Policy CC247297500. 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.

Animal Liability Exclusion

This endorsement changes the policy. Please read it carefully.

SECTION III – LIABILITY COVERAGE

E. Exclusions is revised by adding the following:

Animals

Personal injury or **property damage** arising out of direct physical contact with any animal that is owned by or in the care, custody or control of any **insured**.

This endorsement is issued as part of Policy CC247297500. 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.

Business Liability Exclusion

This endorsement changes the policy. Please read it carefully.

SECTION III – LIABILITY COVERAGE

E. Exclusions, 11. Business is replaced by the following:

11. Business

Personal injury or **property damage** arising out of or in connection with property owned by or used with any **business** or any **business** pursuits.

This endorsement is issued as part of Policy CC247297500. 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.

Exterior Insulation and Finish Systems Exclusion

This endorsement changes the policy. Please read it carefully.

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

1ST AVE W 210
ABERCROMBIE, ND 58001

SECTION II – PROPERTY COVERAGE

D. Exclusions is amended by adding the following:

Exterior Insulation and Finish Systems (EIFS)

We do not cover any loss or damage caused by directly or indirectly by the installation, repair, use or maintenance of:

- a. Exterior Insulation and Finish Systems (EIFS);
- b. Exterior Hybrid Stucco Cladding,
- c. Fake or synthetic stucco; or
- d. Any other similar exterior coating,

Which results in loss or damage including, but not limited to fungi, mold, seepage, rot, delamination, detachment, collapse, imminent collapse, cracking or insect damage.

Such loss or damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss or damage.

This endorsement is issued as part of Policy CC247297500. 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.

Named Structures Exclusion

This endorsement changes the policy. Please read it carefully.

SCHEDULE

Address and description of structure:

Test

SECTION II – PROPERTY COVERAGE

D. Exclusions is amended by adding following:

Specific Structure

We do not cover any loss caused by any peril to the structure listed in the Schedule above:

SECTION III – LIABILITY COVERAGE

E. Exclusions is amended by adding the following.

Specific Structure

Personal injury or property damage which occurs in, at or around the structure listed in the Schedule above.

This endorsement is issued as part of Policy CC247297500. 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.

Swimming Pool Liability Exclusion

This endorsement changes the policy. Please read it carefully.

SECTION III – LIABILITY COVERAGE

E. Exclusions is amended by adding the following:

Swimming Pool Liability

Personal injury or property damage which occurs:

- a) In, at, or around a swimming pool, including, but not limited to, a diving board or slide; or
- b) On or upon a swimming pool patio or deck.

This endorsement is issued as part of Policy CC247297500. 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.

Tenant Animal Liability Exclusion

This endorsement changes the policy. Please read it carefully.

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

1ST AVE W 210
ABERCROMBIE, ND 58001

The Policy is amended as follows:

SECTION III – LIABILITY COVERAGE

E. Exclusions is revised by adding the following:

Animals

Personal injury or **property damage** arising out of direct physical contact with any animal that is owned by or in the care, custody or control of someone renting any part of the **residence premises**.

This endorsement is issued as part of Policy CC247297500. 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.

Broadened Loss of Use Coverage

This endorsement changes the policy. Please read it carefully.

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

1ST AVE W 210
ABERCROMBIE, ND 58001

The Policy is amended as follows:

SECTION II – PROPERTY COVERAGE

B. Coverage and Loss Settlement, 5. Loss of Use is replaced by the following:

5. Loss of Use

- a) If a covered loss under this Policy makes the **residence premises** not fit to live in, **we** will pay for the necessary reasonable increase in living expenses incurred by **you** so **your** household can maintain its normal standard of living.

We will pay for the reasonable increase in living expenses for the period of time that would be required with reasonable speed and similar quality to rebuild or restore the **residence premises** to the same point of completion that had been achieved immediately prior to the loss. In no event will **we** pay more than the Loss of Use coverage limit shown on the Declarations. This time period is not limited by the expiration of this policy.

Increase in living expenses includes expenses such as rent for existing or new lease agreements and for reasonable lodging.

- b) If a civil authority prevents access to the **residence premises** due to a loss away from the **residence premises** caused by a peril that would have been covered under this Policy, **we** will reimburse **you** for the reasonable increase in living expenses incurred by **you** so that **your** household can maintain its normal standard of living for up to thirty (30) days. The most **we** will pay under this coverage is the Loss of Use coverage limit shown on the Declarations.
- c) The **deductible** shown on the Declarations does not apply to this coverage.

This endorsement is issued as part of Policy CC247297500. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Policy Expiration Date, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Cosmetic Marring Exclusion for Metal Roof Covering

This endorsement changes the policy. Please read it carefully.

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

1ST AVE W 210
ABERCROMBIE, ND 58001

SECTION I – DEFINITIONS

The following Definition is added:

Cosmetic Marring

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

SECTION II – PROPERTY COVERAGE

D. Exclusions is revised by adding the following:

Cosmetic Marring

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

This endorsement is issued as part of Policy CC247297500. 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.

Minimum Earned Premium

This endorsement changes the policy. Please read it carefully.

It is agreed and understood that the policy is amended as follows:

SECTION IV – GENERAL PROVISIONS

The following is added to this Section:

Minimum Earned Premium

In the event this policy is cancelled, **we** will retain the greater of:

1. The pro rata earned premium which is the premium for the period from the effective date of this policy period to the effective date of cancellation; or
2. \$4,829.06,

despite any provision of this policy to the contrary.

This endorsement is issued as part of Policy CC247297500. 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.

Screen Enclosure Exclusion

This endorsement changes the policy. Please read it carefully.

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

1ST AVE W 210
ABERCROMBIE, ND 58001

The Policy is amended as follows:

SECTION II – PROPERTY COVERAGE

D. Exclusions is amended by adding the following:

Screen Enclosures

We do not cover any loss or damage to screen enclosures due to or resulting from windstorm or hail.
This Exclusion applies to the screen material, frame, footings and/or anchors.

This endorsement is issued as part of Policy CC247297500. 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.

Enhanced Residential Coverage

This endorsement changes the policy. Please read it carefully.

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

1ST AVE W 210
ABERCROMBIE, ND 58001

The Policy is amended as follows:

SECTION II – PROPERTY COVERAGE

A. B. Coverage and Loss Settlement, 3 Contents is replaced by the following:

3. Contents

- a) The amount of coverage depends on where the loss occurs. For a covered loss to **contents** that occurs:
 - 1) At the **residence premises**, the most **we** will pay 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** stated on the Declarations. However, if the **contents** are obsolete or unusable as a result of their age or condition, depreciation will be applied. **We** will not pay for diminution in value of **contents**;
 - 2) 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;
 - 3) At a residence that an **insured** owns or lives in that is not insured under another policy, **we** will pay up to 10% of the **contents** limit listed on **your** Declarations;
 - 4) While temporarily in storage at a location other than the **residence premises**, the most **we** will pay is the Property at Temporary Storage Location coverage limit shown on the Declarations;
 - 5) While in transit, the most **we** will pay is the Property in Transit coverage limit shown on the Declarations. **We** will not provide coverage while **contents** are in transit:
 - (a) If **you** enter into any agreement with any transit carrier releasing them from any legal liability or agreeing that this insurance shall in any way benefit such transit carrier. However, **you** may without prejudice, accept such bills of lading, receipts or contracts of transportation as are ordinarily issued by transit carriers containing a limitation regarding value of any **covered property**; or
 - (b) During the period ocean marine coverage applies; or
 - 6) Away from any residence that an **insured** owns or lives in, including the **residence premises** **we** will pay up to the **contents** limit listed on **your** Declarations. This does not apply to any covered loss to **contents**:
 - (a) Temporarily in storage; or

(b) In transit.

We will not pay under 5) above for property that has not been specifically allocated to or otherwise identified with the **insured project**.

- b) For a covered loss to a pair or set, **we** will pay the lesser of the:
- 1) Cost to replace any part to restore the pair or set to its value before the loss;
 - 2) Cost to repair any part to restore the pair or set to its value before the loss; or
 - 3) Difference between the market value of the pair or set before and after the loss.

However, if **you** agree to give **us** the remaining article(s) of the pair or set **we** will pay the full replacement cost of the entire pair or set. These payments do not increase **your** coverage amount.

B. B. Coverage and Loss Settlement is amended by adding the following:

Special Limits of Liability for Contents

These limits do not increase the amount of coverage for **your contents**. The special limit shown for each category below is the most we will pay for each covered loss to **contents** in that category.

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

C. C. Additional Coverages is amended by adding the following:

20. Data Replacement

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

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

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

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

21. 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.

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

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

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

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

We may investigate and settle any claim or suit. **Our** duty to defend a claim or suit ends when the amount **we** pay for the loss equals **our** limit of liability. If a suit is brought against an **insured** for liability for 22.a) or 22.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 22.d) above.

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

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

23. 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.

24. Pet Injury

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

D. D. Exclusions, Paragraph 1. is revised by deleting the following:

- b) Money, bank notes, bullion, gold including gold ware, silver including silver ware, platinum including platinum ware.
- e) Trailers not used with **watercraft**.
- f) Grave markers.
- g) Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, negotiable papers, passports, tickets.
- h) Jewelry, watches, precious stones or semi-precious stones, whether set or unset.
- i) Furs.
- j) Guns.

SECTION III – LIABILITY COVERAGE

B. Medical Payments to Others is replaced by the following:

B. Medical Payments to Others

We will pay the amount shown on the Declarations for necessary **medical expenses** that are incurred or medically ascertained within three (3) years from the date of an accident causing **bodily injury**. The amount shown on the Declarations is the most **we** will pay per person regardless of the number of **residence premises** or in-force homeowners' policies issued by **us**. This coverage does not apply to **you** or a **family member**. This coverage applies only:

1. To a person on the **insured location** with the permission of **you** or a **family member**; or
2. To a person off the **residence premises** if the **bodily injury**:
 - a) Arises out of a condition at the **insured location**, or the ways immediately adjoining the **residence premises**;
 - b) Is caused by the activities of an **insured**;
 - c) Is caused by a **private staff** 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**.

This endorsement is issued as part of Policy CC247297500. 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.