

Your Safety Pays Home Policy

Washington

Special Form



Your Policy at a Glance

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Please Read This Policy Carefully
It is a contract between you and us.

Agreement

We agree with **you**, in return for **your** premium payment, to provide insurance subject to all the terms of this policy. The coverages provided, the limits of **our** liability and the premiums are shown in the declarations of this policy.

Definitions Used Throughout This Policy

The terms defined below appear in bold type throughout this policy:

You and **your** mean the Policyholder named in the declarations and spouse if living in the same household.

We, us, and our means IDS Property Casualty Insurance Company.

Bodily injury means bodily harm, sickness or disease, except a disease which is transmitted by an insured through sexual contact. **Bodily injury** includes required care, loss of services and death resulting from covered bodily harm, sickness or disease. This does not include punitive or exemplary damages.

Business means:

1. any full or part-time trade, profession or occupation including farming;
2. the rental or holding for rental of any premises by an **insured person**; and
3. the provision of home day care services if an **insured person**:
 - a) regularly provides such services to a person or persons other than **insured persons**; and
 - b) receives compensation for such services. Mutual exchange of such services is not considered to be compensation.

The rendering of such services to a relative of an **insured person** is not to be considered a **business**.

Insured person means:

1. **you**;
2. **your** relatives residing in **your** household; and
3. any other person under the age of 21 residing in **your** household who is in **your** care or the care of a resident relative.

Under Section II - Personal Liability Protection, **insured person** also means:

4. a person or organization legally responsible for animals or watercraft covered by this policy and owned by a person in points 1., 2. or 3. noted above. But **we** will cover that person or organization only with respect to those animals or watercraft. **We** will not cover a person or organization using or having custody of animals or watercraft in the course of any **business** or without permission of the owners;
5. with respect to a vehicle covered by this policy, an employee of a person in points 1., 2. or 3. noted above, while engaged in the employment of that person; and
6. with respect to a vehicle covered by this policy, any other person using the vehicle with **your** permission on an **insured premises**.

Insured premises means:

1. the **residence premises**;
2. any other premises acquired by **you** during the term of this policy which

you intend to use as a residence;

3. the part of any other premises where **you** reside and which is shown in the declarations;
4. part of a premises not owned by an **insured person** where the **insured person** may be temporarily residing or which an **insured person** may occasionally rent for non-**business** purposes;
5. vacant land, other than farmland, owned by or rented to an **insured person**;
6. cemetery plots or burial vaults owned by an **insured person**;
7. land on which a single or two family residence is being built for an **insured person**, if the land is owned by or rented to the **insured person**; and
8. structures or grounds used by **you** in connection with **your residence premises**.

Occurrence means an accident which is unexpected or unintended from **your** standpoint resulting in **bodily injury** or **property damage** during the policy period. It also includes repeated or continuous exposure to substantially the same general harmful conditions.

Pollution or contamination means the discharge, dispersal, release, escape or presence of:

1. smoke, vapors, soot, fumes;
2. acids and alkalis;
3. toxic chemicals and substances containing toxic chemicals;
4. liquids and gases;
5. waste materials; or
6. other pollutants, contaminants or irritants.

Property damage means physical injury to, destruction of or loss of use of tangible property. This does not include punitive or exemplary damages.

Residence employee means an employee of an **insured person** whose duties are in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs similar duties elsewhere not in connection with an **insured person's business**.

Residence premises means the one family dwelling where **you** reside including the building, the grounds and other structures on the grounds.

Residence premises also means that part of any other building where **you** reside.

Such dwellings or buildings must be described in the declarations.

Actual cash value means:

1. When the damage to property is economically repairable, **actual cash value** means the cost of repairing the damage, less reasonable deduction for wear and tear, deterioration and obsolescence.
2. When the loss or damage to property creates a total loss, **actual cash value** means the market value of property in a used condition equal to that of the destroyed property, if reasonably available on the used market.
3. Otherwise, **actual cash value** means the market value of new, identical or nearly identical property less reasonable deduction for wear and tear, deterioration and obsolescence.

Replacement cost means:

1. In case of loss or damage to buildings, **replacement cost** means the cost, at the time of loss, to repair or replace the damaged property with new materials of like kind and quality, without deduction for depreciation.
2. In case of loss to personal property, **replacement cost** means the cost, at the time of loss, of a new article identical to the one damaged, destroyed or stolen. When the identical article is no longer manufactured or is not available, **replacement cost** means the cost of a new article similar to the one damaged or destroyed and which is of comparable quality and usefulness, without deduction for depreciation.

Fully enclosed building means a building with continuous walls on all sides, extending from the ground level to the roof, with doors and windows (as deemed necessary) at various locations in the walls and including a continuous roof sheltering all areas within wall perimeter.

Section I - Property Protection

Dwelling Coverage

We cover:

1. **Your** dwelling, including structures attached to it, at the **residence premises**. The dwelling must be used principally as a private residence.
2. Construction material at or next to the **residence premises** for use in connection with **your** dwelling.

We do not cover any land.

Other Structures Coverage

We cover:

1. Other structures at the **residence premises** not attached to the dwelling, or connected to the dwelling by only a utility line, fence or similar connection.
2. Construction material at or next to the **residence premises** for use in connection with other structures.

We do not cover any land.

We do not cover loss to structures:

1. used in whole or in part for **business**; or
2. rented or held for rental in whole or in part to a person other than a tenant of the dwelling, unless used solely for or as a private garage.

Personal Property Coverage

We cover personal property owned or used by an **insured person** anywhere in the world. Any personal property, which is usually at an **insured person's** residence other than the **residence premises**, is covered for up to 10% of the Personal Property Coverage limit but not less than \$1,000. This limitation does not apply to personal property in a newly acquired principal residence for the first 30 days after **you** begin to move the property there.

If **you** ask **us** to, **we** will cover personal property owned by others while it is on the part of the **residence premises** occupied exclusively by an **insured person**. Also, if **you** ask **us**, **we** will cover personal property of a house guest or **residence employee** in any residence occupied by an **insured person**. **Your** request that **we** cover such property may be submitted before or after a loss, except requests to cover property of live-in friends, which must be submitted before a loss occurs.

We do not cover:

1. Animals, birds or fish.
2. Land motorized vehicles and their equipment and accessories while in or upon the vehicles. **We** do cover those vehicles not licensed for road use if:
 - a) used exclusively to service the **residence premises**; or
 - b) designed and used exclusively to assist the handicapped and have a maximum attainable speed of 10 miles per hour.
3. Any type of aircraft and their parts and equipment, whether assembled or not. But **we** do cover model airplanes not used or designed for transporting cargo or persons.
4. Property of roomers and boarders not related to an **insured person**, or property of tenants.
5. **Business** data, including **business** data stored in:
 - a) electronic data processing software media, such as tapes, wire and discs; or
 - b) paper records, such as books of account and drawings.

But, **we** do cover the cost of:

- a) unexposed or blank media or records; and
 - b) prerecorded computer programs which are available on the retail market.
6. Property rented or held for rental to others by an **insured person** while away from the **residence premises**.
 7. Property in an apartment regularly rented or held for rental to others (except roomers or boarders) by an **insured person**.
 8. Radios, tape players, compact disc players and other devices for the recording, reproduction, detection, receiving or transmitting of signals, sound or pictures which may be operated by power from the electrical system of a land motorized vehicle while in or upon that vehicle. Accessories to these devices, including antennas, tapes, wires, discs and records or other media for use with such devices are not covered while in or upon a land motorized vehicle.
 9. Property specifically described and insured by this or any other insurance.

Special Limits on Certain Property

Special limits apply to the following groups of personal property. These limits do not increase the amount of insurance under Personal Property Coverage. The limit of insurance for each group is the maximum **we** will pay for any one **occurrence** for all property included in the group:

Limit of Insurance Personal Property Group

- | | |
|---------|---|
| \$200 | Money, bank notes, bullion, coins and medals and other numismatic property and precious metal including platinum, gold and silver, but not goldware or silverware. |
| \$250 | Property, away from the residence premises , used for business purposes in any way or at any time. |
| \$1,000 | Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, passports, manuscripts, tickets, stamps and other philatelic property. |

The limit of insurance:

- a) applies to this group regardless of the medium (such as paper or computer software) on which the material exists; and
- b) includes all costs to research, restore or replace the information from the lost or damaged material.

\$1,000	Cemetery markers, headstones and urns.
\$1,000	Watercraft, including their trailers, furnishing, equipment and outboard motors.
\$1,000	Campers and trailers not used with watercraft.
\$2,500	Theft of firearms and accessories.
\$2,500	Theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including gold, silver or pewter.
\$2,500	Property, on the residence premises , used for business purposes in any way or at any time, other than your personal computer and equipment.
\$3,000	All risk of physical loss to jewelry, precious and semi-precious stones, gems, watches and furs, including any article containing fur which represents its principal value. The maximum limit we will pay under this coverage will be \$1,000 on any one item, \$3,000 in the aggregate. This coverage is subject to the deductible shown in the declarations and to the following exclusions: <ul style="list-style-type: none"> a) wear and tear, gradual deterioration, insects, vermin or inherent vice; b) nuclear reaction, radiation or radioactive contamination; c) war, revolution or insurrection; and d) failure to take all reasonable steps to protect the property from any further damage after a loss.
\$3,000	Personal computers and equipment including all software and accessories.
\$3,000	Fine arts including paintings, drawings, prints, photographs, sculpture, ceramics, textiles and tapestries, antique furniture, glasswork and curios, and other bona fide works of art, of rarity or historical value that cannot be replaced.

Additional Living Expense and Loss of Rents Coverage

If a covered loss makes **your residence premises** uninhabitable, **we** will pay, at **your** option, either:

1. the reasonable increase in **your** living expenses necessary to maintain **your** normal standard of living while **you** live elsewhere; or
2. the fair rental value of the part of the **residence premises** where **you** reside, less any charges and expenses which do not continue while the **residence premises** is uninhabitable. This option is not available to **you** if the **residence premises** is not **your** principal place of residence.

We will pay for the shortest time needed:

1. to repair or replace the damaged property; or
2. for **you** to permanently relocate.

We will also pay for **your** loss of normal rents resulting from a covered loss while the rented part of a **residence premises** is uninhabitable, less charges and expenses which do not continue during that time. **We** will pay this loss of normal rents only for the shortest time needed to make the rented part habitable.

If damage caused by a peril **we** insure against occurs at a neighboring premises, **we** will pay reasonable additional living expenses and loss of normal rents for up to two weeks should civil authorities prohibit occupancy of the **residence premises**.

These periods of time will not be shortened by the expiration of this policy.

We will not pay for loss or expense due to the cancellation of a lease or agreement.

No deductible will apply to these coverages.

Additional Coverages

Debris Removal

We will pay reasonable expenses **you** incur to remove debris of covered property following a loss from a peril **we** insure against.

If the damage to that property and the cost of debris removal is more than **our** limit of liability for the property, **we** will pay up to an additional 10% of that limit for debris removal.

We will also pay **your** reasonable expense, up to \$500 for the removal from the **residence premises** of:

1. **your** tree(s) felled by the peril of Windstorm or Hail;
2. **your** tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
3. a neighbor's tree(s) felled by a Peril **We** Insure Against under Personal Property Coverage;

provided the tree(s) damages a covered structure. The \$500 limit is the most **we** will pay in any one loss regardless of the number of fallen trees.

Fire Department Charges

We will pay up to \$500 for **your** liability under an agreement for service charges made by a fire department when called to save or protect **your** covered property from a peril **we** insure against. **We** will not pay if the covered property is within the limits of the city, municipality, or protection district which provides the fire department response. Payments are in addition to the amount of insurance applying to the loss.

No deductible applies to this coverage.

Credit Card, Charge Plate, Fund Transfer Card, Check Forgery and Counterfeit Money Coverages

Credit Card, Charge Plate and Fund Transfer Card Coverage:

If an **insured person** is legally required to pay for the unauthorized use of a credit card or charge plate issued to the **insured person**, **we** will cover the loss. **We** will also pay for loss which results from unauthorized use of a fund transfer card issued to an **insured person**. A fund transfer card is one used for deposit, withdrawal or transfer of funds. But **we** will not cover use of the credit card, charge plate or fund transfer card by a resident of **your** household. **We** also will not cover use by someone to whom an **insured person** has given the card or plate. **We** will not cover any use unless the **insured person** has met all the terms under which the card or plate was issued.

Check Forgery Coverage:

We cover loss to an **insured person** caused by forgery or alteration of a check. This includes all negotiable instruments.

Counterfeit Money Coverage:

We cover loss sustained by an **insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

We will not pay more than \$1,000 for any one loss involving one or more of these coverages. Repeated losses caused by one person or in which one person is involved are to be considered one loss.

We do not cover any loss that arises from **business** pursuits or dishonesty of the **insured person**.

No deductible applies to these coverages.

If a claim is made or suit is brought against the **insured person** for liability under the Credit Card, Charge Plate or Fund Transfer Card Coverage, **we** will defend the **insured person**. **We** will use **our** lawyers and bear the expense.

We may at **our** option and at **our** expense, defend the **insured person** or that

person's bank against a suit to enforce payment under the Check Forgery Coverage.

We may investigate any claim or settle any suit as we think appropriate.

We will not defend after we have paid an amount equal to the limit of our liability.

Emergency Removal of Property

We will pay for property damaged in any way being removed or while removed from a premises because of danger from a peril we insure against. Coverage is limited to a 30-day period from date of removal. Payments will not increase the amount of insurance applying to the covered property.

Necessary Repairs After Loss

We will pay the reasonable cost you incur for necessary measures taken solely to protect covered property from additional damage following a loss from a peril we insure against. If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by an applicable Peril We Insure Against. Payments will not increase the amount of insurance applying to the covered property and does not relieve you of your duties, in case of a loss to covered property.

Trees, Shrubs, Plants and Lawns

We will pay up to 5% of the limit of insurance under Dwelling Coverage for loss to trees, shrubs, plants and lawns at the residence premises. Coverage applies to loss caused by the following perils we insure against: Fire or Lightning, Explosion, Riot or Civil Commotion, Aircraft, Vehicles not owned or operated by an occupant of the residence premises, Vandalism or Malicious Mischief or Theft. Payments are in addition to the amount of insurance applying to Dwelling Coverage.

We will not pay for:

1. more than \$500 on any one tree, shrub or plant; and
2. trees, shrubs, plants or lawns grown for business purposes.

Collapse

We cover risk of direct physical loss involving collapse to property insured under the Dwelling, Other Structures and Personal Property Coverages only if:

1. the loss involves collapse of a building or part of a building; and
2. the collapse is caused by any of the following:
 - a) decay that is hidden from view, unless the presence of such decay is known to an insured person prior to collapse;
 - b) insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured person prior to collapse;
 - c) weight of people, contents, animals, equipment and/or furniture;
 - d) defective material or defective methods used in construction, reconstruction, renovation or remodeling;
 - e) weight of rain which collects on a roof; or
 - f) perils we insure against in this policy.

With respect to Collapse:

1. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
2. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
3. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.

4. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

Under points 2. a), b), c), d) and e) noted above, coverage does not apply to loss to the following unless damage is caused directly by collapse of a building:

awnings, fences, pavements, patios, swimming pools, underground pipes, flues, drains, cesspools, septic tanks, foundations, retaining walls, bulkheads, piers, wharves or docks.

This coverage does not increase the amount of insurance applying to the covered property.

Loss Assessment

We will pay up to \$1,000 for your share of any loss assessment charged against you as owner or tenant of the residence premises by an association or corporation of property owners if the assessment is made as a result of direct loss caused by a peril we insure against to property owned by all members collectively.

We will not pay if the loss is caused by earthquake or land shock waves or tremors which occur before, during or after a volcanic eruption. We will not pay for any loss assessments charged by a governmental body.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments.

Lock Replacement

We will pay up to \$100 per occurrence for necessary replacement of locks when the keys to the residence premises are stolen in a covered theft loss. No deductible applies to this coverage.

Food Spoilage

We will pay up to \$500 per occurrence for spoilage of food in a freezer or refrigerator on the residence premises resulting from power failure. Power failure means the failure of power or other utility service if the failure takes place off the residence premises. No deductible applies to this coverage.

Deductible

We will pay for loss to covered property minus the deductible, if any, shown in the declarations.

Perils we insure against

We cover risk of direct physical loss to property insured under the Dwelling and Other Structures Coverages except for losses excluded elsewhere under this policy.

We cover risk of direct physical loss to property insured under Personal Property Coverage caused by any of the following perils unless the loss is excluded elsewhere under this policy.

1. Fire or lightning
2. Windstorm or hail

This does not include loss:

- a) to property in a building caused by rain, snow, sand, sleet or dust unless the building is first damaged by the direct force of wind or hail, creating an opening through which the rain, snow, sand, sleet or dust enters; or
- b) to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed building.

3. Explosion
4. Riot or civil commotion, including direct loss from pillage and looting during and at the site of the riot or civil commotion.
5. Aircraft, including self-propelled missiles and spacecraft.
6. Vehicles. Vehicles mean a device designed or used to transport persons or property.
7. Smoke, if the loss is sudden and accidental.

This peril does not apply to loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism or malicious mischief
9. Theft or attempted theft, including loss of property from a known place if it is likely that a theft has occurred.

This peril does not apply to theft:

- a) committed by an **insured person**
- b) in or from a dwelling under construction or of construction material and supplies until completed and occupied; or
- c) from the part of the **residence premises** rented to a person other than an **insured person** by an **insured person**.

This peril does not apply away from the **residence premises** to theft of:

- a) property while in any other dwelling or its premises owned, rented or occupied by an **insured person** except while an **insured person** is temporarily residing there. Property of an **insured person** who is a student is covered at a residence away from home if the student has been there at any time during the 45 days immediately before the loss; or
- b) watercraft and its equipment, outboard motors, campers and trailers.

However, it is covered if, at the time of loss caused by theft, it is parked inside a private garage or in street parking areas immediately adjacent to the **residence premises**.

10. Falling objects

This peril does not apply to loss to property within a building unless the falling object first damages the exterior of the building. We do not cover damage to the falling object.

11. Weight of ice, snow or sleet which damages property in the building.
12. Sudden and accidental tearing apart, cracking, burning or bulging of a heating, air conditioning or automatic fire protection sprinkle system or a water heating appliance.

This peril does not apply to loss which is caused by or results from freezing.

13. Accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protection sprinkler system or household appliance.

This peril does not apply to loss:

- a) to the appliance from which the water or steam escapes;
- b) caused by or resulting from freezing except as provided in the Peril of Freezing; or
- c) on the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises**.

In this peril, a plumbing system does not include a sump, sump pump or related equipment.

14. Freezing of plumbing, heating and air conditioning, or automatic protection sprinkler systems and household appliances.
15. Sudden and accidental loss caused by artificially generated electrical currents. This peril does not apply to tubes, transistors or other electronic components.
16. Damage by glass or safety glazing material which is part of a covered building, storm door or storm window.

This peril does not include loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

17. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- a) volcanic blast or airborne shock waves;
- b) ash, dust or particulate matter; or
- c) lava flow.

This peril does not provide coverage for damage to land; property in the open or in open sheds; or portions of buildings not completely enclosed, or personal property contained within those buildings. All eruptions that occur within a period of 72 hours will be considered one volcanic eruption. Direct loss includes the cost to remove the ash, dust or particulate matter from the interior and exterior surfaces of the covered building and from personal property contained in the building.

Payment for removal applies only to the initial deposit of ash, dust or particulate matter following a volcanic eruption. Subsequent deposits arising from the movement of volcanic dust or ash by wind or other means are not covered.

Exclusions

We will not pay for loss or damage caused by any of the following excluded events as described in 1 through 9 below. Loss or damage will be considered to have been caused by an excluded event if that event:

- a) directly and solely results in loss or damage; or
- b) initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.

1. Enforcement of an ordinance or law regulating the construction, repair or demolition of a building or other structure, unless specifically provided under this policy. We do cover loss caused by actions of civil authorities to prevent the spread of a fire caused by a peril we insure against.
2. Earthquake including land shock waves or tremors before, during or after volcanic eruption, landslide, mudflow, earth sinking, rising or shifting. We do cover direct loss that follows caused by fire, explosion, breakage of building glass, storm door or storm window glass or safety glazing material or theft.
3. Water damage, meaning:
 - a) flood, surface water, waves, tidal water or overflow of a body of water. We do not cover spray from any of these, whether or not driven by wind;
 - b) water which backs up through sewers or drains or which overflows from a sump; or
 - c) water below the surface of the ground. This includes water which exerts pressure on or flows, seeps or leaks through any part of a building or other structure, sidewalk, driveway or swimming pool.

We do cover direct loss that follows, caused by theft, fire or explosion.

4. Failure or interruption of power or other utility service which occurs away from the **residence premises**. We will pay only for loss caused by a peril we insure against that ensues at the **residence premises**.
5. Freezing of plumbing, heating or air conditioning or automatic protection sprinkler systems or domestic appliances, or by discharge, leakage or overflow from the system or appliance caused by freezing while the building is vacant or unoccupied unless **you** take precautions to:
 - a) shut off the water supply and drain the systems and appliances of water; or
 - b) maintain heat in the building.
6. Neglect of an **insured person** to use all reasonable means to save or protect covered property at and after the time of loss, or if endangered by a loss **we** cover.
7. War (declared or undeclared), civil war, insurrection, rebellion or revolution.
8. Nuclear action, meaning nuclear reaction, radiation, radioactive **contamination** or discharge of a nuclear weapon even if accidental, or any consequence of any of these.

Loss caused by nuclear action is not considered loss by perils of fire, explosion or smoke.

Direct loss by fire resulting from nuclear action is covered.

9. Intentional loss, meaning any loss arising out of any act an **insured person** commits or conspired to commit with the intent to cause a loss.

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

However, this exclusion will not apply to deny an **insured person's** claim for an otherwise covered property loss under this policy if such a loss is caused by an act of domestic violence by another **insured person** under this policy and the **insured person** claiming the property loss:

- a) did not cooperate in or contribute to the creation of the loss; and
- b) cooperates in any investigation relating to the loss.

We may apply reasonable standards of proof for such claims.

Any payment to an **insured person** is limited to that **insured person'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.

Under Dwelling and Other Structures Coverages, **we** do not cover loss resulting directly or indirectly from:

1. Weather conditions which contribute in any way with any of the events excluded in exclusions 1 through 9 above to cause the loss;
2. Acts or decisions of any person, group, organization or governmental body, or their failure to act or decide;
3. Faulty, inadequate or defective:
 - a) construction, reconstruction, repair, remodeling or renovation;
 - b) materials used on construction, reconstruction, repair, remodeling or renovation;
 - c) design, workmanship, specifications;
 - d) siting, surveying, zoning, planning, development, grading or compaction; or
 - e) maintenance of a part or all of the **residence premises** or any other property.

4. Wear and tear; marring or scratching; deterioration; damage which occurs over a period of time, or from lack of normal maintenance; defective materials and workmanship; inherent vice; latent defect; mechanical breakdown; fungus; rust; mold; wet or dry rot; discharge, dispersal or release of pollutants or contaminants; smog; smoke from agricultural smudging or industrial operations; settling, cracking, shrinkage, bulging or expansion of pavement, patios, foundations, walls, floors, roofs or ceilings; birds, vermin, rodents, insects or domestic animals; unless loss involving collapse as provided in Additional Coverages.

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, **we** cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. **We** do not cover loss to the system or appliance from which this water escaped;

5. Theft in or from a dwelling under construction or of construction materials and supplies until completed and occupied;
6. Continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, automatic fire protection sprinkle or air conditioning system or from within a household appliance which occurs over a period of weeks, months or years;
7. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a fence, pavement, patio, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock;
8. Vandalism or malicious mischief or breakage of glass and safety glazing materials if the dwelling has been vacant for more than 30 consecutive days immediately preceding the loss. A building under construction is not considered vacant; or
9. Collapse of a building or any part of a building except as provided under Additional Coverage -Collapse.

Ensuing loss under items 1 through 9 is covered, if not otherwise excluded in this policy.

Conditions

What to do in Case of Loss

If a covered loss occurs, the **insured person** must:

1. give **us** notice as soon as reasonably possible. In case of theft, also notify the police. In case of loss under Credit Card, Charge Plate, Fund Transfer Card and Check Forgery Coverages, also notify the issuer of card or plate or the bank;
2. protect the property from further damage, making necessary and reasonable repairs to protect the property, and keeping records of the costs of repairs;
3. make a list of all damaged or destroyed property, showing in detail quantities, description, **replacement cost** and amount of loss claimed;
4. send to **us**, within 60 days after the notice of loss, the above list and a proof of loss signed and sworn to by the **insured person**, including:
 - a) the date, time and cause of loss;
 - b) the interest of **insured persons** and all others in the property;
 - c) all encumbrances on the property;
 - d) other policies covering the loss;
 - e) changes in title, use, occupancy or possession of the property during the policy period; and
 - f) if required, any plans and specifications of the damaged buildings or fixtures;
5. exhibit the damaged property to **us** or **our** representative, as often as

may be reasonably required;

6. submit to examinations under oath while not in the presence of any other insured and sign the transcript of the examinations;
7. produce for examination, with permission to copy, all books of account, bills, invoices, receipts and other vouchers as we may reasonably require;
8. produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records pertaining to any loss of rental income; and
9. in case of loss under Credit Card, Charge Plate, Fund Transfer Card, Check Forgery and Counterfeit Money Coverages, produce evidence or affidavit that supports the claim, stating the amount and cause of loss.

How Losses are Settled

1. Under Personal Property Coverage:

Loss to personal property will be settled at the **replacement cost** value of the damaged property at the time of loss. If the **replacement cost** for the entire loss is greater than \$500, we will not be liable for full **replacement cost** until actual repair or replacement is completed.

We also reserve the right to replace any item(s) damaged or lost without obligation to replace all items.

You may make a claim for loss on an **actual cash value** basis. Then, within 180 days after the loss, **you** may claim any additional costs in accordance with the **replacement cost** provision. The **replacement cost** of a single item of personal property is limited to the amount it would cost to replace it with a similar item of like kind and quality.

Replacement Cost Coverage will also apply to the following articles or classes of property if they are separately described and specifically insured in this policy:

- a) Jewelry;
- b) Furs and garments trimmed with fur or consisting principally of fur;
- c) Cameras and equipment;
- d) Musical instruments and equipment;
- e) Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f) Golf equipment.

Replacement Cost Coverage will not apply to other classes of property separately described and specifically insured.

The types of personal property listed below will not qualify for **replacement cost** settlement:

- a) paintings, drawings, prints, photographs, sculpture, ceramics, textiles and tapestries, antique furniture, glasswork and curios, and other bona fide works of art of rarity or historical value that cannot be replaced;
- b) articles which age or history contributes substantially to their value including, but not limited to, memorabilia, souvenirs and collectors' items; and
- c) property which because of age or condition has become obsolete or unusable for its original intended purpose.

Loss will be settled at the **actual cash value** of the damaged property at the time of loss but not more than the amount required to repair or replace. **Actual cash value** includes deduction for depreciation.

We will pay no more than the smallest of the following:

- a) four times the **actual cash value** of the item at the time of loss;
- b) the **replacement cost** of the item at the time of loss;
- c) the amount actually and necessarily spent by the insured for repairing or restoration;
- d) the limit of liability applying to Personal Property Coverage;
- e) any special limits in the policy; or
- f) for loss to any item separately described and specifically insured in this policy, the limit of liability that applies to the item.

2. Under Dwelling and Other Structures Coverages: If the amount of loss to **your** dwelling is greater than the limit of liability shown in the declarations for Dwelling Coverage, we will:

- a) increase the Dwelling Coverage limit to equal the **replacement cost** of the dwelling at the time of loss; and
- b) increase the limits of liability that apply to Personal Property, Additional Living Expense and Loss of Rents coverages by the same percentage that the Dwelling Coverage limit of liability is increased.

The limit of liability for Other Structures Coverage will not be more than the limit shown in the declarations and is the total limit of liability resulting from any one **occurrence**.

The policy premium will be adjusted on the basis of the increases in the limits of liability for the time of loss to the termination of the policy period.

We will pay the full cost to repair or replace the damaged part of the dwelling or other structure with equivalent construction, without deduction for depreciation. We will pay no more than the smallest of the following:

- a) the cost to replace the damaged dwelling or other structure with equivalent construction for equivalent use;
- b) the amount actually spent for necessary repair or replacement of the damaged dwelling or other structure; or
- c) 120 percent of the Dwelling Coverage limit of liability.

We will pay only the **actual cash value** of the damaged property until actual repair or replacement is completed.

We will not pay costs to repair or replace portions of a dwelling or other structure not directly damaged by a covered peril, regardless if replacement materials that reasonably match the existing materials on the dwelling or other structure are no longer manufactured or are otherwise unavailable.

You may make a claim for loss on an **actual cash value** basis. Then, within 180 days after the loss, **you** may claim any additional costs in accordance with the **replacement cost** provision.

Your Obligations:

- a) **You** must agree to an adjustment of the limit of liability for Dwelling Coverage equal to:
 - (i) 100% of the **replacement cost** of **your** dwelling; and
 - (ii) increases caused by inflation. **You** must pay the adjusted premium.
- b) **You** must notify **us** within 90 days of the start of any alterations or additions which will increase the value of **your** dwelling or other structures by \$5,000 or more. If **you** fail to notify **us** within 90 days, **our** payment will not exceed the limit of liability shown in the declarations.

We may make a cash settlement and take all or part of the damaged property at its appraised or agreed on value, or repair or replace the damaged property with property of like kind and quality. We must give **you** notice of **our** intention within 30 days after we receive **your** proof of loss.

Appraisal

If **you** and **we** fail to agree on the **actual cash value** or amount of loss, either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire.

The appraisers shall then appraise the loss, stating separately the **actual cash value** and loss to each item. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon shall be the **actual cash value** or amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the **actual cash value** or amount of loss.

Each party will pay the appraiser it chooses, and equally pay expenses for the umpire and all other expenses of the appraisal.

Insurable interest

We will not pay more than the insurable interest an **insured person** has in the covered property at the time of loss. However, if **you** ask **us** to, **we** will cover personal property owned by others while it is on the part of the **residence premises** occupied exclusively by an **insured person**.

Also, if **you** ask **us**, **we** will cover personal property of a house guest or **residence employee** in any residence of an **insured person**.

Abandoned property

We are not obliged to accept abandoned property.

Recovered property

If property for which **we** have made payment is recovered by **you** or **us**, **you** or **we** will notify the other of the recovery. **You** will have the option of keeping the property or having it become **our** property. If **you** keep the property, **you** will repay the amount **you** received for that property.

Loss to a pair or set

We may repair or replace any part of the pair or set to restore it to its value before the loss, or **we** may pay the difference between the value of the property before and after the loss.

Glass replacement

Loss for damage to glass caused by a Peril Insured Against will be steered on the basis of replacement with safety glazing materials when required by ordinance or law.

Our payment of loss

We will adjust any loss with **you** and pay **you** unless another payee is named in the policy or is legally entitled to be paid. **We** will pay within 30 days after **we** receive **your** proof of loss and the amount of loss is finally determined by:

1. agreement between **you** and **us**;
2. a court judgment; or
3. an appraisal award.

Mortgagee

Insurance Commissioner's Regulation number 335/WAC-284-21-010 requires that Form REG-335 be endorsed on this policy.

Suit against us

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within one year after the loss or damage occurs.

No benefit to bailee

This insurance will not, in any way, directly or indirectly, benefit any person or organization who may be caring for or handling property for a fee.

Other Insurance

If both this and other insurance apply to a loss, **we** will pay **our** share. **Our** share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance.

Section II - Personal Liability Protection

Personal Liability Coverage

We will pay all sums arising out of any one **occurrence** which an **insured person** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** covered by this policy. If a claim is made or suit is brought against the **insured person** for liability under this coverage, **we** will defend the **insured person** at **our** expense, using lawyers of **our** choice. **We** may investigate and settle any claim or suit as **we** think appropriate. **Our** duty to settle or defend ends when **our** limit of payment for this coverage has been exhausted by payment of judgements or settlements.

Medical Payments to Others Coverage

We will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services, prosthetic devices, eye glasses, hearing aids and pharmaceuticals, and ambulance, hospital, licensed nursing and funeral services. These expenses must be incurred or medically ascertained within three years from the date of an accident causing **bodily injury** covered by this policy.

Each person who sustains **bodily injury** is entitled to this protection when that person is:

1. on an **insured premises** with the permission of an **insured person**, or
2. elsewhere, if the **bodily injury**:
 - a) arises out of a condition on the **insured premises** or the ways immediately adjoining;
 - b) is caused by the activities of an **insured person** or **residence employee** in the course of employment by an **insured person**;
 - c) is caused by an animal owned by or in the care of an **insured person**; or
 - d) is sustained by a **residence employee** arising out of and in the course of employment by an **insured person**.

We do not cover injury to:

1. **insured persons**; or
2. any other person, except a **residence employee**, who resides regularly on any part of an **insured premises**.

We may pay the injured person, the party that renders the medical services or the person responsible for payment of the medical expenses.

Payment under this coverage is not an admission of liability by **us** or an **insured person**.

Additional Coverages

We will pay, in addition to **our** limit of liability:

Damage to Property of Others

Up to \$500 per **occurrence** for **property damage** to property owned by others caused by an **insured person**. Payment will be on a **replacement cost**

basis. But, **we** will not pay for **property damage**:

1. caused intentionally by an **insured person** who has attained the age of 13;
2. to property owned by an **insured person** or owned by or rented to a tenant of an **insured person** or a resident of **your** household;
3. arising out of:
 - a) an act or omission in connection with a premises (other than **insured premises**) owned, rented or controlled by an **insured person**;
 - b) a **business** engaged in by an insured; or
 - c) ownership, maintenance or use of a land motor vehicle, trailer, aircraft or watercraft. **We** will pay for **property damage** arising out of ownership, maintenance or use of a land motor vehicle both designed and used exclusively for recreational use off public roads, if not subject to licensing requirements and not owned by an **insured person** or
4. to the extent of insurance available under Section I of this policy.

The Following Expenses

1. All costs **we** incur in the settlement of a claim or defense of a suit.
2. Interest on the entire amount of damages awarded in a suit **we** defend accruing after judgment is entered and before **we** have paid, offered to pay, or deposited in court that portion of the judgment which is not more than **our** limit of liability.
3. Premiums on bonds required in a suit **we** defend. But, **we** will not pay the premium for the portion of a bond amount that is greater than **our** limit of liability.
4. The cost of appeal bonds if **we** decide to appeal. **We** will also pay interest on the full amount of the judgment, even if the judgment is higher than the limit of liability.
5. Loss of earnings up to \$100 a day, but not other income, when **we** ask **you** to help **us** investigate or defend any claim or suit.
6. Other reasonable expenses incurred at **our** request.

First Aid Expenses

Expenses for immediate medical and surgical treatment for persons other than **insured persons** at the time of the accident. **We** will pay only expenses which an **insured person** incurs for treatment of **bodily injury** covered by this policy.

Loss Assessment

We will pay up to \$1,000 for **your** share of any loss assessment charged against **you** as an owner or tenant of the **residence premises** by an association or corporation of property owners if the assessment is made as a result of (a) **bodily injury** or **property damage** not excluded under Section II of this policy or (b) the liability for an act of a director, trustee, or officer in the capacity of director, trustee or officer. The director, trustee or officer must be elected by the members of the association or corporation and must serve without pay for performing duties as director, trustee or officer.

We will not pay for any loss assessments charged by a governmental body.

Regardless of the number of assessments, the limit of \$1,000 is the most **we** will pay for loss arising out of:

1. one accident, including continuous or repeated exposure to substantially the same general harmful conditions; or
2. a covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

Exclusions

Under Personal Liability Coverage and Medical Payments to Others Coverage, **we** do not cover:

1. **Bodily injury** or **property damage** arising out of the ownership, maintenance, use, operation, loading or unloading of or entrustment to anyone by an **insured person** or of parental liability imposed by law for the actions of a minor using:
 - a) any type of aircraft and their parts and equipment, whether assembled or not. **We** do cover model airplanes not used or designed for transporting cargo or persons;
 - b) a land motor vehicle designed for use on public roads, or any trailer while it is used with such vehicle, other than a recreational land motor vehicle, owned or operated by or rented or loaned to an **insured person**.

We do provide coverage if the land motor vehicle is not subject to licensing requirements because it is:

- a) both designed and used exclusively to service the **insured premises**; or
- b) kept in dead storage on the **insured premises**.

We cover a land motor vehicle not subject to licensing requirements which is both designed and used exclusively to assist the handicapped and has a maximum attainable speed of 10 miles per hour;

- c) a recreational land motor vehicle, other than a golf cart while used for golfing, owned by an **insured person**, if the **bodily injury** or **property damage** occurs away from the **insured premises**, or
- d) watercraft not located on the **insured premises**
 - (i) owned by an **insured person** if it has inboard or inboard-outdrive motor power;
 - (ii) rented to an **insured person** if it has inboard or inboard-outdrive motor power of more than 50 horsepower;
 - (iii) owned by or rented to an **insured person** if it is a sailing vessel 26 feet or more in length; or
 - (iv) powered by one or more outboard motors with more than 50 total horsepower owned by an **insured person**. But this subdivision (iv) does not apply to such outboard motors if:

- * **you** acquire them before the inception date of the policy and declare them at policy inception;
- * **you** acquire them before the inception date of the policy and notify **us** in writing within 45 days after **you** acquire them that **you** wish to insure them; or
- * **you** acquire them during the policy period.

This exclusion does not apply to watercraft while stored.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of employment by an **insured person**.

2. **Bodily injury** or **property damage** arising out of the rendering or failing to render professional services.
3. **Bodily injury** or **property damage** arising out of or in connection with a **business** engaged in by an insured. This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owned, or implied to be provided because of the nature of the **business**.
4. **Bodily injury** or **property damage** arising out of any premises owned, rented or controlled by an **insured person** which is not an **insured premises**. But, **we** will cover **bodily injury** to a **residence employee** arising out of and in the course of employment by an **insured person** at such premises.

5. **Bodily injury or property damage** expected or intended by one or more **insured persons**, even if the **bodily injury or property damage**:
 - a) is of a different kind, quality or degree than initially expected or intended; or
 - b) is sustained by a different person, entity, real or personal property than initially expected or intended.
6. **Bodily injury or property damage** arising out of war (declared or undeclared), civil war, insurrection, rebellion, revolution or discharge of a nuclear weapon even if accidental.
7. **Bodily injury or property damage** arising out of or based upon sexual abuse, sexual molestation, harassment, corporal punishment or physical or mental abuse of any kind.
8. **Bodily injury or property damage** arising out of **pollution or contamination**
9. **Bodily injury or property damage**, due to the effects of exposure, arising out of the discharge, dispersal, release, escape or presence of lead or any substance containing lead.

Under the Personal Liability Coverage, **we** do not cover:

1. Liability assumed under:
 - a) an oral contract or agreement; or
 - b) a contract or agreement:
 - (i) in connection with any **business of an insured person** or
 - (ii) where the liability of others is assumed by the **insured person** after an event or **occurrence** causing the loss.
2. Liability for any loss assessment charged against **you** as a member of an association, corporation or community of property owners. This exclusion does not apply to Loss Assessment under Additional Coverage.
3. **Property damage** to property owned by an **insured person**.
4. **Property damage** to property occupied or used by an **insured person** or rented to or in the care of an **insured person**. But **we** will cover **property damage** to such property caused by fire, smoke or explosion.
5. **Bodily injury** to a person if an **insured person** has or is required to have a policy providing worker's compensation, non-occupational disability or occupational disease benefits covering the **bodily injury**.
6. **Bodily injury or property damage** when an **insured person** is covered under a nuclear energy liability policy. This exclusion applies even if the limits of liability of that policy have been exhausted.
7. **Bodily injury** to:
 - a) **you**;
 - b) **your** relatives residing in **your** household; and
 - c) any other persons under the age of 21 residing in **your** household who is in **your** care or the care of a resident relative.

Under Medical Payments to Others Coverage, **we** do not cover:

1. **Bodily injury** to a person who is entitled to benefits which are provided or required to be provided under any workers' compensation, non-occupational disability or occupational disease law.
2. **Bodily injury** from any nuclear reaction, radiation or radioactive **contamination** or any consequence of any of these.

Conditions

What to do in Case of Bodily Injury or Property Damage

In the event of **bodily injury or property damage**, the **insured person** must:

1. notify **us** or **our** agent as soon as reasonably possible. The notice must give:
 - a) **your** name and policy number;
 - b) the time, place and circumstances of the accident, **occurrence** or loss; and
 - c) the names and addresses of injured persons, claimants and witnesses;
2. send **us** promptly any legal papers received relating to a claim or suit;
3. cooperate with **us** and assist **us** in any matter relating to a claim or suit; and
4. if a loss covered under Damage to Property of Others occurs, send **us**, within 60 days of the loss, sworn proof of loss. The **insured person** shall also exhibit the damaged property if within the **insured person's** control.

The **insured person** will not, except at the **insured person's** own cost, voluntarily make any payment, assume any obligation or incur expenses other than for First Aid Expenses at the time of accident.

Duties of an Injured Person - Medical Payments to Others Coverage

The injured person or someone acting on behalf of the injured person will give **us**, as soon as reasonably possible, written proof of claim under oath if required.

The injured person will:

1. submit to physical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require; and
2. authorize **us** to obtain medical and other records.

Limits of Liability

Regardless of the number of **insured persons**, injured persons, claims made or suits brought, **our** liability is limited as follows:

1. As respects Personal Liability Coverage, the limit of liability stated in the declarations is the total limit of **our** liability for all damages resulting from any one **occurrence**.

All **bodily injury** and **property damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one **occurrence**.
2. As respects Medical Payments to Others Coverage, the limit of liability stated in the declarations is **our** limit of liability for all medical expenses for **bodily injury** to any one person as the result of any one accident.

Severability of insurance

This insurance applies separately to each **insured person** against whom claim is made or suit is brought, subject to **our** limits of liability for each **occurrence**.

Suit against us

We may not be sued unless there is full compliance with all the terms of this policy.

We may not be sued under the Personal Liability Coverage until the obligation of an **insured person** to pay is finally determined either by judgment or by written agreement of the person, the claimant and **us**.

Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of any **insured person**.

Other Insurance - Personal Liability Coverage

This insurance is excess over any other valid and collectible insurance. However, if the other insurance is specifically written as excess insurance over this policy, the limits of this policy apply first.

General Policy Conditions Applying to Section I and Section II

Assignment

Interest in this policy may not be transferred without **our** written consent. But, if **you** die, the policy will cover:

1. a surviving member of **your** household who was covered under this policy at the time of death, but only while a resident of the **insured premises**;
2. **your** legal representative while acting within that capacity; and
3. a person having proper custody of insured property until a legal representative is appointed.

Cancellation

Your right to cancel

You may cancel this policy by returning it to **us** or by notifying **us** in writing of the date to cancel, which must be later than the date **you** mail or deliver it to **us**. **We** may waive these requirements by confirming the date and time of cancellation to **you** in writing.

Our right to cancel

1. **We** may cancel this policy only for the reasons stated in this condition by notifying **you** in writing of the date cancellation takes effect. This cancellation notice may be delivered to **you** or mailed to **you** at **your** last address known to **us** or shown by **our** records. Proof of mailing shall be sufficient proof of notice.
2. If **you** haven't paid the premium, **we** may cancel at any time by notifying **you** at least 10 days before the date cancellation takes effect.
3. **We** have 60 days from the effective date of the policy, if it isn't a renewal policy with **us**, to take action to cancel for any reason. If **we** haven't taken any action within 60 days after the effective date of the policy, or if this policy is a renewal with **us**, **we** may cancel only for the following reasons:
 - a) if there has been a material misrepresentation of fact, which if known to **us** would have caused **us** not to issue the policy; or
 - b) if the risk has changed substantially since the policy was issued.

We must notify **you** at least 45 days before the date cancellation takes effect.

4. However, if two or more of the following conditions exist at any building that is covered under this policy, **we** may cancel this policy by:
 - a) letting **you** know at least five days before the date cancellation takes effect; and
 - b) letting any mortgagee or other person shown by the policy to have an interest in a covered loss know at least 20 days before the date cancellation takes effect.

- (i) Without reasonable explanation, the building is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days, unless the building is maintained for seasonal occupancy or is under construction or repair;
- (ii) Without reasonable explanation, progress toward completion of permanent repairs has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
- (iii) Because of its physical condition, the building is in danger of collapse;
- (iv) Because of its physical condition, a vacation or demolition order has been issued, or it has been declared unsafe in accordance with applicable law;
- (v) Fixed and salvageable items have been removed from the building, indicating an intent to vacate the building;
- (vi) Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the building for 60 consecutive days; or
- (vii) The building is not maintained in substantial compliance with fire, safety and building codes.

5. Except as noted in paragraph 4.b). above, if the policy is cancelled by **us**, **we** will give the same advance notice of cancellation in writing to any mortgagee or other person shown by the policy to have an interest in a covered loss as **we** give to **you**. Proof of mailing will be sufficient proof of notice.

Return of premium

When this policy is cancelled, the premium paid beyond the date of cancellation will be refunded. The return premium will be pro rata. This means that **we'll** keep premium for only those days that **you** were protected.

If the return premium is not refunded with the notice of cancellation or when this policy is returned to **us**, **we** will refund it as soon as possible, but no later than 45 days after **we** send a notice of cancellation to **you**; or 30 days after **we** receive the policy or a notice of cancellation from **you**.

Nonrenewal

If **we** elect not to renew this policy, **we** may do so by mailing to **you** at the last address known to **us** or shown by **our** records, written notice, including **our** reason for refusing to renew. The written notice will be mailed to **you** at least 45 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If **we** have offered to renew this policy in writing, at least 20 days before the expiration date, and have included a statement of the renewal premium due, **we** may terminate this policy on its expiration date if **you** fail to pay the required premium when due.

Concealment or Fraud

The entire policy will be void if, whether before or after a loss, an **insured person** has:

1. intentionally concealed or misrepresented any material fact or circumstances; or
2. engaged in fraudulent conduct;

relating to this insurance.

Changes

This policy and the declarations include all the agreements between **you** and **us**. No change or waiver may be effected in this policy except by endorsement issued by **us**. If a premium adjustment is necessary, **we** will make the adjustment as of the effective date of change. If the premium adjustment results in a refund or balance due of \$2.00 or less, and the premium was otherwise paid in full, **we** will not bill **you** for the amount, or refund **you** for the overpayment. **We** will refund any overpayment of \$2.00 or less at **your** request. When **we** broaden **your** coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective in **your** state.

Our Right to Recover Payment

After making payment under this policy, we will have the right to recover to the extent of our payment from anyone held responsible. This right will not apply under Section I if you have waived it in writing prior to loss. The insured person will do whatever is required to transfer this right to us.

This condition does not apply under Section II to Medical Payments to Others Coverage or Damage to Property of Others.

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

Policy Period

This policy applies to losses, bodily injury or property damage which occur during the policy period.

Optional Coverages

The following coverages apply to this policy only if they appear in the declarations with an additional premium, when applicable.

Additional Persons Covered

The definition of insured person in this policy includes the person or organization, if any, named in the declarations with respect to:

Section I - Dwelling Coverage and Other Structures Coverage; and

Section II - Personal Liability Coverage and Medical Payments to Others Coverage, but only with respect to the residence premises.

This coverage does not apply to bodily injury or personal injury to any employee arising out of, or in the course of, the employee's employment by the person or organization.

Earthquake Coverage

For an additional premium, we cover direct and accidental loss to covered property caused by earthquake. This includes land shock waves or tremors before, during or after a volcanic eruption.

One or more earthquake shocks that occur within a seventy-two hour period shall constitute a single earthquake.

The following is the only deductible that applies to each loss caused by earthquake.

Deductible

We will pay only that part of the loss, up to the limit of liability shown in the declarations, in excess of the deductible shown in the declarations. This deductible amount shall not be less than \$250.00 and shall apply separately to loss under Dwelling, Other Structures and Personal Property Coverage.

Special exclusions

We do not cover loss from flood of any nature or tidal wave. Loss or damage will be considered to have been caused by an excluded event if that event:

1. directly and solely results in loss or damage; or
2. initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.

We do not cover loss to exterior masonry veneer. The value of exterior masonry veneer shall be deducted before applying the deductible clause. For the purpose of this exclusion, stucco shall not be considered masonry veneer.

This coverage does not increase the amount of insurance stated in this policy.

Loss Assessment

For an additional premium, the limit of liability for Additional Coverage-Loss Assessment in Section I and Section II is increased to the limit shown in the declarations. But if your assessment results from a deductible in the insurance covering the Condominium Association, we will pay no more than \$1,000.

We will pay no more than the limit of liability for a loss assessment shown in your declarations which was effective on the date of:

1. discovery of a structural condition that potentially could lead to a loss to the property; or
2. the actual loss to the property;

whichever occurs first.

All other policy provisions apply.

Personal Injury

For an additional premium, the definition bodily injury is amended to include personal injury coverage.

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

1. false arrest, detention, or imprisonment, or malicious prosecution;
2. libel, slander, or defamation of character; or
3. invasion of privacy, wrongful eviction or wrongful entry.

Section II exclusions do not apply to personal injury. Personal Injury Insurance does not apply to:

1. liability assumed by an insured person under any contract or agreement;
2. personal injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of an insured person;
3. personal injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an insured person;
4. personal injury arising out of business pursuits of an insured person; or
5. personal injury arising out of civic or public activities performed for pay by an insured person.

Scheduled Personal Property

For an additional premium, we cover the following classes of personal property for which an amount of insurance is shown on the schedule. This coverage is subject to the Definitions used throughout this policy, Section I - Conditions, and General Policy Conditions applying to Section I and II and all provisions of this Optional Coverage.

- * Jewelry, as scheduled.
- * Furs and garments trimmed with fur or consisting principally of fur as scheduled.
- * Cameras and equipment, as scheduled.
- * Musical instruments and equipment, as scheduled.
- * Silverware, silver-plated ware, goldware, gold-plated ware, and pewterware but excluding pens, pencils, flasks, smoking implements or jewelry as scheduled.
- * Golf equipment, as scheduled.
- * Firearms, as scheduled.
- * Fine arts, as scheduled. This premium is based on **your** statement that the property insured is located on the **residence premises**.

New Acquisitions: If the **insured person** acquires during the term of this policy other objects of art, the provisions of this Optional Coverage shall apply for the **actual cash value** of the objects but not more than 25% of the amount of the insurance scheduled for fine arts, PROVIDED the **insured person** reports such additional objects within 90 days from the date acquired and pays additional premium from the date acquired.

- * Stamp collections and related philatelic property, as scheduled.
- * Coin and currency collections and related numismatic property, as scheduled.

Newly acquired property

With respect to jewelry, furs, cameras, and musical instruments, **we** cover newly acquired property of a class already insured for an amount not to exceed 25% of the amount of insurance for that class of property or \$10,000, whichever is less, provided **you** report this newly acquired item to **us** within 30 days of acquisition and pay the additional premium from the date acquired.

Exclusions

We promise to pay all direct and accidental losses to the personal property described except:

1. direct damage by wear and tear, deterioration, insects, vermin, or inherent vice;
2. loss caused by war (declared or undeclared), revolt, insurrection, rebellion or revolution; and
3. loss caused by nuclear reaction, radiation, radioactive **contamination** or discharge of a nuclear weapon even if accidental, or any consequence of any of these. Loss caused by nuclear action is not considered loss by perils of fire, explosion or smoke.

If fine arts are covered, the following additional exclusions apply:

1. loss caused by any repairing, restoration, or retouching process;
2. breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains, and similar fragile articles. **We** cover loss by breakage if caused by fire, lightning, aircraft, windstorm, malicious damage, theft, explosion, earthquake, flood, or collision, derailment, or overturn of conveyance; however, only articles(s) marked with a double asterisk (**) in the Scheduled Personal Possessions Schedule will be covered for breakage when an additional premium is indicated on **your** schedule; and
3. loss to property on exhibition at fairgrounds or premises of national or international expositions unless the premises are covered by this policy

If either of the classes of property, stamp collections, or coins and currency collections are covered, the following additional exclusions apply:

1. fading, creasing, denting, scratching, tearing, thinning, transfer of colors, inherent defect, dampness, extremes of temperature, gradual depreciation, or any damage from handling or being worked upon;
2. disappearance of individual stamps, coins, or other articles unless the item is described and scheduled with a specific amount of insurance, or unless the item is mounted in a volume and the pages to which it is attached is also lost;
3. loss to property in the custody of transportation companies or shipment by mail other than registered mail;
4. theft from any unattended automobile unless being shipped as registered mail; and
5. loss of or damage to any property described herein which is not an actual part of a stamp, money or numismatic collection.

Conditions

A. Loss Clause

The amount of insurance under this Optional Coverage shall not be reduced except for a total loss of a scheduled article. **We** will refund the unearned premium applicable to such article after the loss or **you** may apply it to the premium due for the replacement of the scheduled article.

B. Loss Settlement

Covered property losses are settled as follows:

1. Fine arts - **We** will pay the amount shown for each scheduled article which is agreed to be the value of the article.

In case of loss to a pair or set, **we** agree to pay **you** the full amount of the set as shown in the schedule and **you** agree to surrender the remaining article or articles of the set to **us**.
2. Golfer's equipment - Golf balls are covered only against loss by fire or burglary, if there are physical marks of forcible entry into the locker, room or building.
3. Musical instruments - If musical instruments are covered, **you** agree such instruments will not be played for pay.
4. Stamp collections or coin currency collections - In case of loss to any scheduled item, the amount to be paid will be determined in accordance with paragraph B5, Other Property.

When coins or stamps are covered on a blanket basis, **we** shall pay the cash market value at time of loss, but not more than \$1,000 on any unscheduled numismatic property nor more than \$250 for any one stamp, coin, or individual article or any one pair, strip, block, series sheet, cover, frame, or card.

We shall not pay a greater proportion of any loss on blanket property than the amount insured on blanket property bears to the cash market value at time of loss.

5. Other property - The value of the property insured is not agreed upon but shall be ascertained at the time of loss or damage. **We** will not pay more than the least of the following amounts:
 - a) the **replacement cost** of the property at the time of loss or damage;
 - b) the amount for which **you** could reasonably be expected to have the property repaired to its condition immediately prior to loss; or
 - c) the amount of insurance.

This condition does not apply to fine arts.

C. Loss to a Pair or Set

In case of a loss to a pair or set, we may elect to:

1. repair or replace any part to restore the pair or set to its value before the loss; or
2. pay the difference between the **actual cash value** of the property before and after the loss.

This condition does not apply to fine arts.

D. Parts

In case of a loss to any part of covered property, consisting of several parts when complete, we shall pay only for the value of the part lost or damaged.

E. Territorial Limits

We cover the property described while it is anywhere in the world except fine arts are covered only while within the limits of the continental United States, the State of Hawaii, and Canada.

Personal Computer Coverage

For an additional premium, we cover your personal computer equipment as described below under property covered for loss caused by the Perils Insured Against. Our limit of liability for this coverage is the limit shown in the schedule for this coverage.

Property covered

If owned by or leased to you, we cover:

1. hardware, meaning electronic data processing equipment, components and connections and extensions; and
2. software, meaning electronic data processing media and programs that you have bought and the instructions that came with the hardware and with the software.

This coverage applies to any legal use of the property described above to include:

1. personal,
2. business,
3. professional, or
4. occupational.

Property not covered

We do not cover hardware or software:

1. that is rented to others, or
2. that is held for rental.

Personal Property Coverage

The 10% or \$1,000 off-premises limit does not apply to this coverage.

Deductible

No policy deductible applies to this coverage.

Perils we insure against

We insure against risks of direct physical loss to hardware and software, unless excluded under the exclusion section of this coverage.

Exclusions

We do not cover loss caused by:

1. mechanical breakdown, faulty construction, error in hardware or software design;
2. wear and tear, deterioration or any quality in property that causes it to damage or destroy itself;
3. rust, rot, mold or other fungi;
4. birds, rodents, vermin, insects or domestic animals;
5. war (declared or undeclared war), civil war, insurrection, rebellion, revolution, warlike act by military personnel, destruction or seizure or use for a military purpose, and any consequence of these. Discharge of a nuclear weapon will be deemed a warlike act, even if accidental;
6. nuclear reaction, radiation or radioactive **contamination**. All whether controlled or uncontrolled, or however caused. We do cover loss by fire, resulting from nuclear reaction, radiation, or radioactive **contamination** and
7. we do not cover loss of use, or indirect or consequential loss of any kind.

Other Insurance

If a loss is covered under both this coverage and the policy, the policy will pay only when the limit of this coverage has been exhausted.

All other provision of this policy apply.

Water Back Up And Sump Overflow

For an additional premium, we insure, up to the limit of liability in the declarations, for direct physical loss, not caused by the negligence of any insured, to property covered under Section I - Property Protection caused by:

1. Water which backs up through sewers or drains; or
2. Water which overflows from a sump even if such overflow results from the mechanical breakdown of the sump pump. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical or electrical breakdown.

This endorsement does not increase the limits of liability for Dwelling, Other Structures, Personal Property or Additional Living Expense and Loss of Rents Coverages stated in the policy declarations.

Special Deductible

The following deductible provision replaces any other deductible provision in the policy with respect to loss covered under this endorsement.

We will pay only that part of the loss which exceeds \$500. No other deductible applies to this coverage. This deductible does not apply with respect to Additional Living Expense and Loss of Rents Coverage.

Section I - Exclusions

Under Dwelling and Other Structures Coverages, mechanical breakdown is deleted, with respect to coverage for loss caused by overflow of sumps.

Number 3. Water damage is replaced by the following:

3. Water damage, meaning:
 - a) flood, surface water, waves, tidal water or overflow of a body of water. We do not cover spray from any of these, whether or not driven by wind;

- b) water below the surface of the ground. This includes water which exerts pressure on or flows, seeps or leaks through any part of a building or other structure, sidewalk, driveway or swimming pool.

We do cover direct loss that follows, caused by theft, fire or explosion.

All other provisions of this policy apply.

This policy is signed by the President and Secretary of the insurance company.

President

A stylized, cursive handwritten signature in dark ink, likely representing the name 'Thomas'.

Secretary

A cursive handwritten signature in dark ink, which appears to read 'Thomas R. Moore'.