

The Homeowners - Special Form HO-3 (10-06) policy from Travelers offers extensive coverage for homeowners, contingent upon premium payment and adherence to policy terms. It encompasses Coverage A for the dwelling, Coverage B for other structures, and Coverage C for personal property, each with specific limits and exclusions. Coverage D addresses loss of use, providing compensation for additional living expenses if the residence becomes uninhabitable due to a covered loss, while also covering fair rental value and civil authority prohibitions for up to two weeks. The policy includes various additional coverages such as debris removal, tree removal (up to \$1,000), reasonable repairs, and coverage for trees, shrubs, and plants damaged by specified perils, with a limit of 5% of the dwelling's liability. Special limits apply to certain personal property categories, including \$5,000 for business-related items at the residence and \$1,500 for items used away from the residence. Exclusions include animals, motor vehicles (with exceptions), aircraft, and property rented to others. Coverage for personal property is against various perils, including fire and theft, with exclusions for theft by an insured or during construction.

The policy outlines specific exclusions related to perils, such as losses from freezing, theft during construction, and vandalism if the dwelling has been vacant for over 60 days. It also excludes losses from wear and tear, mechanical breakdowns, and damage from pollutants unless caused by an insured peril. The insured must promptly notify the insurer after a loss, protect the property from further damage, and cooperate in the investigation, providing a detailed inventory of damaged property. Loss settlements are based on actual cash value for personal property and replacement cost for buildings, contingent on the insured amount being at least 80% of the building's replacement cost. If the insured amount is less than 80%, the payout will be proportionate. The policy specifies that certain costs, such as those incurred to comply with laws or ordinances, are not included in the loss settlement unless additional coverage is provided.

The policy includes procedures for loss settlement, stating that losses under \$2,500 can be settled regardless of completion. Policyholders may opt for actual cash value claims instead of replacement

cost, provided they notify the insurer within 180 days of the loss. A deductible applies, and loss payments will be made within 60 days after proof of loss is received, contingent upon reaching an agreement or appraisal award. The policy also addresses other insurance, stating that if a loss is covered by multiple policies, the insurer will only pay a proportionate share. Legal action against the insurer must comply with all policy terms and be initiated within two years of the loss. The insurer retains the option to repair or replace damaged property if they notify the policyholder within 30 days of receiving proof of loss.

Coverage includes personal liability for bodily injury or property damage, with the insurer agreeing to pay damages and provide a defense. Medical payments for others are covered for necessary expenses incurred within three years of an accident, with specific conditions for eligibility. Exclusions for personal liability and medical payments include intentional acts, business-related injuries, and specific property damage scenarios. The insured must fulfill certain duties to ensure coverage remains valid, including providing written notice of occurrences, cooperating with the insurer, and submitting a sworn statement of loss within 60 days for property damage claims.

The policy is effective only for occurrences during the specified policy period, and any concealment or fraudulent misrepresentation by the insured will void coverage. Cancellation can occur at any time by the insured with written notice, while the insurer can cancel for non-payment or material misrepresentation, with varying notice periods. Upon cancellation, a pro-rata refund of the premium will be issued. Nonrenewal can occur with a 30-day written notice from the insurer, and failure to pay renewal premiums will result in automatic termination of the policy. Assignment of the policy requires written consent from the insurer, and coverage extends to the legal representative of a deceased insured individual concerning the deceased's property. The policy is executed by the insurer's representatives, confirming its validity.