

SPECIAL VALUE ◦ HOME ◦ NEVADA

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DEFINITIONS

In this "**HOME**" Segment, certain words and phrases are italicized, which identifies them as having specific meaning for this "**HOME**" Segment. The meaning of each italicized word or phrase is provided in the **Definitions** below.

For this Segment, including all attached endorsements, any reference to "aggregate property limit" is deleted and replaced by "property location limit".

1. **Bodily Injury** means physical harm to the body, including sickness or disease, and resulting death, except that ***bodily injury*** does not include:

- a. Any venereal disease;
- b. Herpes;
- c. Acquired Immune Deficiency Syndrome (AIDS);
- d. AIDS Related Complex (ARC);
- e. Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to **a.** through **e.** above.

In addition, ***bodily injury*** does not include any symptom, effect, condition, disease or illness resulting in any manner from:

- a. Lead in any form;
- b. Asbestos in any form;
- c. Radon in any form; or
- d. Oil, fuel oil, kerosene, liquid propane or gasoline intended for, or from, a storage tank located at the ***residence premises***.

2. **Business** includes trade, profession or occupation, farming or ranching or any activity aimed at providing a product or a service with the anticipation of economic gain from the enterprise. The providing of home day care services in exchange for monetary or other compensation, such as services to other than a relative of a

covered person, is considered a ***business*** pursuit.

3. **Covered Person(s)** means you and the following residents of your household:

- a. Your ***family members***;
- b. Any other person under the age of 21 who is in the care of any person named above;

Under **Liability Coverage - Home**, ***covered person*** also means:

c. With respect to animals or watercraft to which this policy applies, any person or any organization legally responsible for these animals or watercraft which are owned by or in the care of you or any person included in **3.a.** or **3.b.** above. A person or an organization using or having custody of these animals or watercraft in the course of any ***business*** or without permission of the owner is not a ***covered person***;

d. With respect to any motor vehicle to which this "**HOME**" Segment applies:

- (1) Persons while engaged in your employ or that of any person included in **3.a.** or **3.b.** above; or
- (2) Other persons using the vehicle on an ***insured location*** with your permission.

4. **Family Member** means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

For the purposes of this definition, to be considered a resident of your household when evaluating coverage for a loss a person must have been actually residing in your household on the date the loss occurred. However, your:

- a. Son;
- b. Daughter;
- c. Ward; or

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- d. Foster child;

In the United States military or away at school will be considered a resident of your household unless he or she has demonstrated an intent to reside elsewhere permanently.

5. **Insured Location** means:

- a. Your **residence premises**;
- b. The part of any other premises, other structures and grounds used by you as a residence that is shown in the Coverage Summary, or acquired by you during the policy period for your use as a residence; provided you ask us to insure it within 30 days after you become the owner and coverage is agreed to by us.
- c. Any premises used by you in connection with the premises included in **5.a.** or **5.b.** above;
- d. Any part of a premises not owned by you or any **covered person** but where you or any **covered person** are temporarily residing;
- e. Vacant land owned by or rented to you or any **covered person** other than farm land;
- f. Land owned by or rented to a **covered person** on which a one or two family dwelling is being built as a residence for a **covered person**;
- g. Individual family cemetery plots or burial vaults of you or any **covered person**;
- h. Any part of a premises occasionally rented to you or any **covered person** for other than **business** purposes; or
- i. Residences shown in the Coverage Summary that you rent to others.

6. **Medical Expenses** means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services.

7. **Occupying** means in, upon, or getting in, out, on or off.

8. **Occurrence** means an accident, including continuous or repeated exposure to substantially

the same general harmful conditions during the policy period, resulting in **bodily injury** or **property damage**.

9. **Property Damage** means physical injury to or destruction of Real Property or Tangible Personal property including loss of use of the property.

10. **Remediation** means the reasonable and necessary treatment, removal or disposal of biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - required to repair or replace property covered under **PROPERTY COVERAGE - HOME** damaged by a covered peril.

Remediation includes payment for any reasonable increase in living expenses necessary for your household to maintain its normal standard of living if biological irritants, contaminants or spores make your **residence premises** uninhabitable. If biological irritants, contaminants or spores make your **residence premises**, rented to others or held out for rental uninhabitable, **remediation** also includes payment of its fair rental value, less any expenses that do not continue. **Remediation** does not include payment for loss or expense due to cancellation of a lease or agreement.

11. **Residence Employee** means your employee or an employee of any **covered person** in your household who performs duties in connection with the maintenance or use of your **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with any **covered person's business**.

12. **Residence Premises** means:

- a. A dwelling, condominium, co-operative unit or apartment, other structures and grounds; or
- b. That part of any other building;

where you reside and which is shown as your residence in the Coverage Summary.

13. **Theft** refers to property which has been stolen, attempted **theft** and the loss of property from a known location when it is likely that the property has been stolen.

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- 14. Total Loss** means that the cost to replace the covered real property is equal to or less than the cost of repairs plus the cost of any **Additional Living Expense, Fair Rental Value, Building Ordinance Increased Costs** (when purchased) and **Debris Removal**.

PROPERTY COVERAGE - HOME

REAL PROPERTY - INSURING AGREEMENT

1. **Dwelling Owners** - We cover:
 - a. The dwelling on your **residence premises**;
 - b. Other structures on your **residence premises**.
2. **Condominium and Cooperative Owners** - We cover:
 - a. The alterations, appliances, fixtures and improvements which are part of the building contained within your **residence premises**;
 - b. Items of real property which pertain exclusively to your **residence premises**;
 - c. Real property which is your insurance responsibility under a corporation or association of property owners agreement or state law;
 - d. Structures owned solely by you, other than your **residence premises**, at the location of your **residence premises**.

The limit of liability for **2.a.**, **2.b.** and **2.c.** is shown on the Coverage Summary as "Building Additions and Alterations" and will be at least 10% of the property limit shown in the Coverage Summary for Tangible Personal Property.

3. **Renters** - We cover:
 - a. The building improvements or installations:
 - (1) Acquired; or
 - (2) Made;by you to that part of your **residence premises** used exclusively by you;

- b. Structures owned solely by you at the location of your **residence premises** if a limit for that building is shown on the Coverage Summary.

The limit of liability for **3.a.** is shown on the Coverage Summary as "Building Additions and Alterations" and will be at least 10% of the property limit shown in the Coverage Summary for Tangible Personal Property.

REAL PROPERTY - PROPERTY NOT COVERED

We do not cover:

1. Other structures on your **residence premises**:
 - a. Used in whole or in part for **business**; or
 - b. Rented or held for rental to any person not a tenant of your **residence premises** unless used solely as a private garage.
2. Land, except as specifically provided in **Additional Property Coverages, 6. Land Restoration**.

REAL PROPERTY - LIMIT OF LIABILITY

Covered losses are settled on a replacement cost basis (without deduction for depreciation) subject to the following:

1. **Dwelling Owners**

Payment will not exceed the smallest of:

 - a. The amount that we could reasonably be expected to pay to have the property repaired, rebuilt or replaced with property of like kind and quality to its condition immediately prior to loss;
 - b. The actual cost to replace the real property or any parts of it;
 - c. The estimated residence value shown in the Coverage Summary for that particular residence; or
 - d. For Other Structures located on the **residence premises** but physically separated from the dwelling - 10% of the estimated residence value shown in the Coverage Summary. This limit is the most we will pay regardless of the number of Other Structures damaged in the same **occurrence**.

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2. Condominium and Cooperative Owners

Payment will not exceed the smallest of:

- a. The amount that we could reasonably be expected to pay to have the property repaired, rebuilt or replaced with property of like kind and quality to its condition immediately prior to the loss;
- b. The actual cost to replace the real property or any parts of it; or
- c. The "Buildings Additions and Alterations" value shown on the Coverage Summary.

3. Renters

Payment will not exceed the smallest of:

- a. The amount that we could reasonably be expected to pay to have the property repaired, rebuilt or replaced with property of like kind and quality to its condition immediately prior to loss;
- b. The actual cost to replace the real property or any parts of it;
- c. For building improvements or installations acquired, or made, by you to that part of your **residence premises** used exclusively by you, the "Buildings Additions and Alterations" value shown on the Coverage Summary; or
- d. For buildings owned solely by you at the location of your **residence premises**, the "Miscellaneous Buildings Coverage" value shown on the Coverage Summary.

4. If the Coverage Summary indicates that "Specified Additional Amount of Insurance for Dwelling Coverage" applies and if you have:

- a. Maintained coverage on the real property at 100% of its full replacement cost by paying renewal premium to reflect the then current replacement cost; and
- b. Notified us within 90 days of the start of any alterations to the real property which increase the replacement cost of the real property by 5% or more;

then, if at the time of loss the estimated residence value indicated in the Coverage Summary is less than the current replacement cost, we will:

- a. Increase the estimated residence value shown on the Coverage Summary to equal the current replacement cost of the residence, subject to a maximum increase of 25% of the current estimated residence value shown on the Coverage Summary; and
- b. Adjust the policy premium from the time of loss for the remainder of the policy term based on the increased limit of liability.

At the time of loss, Other Structures, Buildings Additions and Alterations, and Tangible Personal Property Coverage percentages will not be increased as a result of "Specified Additional Amount of Insurance for Dwelling Coverage" on your dwelling.

Current replacement cost does not include any additional costs necessary to comply with any ordinance or law that regulates the construction, repair or demolition of the property. The current replacement cost of the real property is based on either:

- a. A recalculation of your home based on information that you provided or on information gathered from an inspection or both; or
 - b. A residential cost index applied to each policy anniversary. The index is an estimate of the increased cost of rebuilding or repairing your home and is based on information provided to us by a major appraisal company and other available information.
5. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Provided actual repair or replacement is completed, within one year after loss, you may then make claim for any additional liability on a replacement cost basis.

However, if the cost to repair or replace the damage is less than \$3,000 we will settle the loss according to the replacement cost provisions above, whether or not actual repair or replacement is complete.

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6. If the replacement premises is not at the same location, covered losses will be settled on an actual cash value basis (with deduction for depreciation). We will pay no more than the estimated residence value shown in the Coverage Summary for equivalent construction and use as the original **residence premises**.

REAL PROPERTY - COVERED PERILS

We cover sudden and accidental direct physical loss to property described in **Real Property - Insuring Agreement**, unless the loss is not covered under **Property Coverage - Losses We Do Not Cover**.

TANGIBLE PERSONAL PROPERTY - INSURING AGREEMENT

We cover tangible personal property owned or used by any **covered person**.

At your request, we cover tangible personal property:

1. Owned by others while the property is on the part of your **residence premises** occupied by a **covered person**;
2. Owned by a guest or a **residence employee**, while the property is in any residence occupied by any **covered person**.

TANGIBLE PERSONAL PROPERTY - PROPERTY SPECIAL LIMITS

To keep your premium as low as possible, we have limited the amount we will pay for certain categories of tangible personal property. The limit shown for each numbered category is the most we will pay for that category per loss. If we could pay for the same item under more than one category, we will pay under only the highest applicable category.

If an article covered under any of these categories is separately described and/or specifically insured elsewhere in this policy, and the actual cost of the article is discovered to exceed the amount specifically provided elsewhere, we will in no event pay more for that article than the higher of:

- a. The amount specifically provided elsewhere; or
- b. The amount available from the applicable limit below, after that limit has been reduced by any other payments under that category for the same loss.

Category

1. \$ 200 . . . On money, bank notes, bullion, gold (except goldware), silver (except silverware), platinum, coins and medals.
2. \$1,000 . . . On securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, stamps, personal records, passports and tickets. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the lost or damaged material.
3. \$1,000 . . . On property at your **residence premises** used in business, but if the **business** property is away from your **residence premises** the most we will pay is \$200.
4. \$2,000 . . . For loss by **theft** of firearms.
5. \$1,000 . . . For loss to trading cards, comic books, memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value, subject to a maximum amount of \$250 per trading card, comic book or other individual item.
6. \$2,500 . . . For loss by **theft** of silverware, silver-plated ware, goldware, gold-plated ware and pewterware.
7. \$1,000 . . . For loss by **theft** of jewelry, watches, precious and semi-precious stones, furs, garments trimmed with fur or consisting primarily of fur.
8. \$1,000 . . . For loss to watercraft including their trailers, furnishings, equipment and outboard motors.
9. \$1,000 . . . For loss to trailers not used with watercraft.
10. \$10,000 . . . For loss, other than water damage, to rugs, including, but not limited to, any hand-woven silk or wool rug, carpet, tapestry, wall-hanging or other similar article whose principal value is determined by its color, design, quality of wool or silk, quality of weaving, condition or age.

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11. \$2,500 . . . For loss, due to water damage, to rugs, including, but not limited to, any hand-woven silk or wool rug, carpet, tapestry, wall-hanging or other similar article whose principal value is determined by its color, design, quality of wool or silk, quality of weaving, condition or age.

TANGIBLE PERSONAL PROPERTY - PROPERTY NOT COVERED

We do not cover:

1. Animals, birds or fish.
2. Motor vehicles or any other motorized land conveyances. This includes:
 - a. Their accessories, equipment and parts; or
 - b. Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the motor vehicle. Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in **2.a.** and **2.b.** above applies only while the property is in or upon the motor vehicle or conveyance.

We do cover motor vehicles or conveyances not required to be registered for use on public roads or property subject to motor vehicle registration which are:

- a. Used solely to service a **covered person's residence premises**; or
- b. Designed to assist the handicapped.
3. Aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
4. Property of roomers, boarders or other tenants, except property of roomers and boarders related to a **covered person**.
5. **Business** data stored in:
 - a. Books of account, drawings, other paper records; or
 - b. Electronic data processing tapes, wires, records, discs or other software media.

We do cover the cost of blank or unexposed records and media, and of pre-recorded computer programs available on the retail market.

6. Property on a premises regularly rented or held for rental to others by a **covered person**, except as provided in **Additional Property Coverages, 14. Landlords Furnishings**.
7. Credit cards or fund transfer cards, except as provided in **Additional Property Coverages, 11. Credit Cards, Fund Transfer Cards, Forgery and Counterfeit Money**.

TANGIBLE PERSONAL PROPERTY - LIMIT OF LIABILITY

1. Tangible Personal Property is insured on an actual cash value basis (with deduction for depreciation) unless the Coverage Summary indicates that "Personal Property Replacement Cost" coverage applies. When Tangible Personal Property is insured on an actual cash value basis, covered losses for tangible personal property will be settled on an actual cash value basis (without deduction for depreciation), but not exceeding the smallest of:
 - a. The amount that we could reasonably be expected to pay to have the property repaired to its condition immediately prior to the loss;
 - b. The amount the we could reasonably be expected to pay to replace the article with a new one substantially identical to the article lost or damaged;
 - c. The amount specified in the section called **Tangible Personal Property - Special Limits**; or
 - d. 50% of the estimated residence value shown in the Coverage Summary.
2. If the Coverage Summary indicates that "Personal Property Replacement Cost Coverage" applies, covered losses will be settled on a replacement cost basis (without deduction for depreciation) but not exceed the smallest of:
 - a. The amount that we could reasonably be expected to pay to have the property repaired to its condition immediately prior to loss;

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- b. The amount that we could reasonably be expected to pay to replace the article with a new one substantially identical to the article lost or damaged;
- c. The amount specified in the section called **Tangible Personal Property - Special Limits**; or
- d. 70% of the estimated residence value shown in the Coverage Summary.

Personal Property Replacement Cost Coverage will not apply to property that was obsolete or unusable for the originally intended purpose, because of age or condition, prior to the loss.

At our option, we may repair or we may replace with a new item of similar or like kind and quality.

If the replacement cost for the entire loss under this Segment is more than \$3,000, we will pay no more than the actual cash value for the loss or damage until actual repair or replacement is complete.

- 3. You may make claim under this policy for loss or damage on an actual cash value basis (with deduction for depreciation). You may make claim for additional payments above actual cash value if you have purchased "Personal Property Replacement Cost Coverage".

If you have purchased "Personal Property Replacement Cost Coverage", we will make additional payments to reimburse you for cost in excess of actual cash value if you repair, rebuild or replace damaged, destroyed or stolen covered tangible personal property within 180 days of the actual cash value payment.

- 4. Loss To A Pair Or Set - In case of loss to a pair or set we will:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between the actual cash value of the property before and after the loss.
- 5. Our limit of liability for tangible personal property usually located at a **covered person's** residence or premises is 5% of the property location limit

shown on the Coverage Summary, provided such residence or premises is:

- a. Not shown on the Coverage Summary; or
- b. Shown on the Coverage Summary for **Liability Coverage** only.

Payment under this provision does not entitle the **covered person to Additional Property Coverages.**

- 6. If we make payments for a loss which is also covered under another Segment of this policy there will be no coverage under this Segment.

TANGIBLE PERSONAL PROPERTY - COVERED PERILS

We cover sudden and accidental direct physical loss to property described in **Tangible Personal Property - Insuring Agreement** caused by a Peril listed below unless the loss is excluded under **Property Coverage - Losses We Do Not Cover.**

- 1. **Fire or lightning.**
- 2. **Windstorm or hail.** This peril includes loss to property contained in a building if caused by rain, snow, sleet, sand or dust, but only if the direct force of wind or hail first damages the building causing an opening through which the rain, snow, sleet, sand or dust enters.

This peril includes loss to watercraft covered under this "**HOME**" Segment and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building. This limitation does not apply to rowboats and canoes on the **residence premises.**
- 3. **Explosion.**
- 4. **Riot or civil commotion.**
- 5. **Aircraft**, including self-propelled missiles and spacecraft.
- 6. **Vehicles.**
- 7. **Smoke**, meaning sudden and accidental direct physical loss from smoke.

This peril does not include smoke from agricultural smudging or industrial operations.

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8. **Vandalism or malicious mischief.**
9. **Theft**, but not including **theft** committed by a **covered person**.

This peril does not include loss caused by **theft** that occurs off of a **residence premises** of:

- a. Property of a student who is a **covered person** while at a residence away from home if the student has not been there at any time during the 45 days immediately before the loss;
 - b. Watercraft covered under this "HOME" Segment including their trailers, furnishings, equipment and outboard motors; or
 - c. Trailers and campers covered under this "HOME" Segment.
10. **Falling objects.** This peril does not include loss to property contained in a building unless the building is first damaged by the falling object. Damage to the falling object itself is not included.

11. **Weight of ice, snow or sleet** which causes damage to property contained in a building.

12. **Water or steam** discharged or overflowing from within your plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.

This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped;
- b. Caused by or resulting from freezing except as provided in the peril of freezing below; or
- c. On your **residence premises** caused by discharge or overflow which occurs off your **residence premises**.

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

13. **Cracking, burning, rupture or bulging** of your air conditioner, steam or hot water heating system, or automatic fire protective sprinkler system, or an appliance for heating water. Damage to the system or appliance must be sudden and accidental direct physical loss. We

will not cover damage caused by freezing except as indicated below.

14. **Freezing** of plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, but only if you have used reasonable care to keep your **residence premises** heated or have shut off and drained the water from all plumbing and appliances if it is unoccupied.
15. **Damage caused by artificially generated electricity.** But damage to a tube, transistor, integrated circuit or similar electronic component is not covered.
16. **Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors. One or more volcanic eruptions within a 72-hour period will be considered as one volcanic eruption.

For property normally kept at your **residence premises**, while at a location other than a premise which you own or rent, the following perils are added:

1. Flood (meaning only rising of waters);
2. Earthquake;
3. Landslide;
4. Mudslide; and
5. Collision or overturn of the conveyance in which covered tangible personal property is carried.

ADDITIONAL PROPERTY COVERAGES

Unless noted otherwise, the following coverages are in addition to the property location limit in the Coverage Summary.

1. Additional Living Expense.

- a. If a loss covered under **Property Coverage - Home** makes your **residence premises** uninhabitable, we cover reasonable increases in living expenses necessary for your household to maintain its normal standard of living. However, additional living expenses due to **remediation** of biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - will not be paid in addition to any amounts paid or payable under **Additional**

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Property Coverages, 18. Biological Irritants, Contaminants or Spores Remediation Coverage.

Coverage for additional living expenses payable under this provision is limited to:

- (1) The shortest time required to repair or replace the damaged portion of the premises; or
- (2) If you permanently relocate, the shortest time required for your household to settle elsewhere.

This period of time is not limited by expiration of this policy. We do not cover loss or expense due to cancellation of a lease or agreement.

- b. If your **residence premises** is uninhabitable as a result of public utility plants, transformers, switching stations or substations furnishing heat, light, power or gas to your **residence premises** being damaged or destroyed by a **Tangible Personal Property - Covered Peril**, we cover necessary increases in living expenses incurred by you so your household can maintain its normal standard of living. Payment is for a period of time not to exceed seven days. Coverage does not begin until your **residence premises** has been uninhabitable for 48 consecutive hours.

Property Coverage - Losses We Do Not Cover, exclusion 1.g. does not apply to this coverage.

2. Fair Rental Value.

If a loss covered under **Property Coverage Home** makes your **residence premises** rented to others or held for rental uninhabitable, we cover its fair rental value, less any expenses that do not continue. However, loss of rental income due to **remediation** of biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - will not be paid in addition to any amounts paid or payable under **Additional Property Coverages, 18. Biological Irritants, Contaminants or Spores Remediation Coverage**.

Coverage for fair rental value payable under this provision is limited to the shortest time required to repair or replace the damaged portion of the rented premises. This period of time is not limited by expiration of this policy. We do not cover loss or expense due to cancellation of a lease or agreement.

3. Civil Authority.

- a. If a civil authority prohibits you from use of your **residence premises** as a result of direct damage to neighboring premises by what would be a covered loss under this policy, we cover the **Additional Living Expense** or **Fair Rental Value** loss as provided under 1. and 2. above for no more than two weeks.

The period of time under this provision is not limited by the expiration of this policy. Loss or expense due to cancellation of a lease or agreement is not covered.

- b. If a civil authority prohibits you from use of your **residence premises**, we cover the **Additional Living Expense** as provided under 1. above for no more than seven days. Coverage does not begin until the **residence premises** has been uninhabitable for 48 consecutive hours.

Property Coverage - Losses We Do Not Cover, exclusion 1.g. does not apply to this coverage.

4. Debris Removal.

We will pay your reasonable expense for the removal of:

- a. Debris of covered property for covered losses; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a covered building or covered property contained in the building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

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

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a **Tangible Personal Property - Covered Peril**;

provided the tree(s):

- a. Damage(s) to a covered structure; or
- b. Block(s) a driveway on the residence premises so that vehicles cannot pass; or
- c. Block(s) a ramp or driveway for handicapped persons' access to a structure; or
- d. Prohibit(s) safe entry into a covered structure through any of its normal entryways.

The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

5. Cost Of Temporary Repairs.

If a covered loss damages your **residence premises** we will pay on your behalf the reasonable cost for temporary repairs made to protect covered property from further damage. This coverage does not increase the limit of liability applicable to the covered property.

6. Land Restoration.

Whenever there is a covered loss to your **residence premises** and the related repair or rebuilding requires excavation, replacement, stabilization or filling of land under or around your foundation or **residence premises**, we will pay up to 5% of the amount of the covered property loss to your **residence premises** for the excavation, replacement, stabilization or filling of the land.

7. Fire Department Service Charge.

We pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a covered loss. The deductible does not apply.

8. Collapse.

a. With respect to this Additional Coverage:

- (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 current 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.

b. We insure for direct physical loss to covered Real Property and Tangible Personal Property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:

- (1) Decay that is hidden from view, unless the presence of such decay is known to you prior to collapse;
- (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to you prior to collapse;
- (3) Weight of contents, equipment, animals, or people;
- (4) Weight of rain which collects on a roof;
- (5) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- (6) A **Tangible Personal Property - Covered Peril**. These perils apply to real

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property and tangible personal property for this additional coverage.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items **(1), (2), (3), (4), (5), and (6)** unless the loss is a direct result of the collapse of a covered building or any part of a covered building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This coverage does not increase the limit of liability applying to the damaged covered property.

9. Trees And Shrubs.

We will pay up to 5% of the estimated residence value shown on the Coverage Summary for loss to your lawn, trees, plants or shrubs, on your **residence premises**, for loss caused by:

- a. Fire or lightning;
- b. Explosion;
- c. Riot or civil commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of your **residence premises**;
- f. Vandalism or malicious mischief; or
- g. **Theft.**

No more than \$500 of this limit will be available for any one tree, shrub or plant.

Property grown for sale or **business** purposes is not covered.

10. Glass Or Safety Glazing Material.

We cover on your **residence premises**:

- a. The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and

- b. Damage to covered property by glass or safety glazing material which is part of a building, storm door or storm window.

This coverage does not include loss on your **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.

Loss for damages to glass will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

This coverage does not increase the limit of liability that applies to the damaged property.

11. Credit Cards, Fund Transfer Cards, Forgery And Counterfeit Money.

We pay up to \$1,000 for:

- a. Any legal obligation or loss resulting from **theft** or unauthorized use of a credit card or a fund transfer card used for deposit, withdrawal, or transfer of funds, issued to or registered in any **covered person's** name.
- b. Loss to you or any **covered person** caused by forgery or alteration of any check or negotiable instrument.
- c. Loss to you or any **covered person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover authorized or unauthorized use by a resident of your household or by any person who has been entrusted with the credit card, fund transfer card, check or negotiable instrument, whether in their possession or not.

We do not cover use of a credit card or fund transfer card if a **covered person** has not complied with all terms and conditions under which the card is issued.

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

We do not cover loss arising out of **business** use or dishonesty of a **covered person**.

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No property deductible applies to this coverage.

12. Emergency Removal of Property.

We insure covered tangible personal property against direct loss from any cause while being removed from a premises endangered by a **Tangible Personal Property - Covered Peril** and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

13. Refrigerated Products Coverage.

We will pay up to \$500 for loss to the contents of deep freeze or refrigerator units on your **residence premises** caused by the interruption of power which occurs off the **residence premises**. If a power interruption is known to a **covered person**, all reasonable means must be used to protect the contents of freezers and refrigerated units.

The property deductible shown in the Coverage Summary applies to this coverage but only one property deductible amount shall be applied to each **occurrence**.

Property Coverage - Losses We Do Not Cover. exclusion 1.g. does not apply to this coverage.

14. Landlords Furnishings.

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in an apartment on your **residence premises** regularly rented or held for rental to others by any **covered person**. This coverage will be provided for loss caused by the **Tangible Personal Property - Covered Perils**.

15. Lock Replacement.

We will pay up to \$100 to replace the locks on your **residence premises** if the keys are lost or stolen. You must notify us within 72 hours of discovering the loss. There is no property deductible for this coverage.

16. Materials And Supplies.

We insure materials and supplies located on or next to your **residence premises** used to construct, alter or repair the dwelling or other structures on your **residence premises** provided

loss is caused by a **Real Property - Covered Peril** and is not excluded under **Property Coverage - Losses We Do Not Cover**.

17. Newly Acquired Principal Residences.

Tangible Personal Property in a newly acquired principal residence is not subject to the 5% limitation described in the **Tangible Personal Property - Limit of Liability** for the 30 days from the time you begin to move the property there.

18. Biological Irritants, Contaminants or Spores Remediation Coverage.

Subject to the limit and exceptions stated below, we will pay for **remediation** of biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - that is a direct result of a covered peril under **PROPERTY COVERAGE - HOME**.

This coverage does not apply if such loss is a result of:

- a. the failure of a **covered person** to exercise reasonable care in maintaining the **insured location**;
- b. the failure of a **covered person** to use all reasonable measures to save and preserve covered property at and after the time of a loss; or
- c. continuous or repeated seepage or leakage of water or steam, which occurs over a period of weeks, months, or years from a plumbing, heating or air conditioning system, automatic fire protective sprinkler system, or household appliance.
- d. rain, snow, sleet or condensation, unless a covered peril first damages the exterior of the building causing an opening through which rain, snow, sleet or condensation enters.

We do not cover any loss in value to the **insured location** caused by, consisting of, or resulting from biological irritants, contaminants or spores, including but not limited to, mold, fungus, wet rot, dry rot, or bacteria.

This coverage is limited to a total of \$5,000 for **remediation**.

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The residence deductible shown in the Coverage Summary applies to this coverage. Only one deductible amount shall be applied to each **occurrence**.

LOSSES WE DO NOT COVER

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Real Property and Tangible Personal Property.

We do not insure for loss:

a. Caused by water damage, meaning:

- (1) Flood, surface water, sewage, waves, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) Water which backs up through sewers or drains;
- (3) Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure; or
- (4) Water emanating from a sump pump, sump pump well or similar device designed to prevent overflow, seepage or leakage of subsurface water.

We do cover sudden and accidental direct physical loss by fire or explosion resulting from provisions (1) through (4) listed above.

We do cover loss by **theft** which results from loss types listed in provisions (1) through (4).

- (5) Any loss caused by, consisting of, or resulting from biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - other than as provided in **Additional Property Coverages, 18. Biological Irritants, Contaminants or Spores Remediation Coverage.**

b. Caused by earth movement, meaning:

earthquake, including land shock waves or tremors before, during or after a volcanic eruption; landslide; mudflow; mine subsidence; earth subsidence; sinkhole; sink hole collapse; or earth sinking, rising or shifting; or movement resulting from improper compaction, site selection or any other external forces; unless sudden and accidental direct physical loss by:

- (1) Fire;
- (2) Explosion; or
- (3) Breakage of glass or safety glazing material which is part of a building, storm door or storm window

ensues, and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by **theft**.

c. Or damage due to neglect, meaning neglect of a **covered person** to use all reasonable means to save and preserve property at and after the time of a loss.

d. Involving intentional acts or omissions of or at the direction of one or more **covered persons**, if the loss that occurs:

- (1) May reasonably be expected to result from such acts; or
- (2) Is the intended result of such acts.

e. Or damage caused directly or indirectly by:

- (1) War, including undeclared war, civil war, insurrection, rebellion, revolution;
- (2) Warlike act by a military force or military personnel; or
- (3) Destruction or seizure or use for a military purpose;

including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

f. Or damage arising out of a nuclear hazard meaning:

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- (1) Any nuclear reaction;
- (2) Radiation; or
- (3) Radioactive contamination;

all whether controlled or uncontrolled or however caused, or any consequence of any of these.

Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion or smoke. However, sudden and accidental direct physical loss by fire resulting from the nuclear hazard is covered.

- g. Or damage arising from power failure meaning the failure of power or utility service if the failure takes place off your **residence premises**. But if a covered loss ensues on your **residence premises**, we will pay only for that ensuing loss.
- h. Caused by, consisting of, or resulting from biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - other than as provided in **Additional Property Coverages, 18. Biological Irritants, Contaminants or Spores Remediation Coverage**.
- i. **Theft** in or to a dwelling under construction, or of materials supplied for use in the construction until the dwelling is finished and occupied.
- j. Resulting from criminal acts or omissions of or at the direction of one or more **covered persons**. This exclusion applies even if:
 - (1) Such **covered person** lacks the mental capacity to govern his or her conduct;
 - (2) Such **covered person** is not actually charged with or convicted of a crime.

2. Real Property. We do not insure for loss:

- a. Involving collapse, other than as provided in **Additional Property Coverages, 8. Collapse**.
- b. Caused by freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a fence, pavement, patio, swimming

pool, hot tub, foundation, retaining wall, bulkhead, pier, wharf, dock or piling.

- c. Caused by continuous or repeated seepage over a period of weeks, months or years, of water, steam or fuel from:
 - (1) a plumbing, heating, air conditioning or automatic fire protection system, or from within a domestic appliance; or
 - (2) within or around any plumbing fixtures, including but not limited to shower stalls, shower baths, tub installations, sinks or other fixtures designed for use of water or steam.
- d. Caused by or consisting of the following:
 - (1) Wear and tear, aging, marring, scratching or deterioration;
 - (2) Inherent vice, latent defect, electrical or mechanical breakdown or failure;
 - (3) Rust or other corrosion;
 - (4) Smog, smoke from agricultural smudging or industrial operations;
 - (5) Settling, shrinking, bulging, or expansion including resultant cracking, of pavements, patios, foundations, walls, floors, roofs or ceilings;
 - (6) Birds, vermin, insects, or rodents; or animals kept or owned by a **covered person**;
 - (7) Pressure from or presence of tree, shrub or plant roots; or growth of any tree, shrub, plant or lawn, whether such growth is above or below the surface of the ground to:
 - (a) pavement, patios, and walls not part of the dwelling; or
 - (b) plumbing systems, including outdoor pipes.
 - (8) Contamination, including but not limited to, the presence of toxic, noxious or hazardous gasses, chemicals, liquids, solids or other substances at the

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residence premises or in the air, land or water serving the **residence premises**.

- (9) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a **Tangible Personal Property - Covered Peril**.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste whether man-made or natural. Waste includes materials to be recycled, reconditioned or reclaimed.

If any of these other than (7), cause water not otherwise excluded to escape from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover direct physical damage caused by the water. We also cover 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.

Under exclusions **2.a.**, **2.b.**, **2.c.** and **2.d.**, any ensuing loss from a covered peril to covered property not excluded or excepted in this policy is covered.

- e. Caused by freezing of a plumbing, heating, air conditioning, automatic fire protective sprinkler system, a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing, while the real property is vacant, unoccupied or being constructed unless you have used reasonable care to:
- (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain the system and appliances of water.
- f. Of the first \$5,000 of damages due to vandalism or malicious mischief if the dwelling has been vacant for more than 30 consecutive days immediately before the loss.

A dwelling being constructed is not considered vacant.

- g. Due to increased expenses you incur from any ordinance or law regulating the construction, repair or demolition to the damaged area of your covered real property that results from a covered loss, unless your Coverage Summary indicates "Building Ordinance Increased Costs" applies.
- h. To covered real property caused by any of the following. However, any ensuing loss not excluded or excepted in this policy is covered.
- (1) Weather conditions. However, this exclusion applies only if weather conditions contribute in any way with a cause or event otherwise excluded to produce the loss.
 - (2) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - (3) Faulty, inadequate or defective:
 - (a) Planning, zoning, development, surveying, siting;
 - (b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (c) Materials used in repair, construction, renovation or remodeling; or
 - (d) Maintenance;of part or all of any property whether on or off your **residence premises**.
- i. To property owned by a corporation or association of property owners of which the **covered person** is a shareholder or member.

HOW WE SETTLE PROPERTY CLAIMS AND WHAT YOU MUST DO

1. How We Pay Claims.

We may pay for loss in money or repair or replace the damaged or stolen property. We may at our expense, return any stolen property to you.

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If we return stolen property we will pay for any damage resulting from **theft**. We may keep all or part of the property at an agreed upon or appraised value.

2. Mortgage Clause.

The word "mortgagee" includes trustee. A mortgagee is applicable only to real property. If a mortgagee is named in this policy, any loss payable shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

- a. Notifies us of any change in ownership or occupancy, or any substantial change in risk of which the mortgagee is aware;
- b. Pays on demand any premium due, if you have neglected to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to **Appraisal, Who We Pay and Suit Against Us** apply to the mortgagee.

If the policy is canceled or nonrenewed by us, the mortgagee shall be notified at least ten days before the date cancellation takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest at the time of loss. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

3. Insurable Interest.

We are not liable for covered property to an extent greater than:

- a. Your insurable interest in the property; or
- b. The applicable limit of liability.

4. Your Duties After Loss.

You agree to see that the following things are done after a loss. We have no duty to provide coverage under this policy unless there has been full compliance with these duties:

- a. Give prompt notice to us or our agent.
- b. Notify the police in case of loss by **theft**.
- c. Notify the credit card or fund transfer card company in case of loss under **Credit Cards, Fund Transfer Cards, Forgery and Counterfeit Money Coverage**.
- d. Protect the property from further damage. If repairs to the property are required, you must:
 - (1) Make reasonable and necessary repairs to protect the property; and
 - (2) Keep an accurate record of repair expenses.
- e. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory.
- f. As often as we reasonably require:
 - (1) Show the damaged property before its repair or disposal, except as provided in **4.d.**, above;
 - (2) Provide us with records and documents we request and permit us to make copies; and
 - (3) Submit to examination under oath, while not in the presence of any other **covered person** and sign the same.

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- g. Allow us to take samples of damaged and undamaged property for inspection, testing and analysis.
- h. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

- (1) The time and cause of loss.
- (2) The interest of the **covered person** and all others in the property involved and all liens on the property.
- (3) Other insurance which may cover the loss.
- (4) Changes in title or occupancy of the property during the term of the policy.
- (5) Specifications of damaged property and detailed repair estimates.
- (6) The inventory of damaged personal property described in **4.e.**, above.
- (7) Receipts for Additional Living Expenses incurred and records that support the Fair Rental Value loss.
- (8) If the loss is under **Credit Cards, Fund Transfer Cards, Forgery and Counterfeit Money Coverage**, submitting evidence or affidavit stating the amount and the cause of loss.

- i. Cooperate with us in the investigation or settlement of the claim.

5. Appraisal.

If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event each party will select a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where your **residence premises** is located. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision

agreed to by any two will be binding. Each party will:

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

We do not waive any of our rights under this policy by agreeing to an appraisal.

6. Suit Against Us.

No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under a coverage to which **Property Coverage - Home** applies, unless:

- a) there has been full compliance with all policy terms; and
- b) the action is commenced within one year after the inception of loss or damage.

7. Abandonment Of Property.

We need not accept any property abandoned by a **covered person**.

8. Who We Pay.

We pay you unless another party is named in the policy or is legally entitled to receive payment.

9. No Benefit To Bailee.

There is no coverage for anyone holding, storing or transporting property for a fee regardless of any other provision of this policy.

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

LIABILITY COVERAGE - HOME

PERSONAL LIABILITY - INSURING AGREEMENT

If a claim or suit is brought against you or any **covered person** for the following:

1. **Bodily Injury**; or
2. **Property Damage**,

caused by an **occurrence** to which this coverage applies, we will:

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1. Pay on your behalf claims for which you or any **covered person** are legally liable, including pre-judgment interest awarded against you or any **covered person**, up to our limit of liability; except as excluded by the provisions listed in the **Liability Coverage - Losses We Do Not Cover**; and
2. Provide defense costs for the counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from an **occurrence** equals our limit of liability.

PERSONAL LIABILITY - LIMIT OF LIABILITY

1. Our total liability under **Personal Liability - Home** for all damages resulting from any one **occurrence** will not be more than the **Personal Liability** limit shown on the Coverage Summary.

This limit is the same regardless of the number of:

- a. **Covered Persons**;
- b. Claims or suits made;
- c. Persons who sustain injury or damage; or
- d. Acts or failure(s) to act.

MEDICAL EXPENSE - INSURING AGREEMENT

We will pay **medical expenses** that are incurred or medically ascertained within three years from the date of the **occurrence** causing **bodily injury**. This coverage applies:

1. To anyone on an **insured location** with the permission of a **covered person**; or
2. To anyone off an **insured location**, if the **bodily injury**:
 - a. Arises out of a condition on the **insured location** or the ways immediately adjoining;
 - b. Is caused by the activities of you or any **covered person**;
 - c. Is caused by a **residence employee** in the course of the **residence employee's** employment by a **covered person**; or

- d. Is caused by an animal owned by or in the care of a **covered person**.

No **covered person** for whom **medical expenses** are payable under this coverage shall recover more than once for the same **medical expense** under this or other insurance.

MEDICAL EXPENSE - LIMIT OF LIABILITY

Our total liability under **Medical Expense - Home** for all **medical expense** payable for **bodily injury** to one person as the result of one accident will not be more than the limit shown in the Coverage Summary. This limit applies to each person injured.

ADDITIONAL LIABILITY COVERAGES

The following coverages are in addition to the limit of liability described in the Coverage Summary, unless noted otherwise:

1. First Aid Expenses.

We will pay expenses for first aid to others incurred by any **covered person** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **covered person**.

2. Goodwill Payments.

At your request we will pay up to \$750 per **occurrence** for **property damage** to property of others caused by you or any **family member**, including intentional acts of a **family member** under the age of 13. This coverage does not apply to **property damage**:

- a. To the extent of any amount recoverable under any other section of this policy;
- b. To property:
 - (1) Owned by a **covered person**;
 - (2) Owned by or rented to a tenant of a **covered person**; or
 - (3) Owned by or rented to a resident in your household.
- c. Arising out of:
 - (1) **Business** pursuits;

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- (2) Any act or omission in connection with a premises owned, rented or controlled by a **covered person**, other than an **insured location**; or
- (3) The ownership, maintenance or use of any aircraft, watercraft, motor vehicle or any other motorized land conveyance.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by a **covered person**.

3. Workers' Compensation.

If you are required by your state statutes to provide Workers' Compensation insurance for your **residence employees**, we will make any required statutory payments. Any amounts payable under this coverage shall be reduced by any amounts paid or payable under any other section of the policy.

4. Other Payments We Make.

In addition to the limit of liability shown in the Coverage Summary for **Personal Liability** Coverage, we pay on your behalf:

- a. The expenses described below for a claim or suit we are obligated to defend:
 - (1) Defense costs incurred at our discretion;
 - (2) Premiums on appeal bonds and bonds to release attachments in any suit we defend; we have no obligation to secure or provide bonds;
 - (3) Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request;
 - (4) Other reasonable expenses (other than loss of earnings) incurred at our request;
 - (5) Expenses incurred by us and costs taxed against any **covered person** in any suit we defend.
- b. Interest accruing after a judgment is entered and before the loss is paid in any suit we defend. Our duty to pay interest ends when

we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.

We are not obligated to defend suits brought against a **covered person** in any country where we are prevented from defending because of laws or other reasons. However, we will pay any expense incurred with our written consent for the **covered person's** defense.

Our obligation to pay the above costs ends when our limit of liability has been exhausted.

LOSSES WE DO NOT COVER

1. Personal Liability and Medical Expense coverages do not apply to **bodily injury** or **property damage**:

- a. Arising out of the rendering or failure to render a professional service of any nature even if covered by any other policy.
- b. Arising out of any property excluded from coverage by endorsements attached to this policy.
- c. Arising out of the ownership, maintenance, occupancy, renting, loaning, use, entrusting, loading or unloading of any motor vehicles, other than:
 - (1) A motorized golf cart when being used to play golf on a golf course, or for travel between the **residence premises** and its community golf course for golfing purposes only.
 - (2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and;
 - (a) Not owned by a **covered person**; or
 - (b) Owned by a **covered person** and being used on an **insured location** at the time of the **accident**.
 - (3) A vehicle or conveyance not subject to motor vehicle registration which is:
 - (a) Being used to service a **covered person's** residence at the time of the **accident**;

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- (b) Designed for assisting the handicapped; or
 - (c) In dead storage on an **insured location**;
 - (4) **Bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by a **covered person**.
- d. Arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading, or unloading of any watercraft, other than:
- (1) Sailing vessels, with or without auxiliary power, less than 26 feet in length that are owned or rented by a **covered person**;
 - (2) Watercraft powered by one or more outboard motors of 50 horsepower or less, which are owned by a **covered person**;
 - (3) Watercraft powered by inboard or inboard-outboard motor power of 50 horsepower or less, which are owned by a **covered person**;
 - (4) Any watercraft which is neither:
 - (a) A sailing vessel; nor
 - (b) Motor powered;that is owned or rented by a **covered person**.
 - (5) Watercraft that you or any **family member** do not own, as long as they are not furnished or available for the regular use of you or any **covered person**, regardless of the horsepower;
 - (6) Watercraft that are stored;
- but in no instance will coverage be provided for any watercraft:
- (1) Designated as an airboat, air cushion or similar type of watercraft; or
 - (2) Owned by a **covered person** which is a personal watercraft, meaning a craft propelled by water jet pump engine and

designed to be operated by a person or persons sitting, standing or kneeling on the craft.

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

- e. Which arises out of the transmission of a communicable disease by any **covered person**.
- f. Arising out of a premises:
 - (1) Owned by a **covered person**;
 - (2) Rented to a **covered person**; or
 - (3) Rented to others by a **covered person**;that is not an **insured location**. This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by a **covered person**.
- g. Arising out of the rental or holding for rental of any part of any premises by a **covered person**.

This exclusion (g.) does not apply:

- (1) To the rental or holding for rental of an **insured location**:
 - (a) On an occasional basis if used only as a residence;
 - (b) In part, unless intended for use as a residence by more than two roomers or boarders; or
 - (c) In part, as an office, school, studio or private garage.
- (2) When the **residence premises** is a two or more family dwelling and you occupy one part and rent or hold for rental the other part.
- (3) To the rental or holding for rental of a dwelling of four families or fewer, or condominium or cooperative units that are indicated on the Coverage Summary and owned by you.

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h. Intended by, or which may reasonably be expected to result from the intentional acts or omissions of one or more **covered persons**. This exclusion applies even if:

- (1) Such **covered person** lacks the mental capacity to govern his or her conduct;
- (2) Such **bodily injury** or **property damage** is of a different kind or degree than that intended or reasonably expected; or
- (3) Such **bodily injury** or **property damage** is sustained by a different person than intended or reasonably expected.

i. Arising out of:

- (1) The entrustment by a **covered person** to any person; or
- (2) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor;

of any watercraft, motor vehicle or trailer which is not covered under **Liability Coverage - Home**.

j. Arising out of **business** pursuits of you or any **covered person**. This exclusion does not apply to:

- (1) Activities which are usual to **non-business** pursuits; or
- (2) Part-time **business** pursuits of any **covered person** who is under 18 years of age.

k. Arising out of your or any **covered person's** action or failure to act as a director, officer or trustee of an organization, unless:

- (1) In a capacity as a director, officer or trustee you or the **covered person**:
 - (a) Serve without deriving any income, and
 - (b) The organization is charitable, religious or civic non-profit and chartered as such.
- (2) The organization is a corporation or association of real property owners, and

in a capacity as director, officer or trustee, you or any **covered person** incurs liability and:

- (a) Is elected by the members of the corporation or association of real property owners; and
- (b) Serves without deriving any income from the exercise of duties which are solely on the behalf of a corporation or association of real property owners.

l. Arising out of:

- (1) The ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of an aircraft;
- (2) The entrustment by a **covered person** of an aircraft to any person; or
- (3) Vicarious parental liability, whether statutorily imposed or not, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

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

m. Caused directly or indirectly by war, including:

- (1) Undeclared war, civil war, insurrection, rebellion, revolution;
- (2) Warlike act by a military force or military personnel; or
- (3) Destruction or seizure or use for a military purpose;

and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

n. Arising out of the use, sale, manufacture, delivery, transfer, or possession by any person of a Controlled Substance(s) as

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defined by the Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

- o. Arising out of, aggravated by, or resulting from, in whole or in part, biological irritants, contaminants or spores - including but not limited to, mold, fungus, wet rot, dry rot, or bacteria - at the **insured location**.
- p. Arising out of sexual molestation, corporal punishment or physical or mental abuse. However, we will cover your liability for corporal punishment to any pupil if coverage for corporal punishment is shown on the Coverage Summary.
- q. Resulting from criminal acts or omissions of or at the direction of one or more **covered persons**. This exclusion applies even if:
 - (1) Such **covered person** lacks the mental capacity to govern his or her conduct;
 - (2) Such **covered person** is not actually charged with or convicted of a crime.

2. Personal Liability does not apply to:

- a. Liability for your share of any loss assessments charged against all members of an association, corporation or community of property owners.
- b. **Property damage** to property owned by a **covered person**.
- c. **Property damage** to property rented to, occupied or used by or in the care of any **covered person**, if the **covered person** is obligated by contract to provide specified insurance for such property.

We provide no coverage for categories of property listed in **Tangible Personal Property - Property Not Covered**.

- d. **Bodily injury** or **property damage** for which a **covered person** under this policy:

- (1) Is also an insured under a nuclear energy liability policy; or
- (2) Would be an insured under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

- (1) American Nuclear Insurers;
- (2) Mutual Atomic Energy Liability Underwriters;
- (3) Nuclear Insurance Association of Canada;

or any of their successors.

- e. Liability from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- f. **Bodily injury** to any person eligible to receive any benefits:

- (1) Voluntarily provided; or
- (2) Required to be provided;

by the **covered person** under any:

- (1) Workers compensation law;
- (2) Non-occupational disability law; or
- (3) Occupational disease law;

except as provided under **Additional Liability Coverages, 3. Workers' Compensation**.

- g. Bodily injury to you or any **family member**. This exclusion also applies to any claim or suit brought against any **covered person**;

- (1) To repay; or
- (2) Share damages with;

another person who may be obligated to pay damages because of **bodily injury** to a **covered person**.

- h. Arising out of the discharge, dispersal, release or escape of oil, fuel oil, kerosene, liquid propane or gasoline intended for, or from, a storage tank. This exclusion does not

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apply when the discharge, dispersal, release or escape is sudden and accidental.

i. Any liability imposed upon any **covered person** by any governmental authority arising out of the discharge, dispersal, release or escape of oil, fuel oil, kerosene, liquid propane or gasoline intended for, or from, a storage tank. This exclusion does not apply when the discharge, dispersal, release or escape is sudden and accidental.

j. Any loss, cost, or expense arising out of any request, demand, or order that any **covered person** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of the discharge, dispersal, release or escape of oil, fuel oil, kerosene, liquid propane, or gasoline intended for, or from, a storage tank. This exclusion does not apply when the discharge, dispersal, release or escape is sudden and accidental.

3. **Medical Expense** coverage does not apply to **bodily injury**:

a. To a **residence employee** which:

- (1) Occurs off the **insured location**, and
- (2) Does not arise out of or in the course of the **residence employee's** employment by any **covered person**.

b. To any person eligible to receive benefits:

- (1) Voluntarily provided; or
- (2) Required to be provided;

under any:

- (1) Workers' Compensation law;
- (2) Non-occupational disability law; or
- (3) Occupational disease law.

c. From any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

d. To any person, other than a **residence employee** of a **covered person**, regularly residing on any part of the **insured location**.

HOW WE SETTLE LIABILITY CLAIMS AND WHAT YOU MUST DO

1. Your Duties After Loss.

After an **occurrence**, you and any other **covered person** under this policy must make sure that all of the following are done. We have no duty to provide coverage under this policy unless there has been full compliance with these duties:

a. Give us or our agent as soon as possible:

- (1) All information you know on the time, place and circumstances of the **occurrence**, and in the case of a crime also tell the police; and
- (2) Identity of claimants, witnesses and **covered persons**.

b. Forward to us all written material you receive regarding the **occurrence**.

c. At our request, assist us in:

- (1) Making settlement.
- (2) Conducting suits and attending hearings or trials.
- (3) Securing and giving evidence.
- (4) Enforcing any right of contribution or indemnity against any person or organization who may be liable to a **covered person**.
- (5) If the loss is under the coverage **Goodwill Payments**, within 60 days after the loss:
 - (a) Submitting to us a sworn statement of loss; and
 - (b) If in a **covered person's** control; showing the damaged property.

d. You or any other **covered person** shall not, except at your own cost, voluntarily make any payment, assume any obligation or incur any

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expense. This does not apply to first aid to others.

2. Duties Of An Injured Person.

The injured person shall:

- a. Give us written proof of claim;
- b. Authorize us to obtain medical information and other pertinent records;
- c. As often as we reasonably require submit to physical examination by a physician of our choice;
- d. Not construe payment of medical claims as an admission of liability by a **covered person** or us.

3. Suit Against Us.

- a. No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, unless there has been full compliance with all policy terms.
- b. No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Personal Liability**, unless the obligation of an insured person to pay has been finally determined either by judgment against the insured person after actual trial, or by written agreement of the insured person, injured person and us, and the action against us is commenced within one year of such judgment or agreement.
- c. No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Medical Expense**, unless such action is commenced within one year after the date the expenses for which coverage is sought were actually incurred.
- d. No one may bring an action against us in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Additional Liability Coverages** unless:

I. **Additional Liability Coverages - First Aid Expenses** such action must be commenced within one year after the date the **First Aid Expenses** are incurred;

II. **Additional Liability Coverages - Goodwill Payments** such action must be commenced within one year after the date the **occurrence** took place;

II. **Additional Liability Coverages - Workers' Compensation** such action must be commenced within one year after the date the first **Workers' Compensation** payments are required by your state statute.

e. No one shall have any right to make us a party to an action to determine the liability of a **covered person**.

GENERAL PROVISIONS - HOME

The following provisions amend the **GENERAL PROVISIONS** as it relates to this **SPECIAL VALUE - HOME** Segment.

3. TERMINATION

Cancellation.

- a. You may cancel this policy at any time by returning it to us, or you may cancel the whole policy or any Segment by letting us know in writing of the date cancellation is to take effect.
- b. We may cancel for the reasons and with the number of days notice stated below by letting you know in writing of the date. This cancellation may be delivered to you, or mailed to you at your mailing address shown in the Coverage Summary. Proof of mailing will be sufficient proof of notice.
- c. We may cancel:
 - (1) If you do not pay the premium, at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (2) When this policy or Segment has been in effect for 60 days or less and is not a renewal with us, for any reason by letting

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you know at least 10 days before the date cancellation takes effect.

- (3) When this policy or Segment has been in effect for 60 days or at any time if it is a renewal with us:
- (a) If you have made a material misrepresentation in the policy application which we have relied upon in affording coverage; or
 - (b) If the insured risk has substantially changed since the policy inception date and such change would warrant a substantial difference in the premium charged.

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

Provision **5. OTHER INSURANCE** in the **GENERAL PROVISIONS** is amended by the addition of the following Exception:

Exception:

- a. For Condominium and Cooperative Owners - If, at the time of loss, there is other insurance in the name of a corporation or association of property owners covering the same property covered by this policy, this insurance will be excess over the amount recoverable under such other insurance.
- b. Any insurance we provide with respect to a watercraft that you or any **family member** do not own shall be excess over any other valid and collectible insurance.
- c. For other than losses covered under **Additional Liability Coverage - Workers' Compensation**, this insurance will be excess over any amounts recoverable under coverage required to be provided by any workers' compensation disability benefits or similar law.

The following provisions are added to the **"GENERAL PROVISIONS"**:

11. SUBROGATION

A **covered person** may waive in writing before a loss all rights of recovery against any person.

If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, a **covered person** must sign and deliver all related papers and cooperate with us.

12. ADDITIONAL INSURED

The definition of "you" and "your" includes the person or organization named in the Coverage Summary as an Additional Insured for the **"HOME"** Segment, with respect to:

- (1) **Property Coverage - Real Property;**
- (2) **Liability Coverage - Personal Liability;** and
- (3) **Liability Coverage - Medical Expense;**

but only with respect to the premises associated with that "Additional Insured" in the Coverage Summary.

This coverage extension does not apply to **bodily injury** to an employee arising out of or in the course of the employee's employment by the person or organization.

13. THE LAW

If anything in this policy conflicts with state or local laws, we agree to honor any claim or suit in conformity with the law.

14. CHANGES DURING THE POLICY PERIOD

If there is a change to the information used to develop the premium for this policy, we may adjust your premium. Changes during the policy term may result in a premium increase or decrease.

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If a change requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

15. SUIT AGAINST US

No one may bring an action against us unless there has been full compliance with all policy terms.

Any action against us to which neither the **Suit Against Us** provision located in **Property Coverage - Home** nor the **Suit Against Us** provision located in **Liability Coverage - Home** applies must be commenced within one year of the date the cause of action accrues.

If an action is brought asserting claims relating to the existence or amount of coverage, or the amount of loss for which coverage is sought, under different coverages of this policy, the claims relating to each coverage shall be treated as if they were separate actions for the purpose of the time limit to commence action.

16. ARBITRATION

Any claim or dispute in any way related to this policy, by a **covered person** against us or us against a **covered person**, may be resolved by arbitration only upon mutual consent of the parties. Arbitration pursuant to this provision shall be subject to the following:

- (1) no arbitrator shall have the authority to award punitive damages or attorney's fees;
- (2) neither of the parties shall be entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
- (3) no arbitrator shall have the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

17. WHAT LAW WILL APPLY

This policy is issued in accordance with the laws of the state in which the **residence premises** is located and covers property or

risks principally located in that state. Subject to the following paragraph, the laws of the state in which the **residence premises** is located shall govern any and all claims or dispute in any way related to this policy.

If a covered loss to property, or any other **occurrence** for which coverage applies under this policy happens outside the state in which the **residence premises** is located, claims or disputes regarding that covered loss to property, or any other covered **occurrence** may be governed by the laws of the jurisdiction in which that covered loss to property, or other covered **occurrence** happened, only if the laws of that jurisdiction would apply in the absence of a contractual choice of law provision such as this.

18. WHERE LAWSUITS MAY BE BROUGHT

Subject to the following two paragraphs, any and all lawsuits in any way related to this policy, shall be brought, heard and decided only in a state or federal court located in the state in which the **residence premises** is located. Any and all lawsuits against persons not parties to this policy but involved in the sale, administration, performance, or alleged breach of this policy, or otherwise related to this policy, shall be brought, heard and decided only in a state or federal court located in the state in which the **residence premises** is located, provided that such persons are subject to or consent to suit in courts specified in this paragraph.

If a covered loss to property, or any other **occurrence** for which coverage applies under this policy happens outside the state in which the **residence premises** is located, lawsuits regarding that covered loss to property, or any other covered **occurrence** may also be brought in the judicial district where that covered loss to property, or any other covered **occurrence** happened.

Nothing in this provision **WHERE LAWSUITS MAY BE BROUGHT**, shall impair any party's right to remove a state court lawsuit to a federal court.

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19. CONDITIONAL REINSTATEMENT

If we mail a cancellation notice because you didn't pay the required premium when due and you then tender payment by check, draft, or other remittance which is not honored upon presentation, your policy will terminate on the

date and time shown on the cancellation notice and any notice we issue which waives the cancellation or reinstates coverage is void. This means that we will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice.

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