

The Homeowners 3 – Special Form (HO 00 03 10 00) insurance policy offers coverage in exchange for premium payments and compliance with its provisions. The terms "you" and "your" refer to the named insured and their spouse residing in the same household, while "we," "us," and "our" denote the insurance company. Key definitions include "insured," which encompasses the named insured, household residents, and certain students; "insured location," which includes the primary residence and other specified premises; and "occurrence," defined as an accident resulting in bodily injury or property damage during the policy period. The policy includes a deductible applicable to losses under Section I, covering the dwelling (Coverage A), other structures (Coverage B), and personal property (Coverage C). Coverage A protects the dwelling and attached structures but excludes land, while Coverage B covers other structures on the premises, excluding rental properties and business-related structures. Coverage C protects personal property owned by the insured, with limitations on property at other residences and special limits for specific categories, such as money, securities, and electronics.

Exclusions under Coverage C include animals, motor vehicles, aircraft, hovercraft, and property of tenants, along with certain business-related property and limitations on theft of specific items like jewelry and firearms. The policy also covers data stored in books, paper records, and computers, including costs for blank recording media and retail computer programs. Coverage D addresses loss of use, providing limits for additional living expenses, fair rental value, and civil authority prohibiting use. If a covered loss renders the residence uninhabitable, necessary living expenses are covered for the shortest time required for repairs or relocation, with fair rental value covered for rental properties made uninhabitable. Exclusions include losses from lease cancellations.

Additional coverages include debris removal expenses for covered property losses and volcanic ash, with a potential additional 5% of the property limit for debris removal costs. Reasonable repairs to prevent further damage are covered but do not increase liability limits. Coverage for trees, shrubs, and plants is limited to 5% of the dwelling's liability limit, with a maximum of \$500 per individual

plant. Fire department service charges are covered up to \$500, excluding charges within city limits. Property removed from premises endangered by a peril is covered for up to 30 days. Coverage for credit card theft and unauthorized use is limited to \$500, with exclusions for losses due to household residents or business use. Loss assessment coverage is available up to \$1,000 for assessments charged by property owner associations due to covered losses, excluding governmental assessments. Collapse coverage applies to direct physical loss from specified causes, while glass breakage is covered unless the property has been vacant for over 60 days. Landlord's furnishings are covered up to \$2,500 for rental properties, and ordinance or law coverage allows for up to 10% of Coverage A limits for increased costs due to compliance with regulations, excluding loss in value or costs for environmental compliance.

The policy specifies that the insurer's liability is limited to the insured's interest in the property at the time of loss and the applicable limit of liability. Following a loss, the insured must promptly notify the insurer, report theft to the police, protect the property from further damage, and cooperate with the insurer's investigation. An inventory of damaged property must be prepared, and a signed proof of loss must be submitted within 60 days of the insurer's request. Loss settlements are based on the actual cash value for personal property and replacement cost for buildings, provided the insurance coverage is at least 80% of the building's replacement cost. If the coverage is less than 80%, the payout will be proportionate to the coverage amount. The policy allows for appraisal if there is a disagreement on the loss amount, with each party bearing its own costs.

In terms of payment, losses will be adjusted with the insured, and payment will be made within 60 days after proof of loss is received, contingent upon reaching an agreement or a final judgment. The policy includes a mortgage clause ensuring that any loss payable under the policy will be paid to the mortgagee and the insured, outlining the rights of the mortgagee in the event of a claim denial. The policy does not cover benefits to bailees and includes provisions for recovered property, volcanic eruptions, and the policy period, which only covers losses occurring during the specified term.

Coverage is voided if an insured intentionally conceals or misrepresents information related to the policy.

Under Section II, the policy details Liability Coverages, including Coverage E for Personal Liability, which provides payment for damages due to bodily injury or property damage for which an insured is legally liable, including prejudgment interest and defense costs, even for groundless claims. Coverage F for Medical Payments to Others covers necessary medical expenses incurred within three years of an accident causing bodily injury, applicable only to individuals on the insured location with permission or those injured due to conditions or activities related to the insured location. Exclusions under Section II specify that Coverage E and F do not apply to motor vehicle liability, watercraft liability, aircraft liability, or hovercraft liability under certain conditions, as well as expected or intended injuries, business-related injuries, professional services, injuries occurring on non-insured locations, and those arising from war, communicable diseases, sexual abuse, or controlled substances.

The policy specifies that the total liability under Coverage E is capped at the limit shown in the Declarations, regardless of the number of claims or insureds involved. Following an occurrence, the insured must provide timely written notice, cooperate in investigations, and submit a sworn statement of loss for property damage claims. Medical Payments to Others under Coverage F require the injured party to provide proof of claim and may necessitate a physical examination by a doctor chosen by the insurer. Legal actions against the insurer require full compliance with policy terms, and bankruptcy of an insured does not relieve the insurer of its obligations. The policy is excess over other valid insurance unless specified otherwise, and coverage applies only to incidents occurring during the policy period, with any concealment or fraud by the insured voiding coverage.

The Liberalization Clause allows for automatic application of broader coverage changes without additional premium charges, while any waiver or change of policy provisions must be in writing. The

policy can be canceled by either party with appropriate notice, and the insurer may cancel for non-payment, misrepresentation, or substantial risk changes, with pro-rata refunds for unearned premiums. Nonrenewal requires written notice at least 30 days before expiration. Assignment of the policy is not valid without the insurer's consent, and subrogation rights may be waived by the insured. In the event of the death of an insured, coverage extends to the legal representative of the deceased and certain household members.