NEVADA HOMEOWNERS POLICY

CONDO-UNIT FORM 6

SPECIMEN

THIS POLICY IS NON-ASSESSABLE

AMERICAN FAMILY MUTUAL INSURANCE COMPANY
6000 AMERICAN PARKWAY
MADISON, WISCONSIN 53783-0001
(608) 249-2111
A MUTUAL INSURANCE COMPANY

READ YOUR POLICY CAREFULLY

This policy is a legal contract between you (the policyholder) and the American Family Mutual Insurance Company. This cover sheet provides only a brief outline of some important features in your policy. The policy itself sets forth, in detail, the rights and obligations of you and our company. **It is important that you read your policy carefully.**

YOUR HOMEOWNERS POLICY QUICK INDEX REFERENCE

Named Insured
Location of Your Property
Policy Period
Coverages
Amounts of Insurance
Loss Deductible

● **See Declarations**

INSURING AGREEMENT ● **Beginning on Page** 1

DEFINITIONS 1

PROPERTY COVERAGES - Section I 2
- Real Property
- Personal Property
- Loss of Use

SUPPLEMENTARY COVERAGES - Section I 3
- Collapse
- Credit/Debit Card, Forgery and Counterfeit Money
- Debris Removal
- Emergency Removal of Property
- Fire Department Service Charge
- Grave Markers
- Inflation Protection Coverage
- Loss Assessments
- Outdoor Antennas
- Pollutant Cleanup and Removal
- Protective Repairs
- Refrigerated Food Products
- Trees, Plants, Shrubs and Lawns

PERILS INSURED AGAINST - Section I 5

EXCLUSIONS - Section I ● **Beginning on Page** 6

CONDITIONS - Section I 7

LIABILITY COVERAGES - Section II 9
- Personal Liability Coverage
- Medical Expense Coverage

SUPPLEMENTARY COVERAGES - Section II 9
- Claim and Defense Expenses
- Damage to Property of Others
- Emergency First Aid
- Loss Assessments

EXCLUSIONS - Section II 10

CONDITIONS - Section II 12

GENERAL CONDITIONS 13
- Cancelation
- Non-Renewal
- Policy Period, Renewal of Coverage, Premiums and Changes

ADDITIONAL PROTECTION YOU MAY BUY 14

SPECIMEN

INSURING AGREEMENT

We will provide the insurance described in this policy in return for **your** premium payment and compliance with all policy terms. **We** will provide this insurance to **you** in reliance on the statements **you** have given **us** in **your** application for insurance with **us.**

You represent the statements in **your** application to be true and this policy is conditioned upon the truth of **your** statements.

You and all **insureds** must comply with the policy terms. Any failure to comply with policy terms by **you** or any other **insured** will affect the coverage afforded by this insurance for **you** and all **insureds.**

DEFINITIONS

The following words in this policy have defined meanings. They will be printed in bold type.

1. **Bodily Injury** means bodily harm, sickness or disease. It includes resulting loss of services, required care and death. **Bodily injury** does not include:
   a. any of the following which are communicable: disease, bacteria, parasite, virus or other organism which are transmitted by any **insured** to any other person;
   b. the exposure to any such communicable disease, bacteria, parasite, virus or other organism; or
   c. emotional or mental distress, mental anguish, mental injury, or any similar injury unless it arises out of actual bodily harm to the person.

2. **Business** means any profit motivated full or part-time employment, trade, profession or occupation and including the use of any part of any premises for such purposes. The providing of home day care services to other than **insureds,** for which an **insured** receives monetary or other compensation for such services is also a **business.**

3. **Credit/Debit Card** means any card, plate, coupon book or other credit device for the purpose of obtaining money, property, labor, services on credit or for deposit, withdrawal or transfer of funds.

4. **Domestic Employee** means a person employed by an **insured** to perform duties for the maintenance or use of the **insured premises.** This includes persons who perform domestic services elsewhere for an **insured.** This does not include persons while performing duties for an **insured's business.**

5. **Insured**
   a. **Insured** means **you** and, if residents of **your** household:
      (1) **your** relatives; and
      (2) any other person under the age of 21 in **your** care or in the care of **your** resident relatives.
   b. Under Personal Liability and Medical Expense Coverages, **insured** also means:
      (1) any person or organization legally responsible for a watercraft or animal owned by any person included in paragraph a. to which Section II Coverages apply. This does not include a person or organization using or having custody of the watercraft or animal in the course of any **business** or without **your** specific permission.
      (2) any person while working as a **domestic employee** of any person included in paragraph a.
      (3) with respect to vehicles covered by this policy, a **domestic employee** of any person included in paragraph a. while engaged in the employment of that person.
      (4) with respect to vehicles covered by this policy, any other person using such vehicle on the **insured premises** with **your** permission.
   c. If **you** die, the person having proper temporary custody of covered property replaces **you** as the named **insured.** This applies only to insurance on covered property and legal liability arising out of that property. If **you** die, any person who is an **insured** continues to be an **insured** while residing on the **insured premises.**
   d. Each person described above is a separate **insured** under this policy. This does not increase **our limit.**

6. **Insured Premises**
   a. Described Location:
      The **insured premises** means the parts of the condominium unit at the location described in the Declarations which are used or occupied solely by **your** household for residential purposes.
   b. For Personal Liability and Medical Expense Coverages, **insured premises** also include:
      (1) other premises listed in the Declarations;
      (2) the part of any residential premises **you** acquire for **your** occupancy during the policy period if **we** are notified within 30 days following the date **you** acquired such premises;
      (3) vacant land (other than farm land) owned by or rented to an **insured.** This includes land on which a one or two family dwelling is being built for the personal use of an **insured;**
      (4) an **insured's** individual or family cemetery lots and burial vaults;
      (5) the part of any residential premises not owned by an **insured,** while an **insured** is temporarily residing there; and
      (6) any premises **you** use in connection with the described location.
   c. For Personal Liability Coverage:
      The **insured premises** also includes any other premises which an **insured** may occasionally rent for other than **business** purposes.

7. **Limit** means the limit of liability that applies for the coverage.

8. **Medical Expenses** means usual and customary charges for necessary medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services.

9. **Occurrence** means an accident, including exposure to conditions, which results during the policy period, in:
   a. **bodily injury;** or
   b. **property damage.**
   Continuous or repeated exposure to substantially the same general harmful conditions is considered to be one **occurrence.**

10. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, in any form, including, but not limited to lead, asbestos, formaldehyde, radon, any controlled chemical substance or any other substance listed as a hazardous substance by any governmental agency. It also includes smoke, vapor, soot, fumes, alkalis, chemicals, garbage, refuse and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

11. **Property Damage** means physical damage to or destruction of tangible property, including loss of use of this property. Loss of use of tangible property does not include any resulting loss of value of such damaged property.

SPECIMEN

12. **Vacant** means being without contents or occupant, including when the **insured** has established another residence and does not intend to reoccupy this dwelling.

13. **We, us** and **our** refer to the American Family Mutual Insurance Company.

14. **You** and **your** refer to the person or people shown as the named **insured** in the Declarations. These words also refer to **your** spouse who is a resident of **your** household.

SPECIMEN

PROPERTY COVERAGES - SECTION I

COVERAGE A - REAL PROPERTY

We cover, when they are **your** insurance responsibility under the governing rules of the association, the following:

1. items of real property pertaining directly to **your** condominium unit;
2. building additions and alterations, installations or additions comprising a part of the **insured premises;**
3. fixtures and appliances contained within the **insured premises** which are part of the building;
4. real property owned solely by **you** which pertains solely to the **insured premises;**
5. other structures which **you** solely own at the **insured premises.**

We do not cover:

1. outdoor antennas including their lead-in wiring, accessories, masts and towers, except as covered by Supplementary Coverages;
2. detachable building items covered by Coverage B - Personal Property;
3. curtains, drapes and other window coverings, all whether or not installed, except as covered by Coverage B - Personal Property;
4. structures designed or used in whole or in part for **business;**
5. structures rented or held for rental to any person, unless used solely as a private garage;
6. any land or the value of any land, including land on which the condominium or other structures are located, or the cost to restore, repair, rebuild or stabilize land. If a covered loss causes damage to the condominium or other structures and to the land, **we** do not cover any increased cost to repair or rebuild the condominium or other structures because of damage to the land; or
7. natural water.

COVERAGE B - PERSONAL PROPERTY

1. **We** cover:
   a. personal property owned by or used by any **insured** anywhere in the world.
   b. if **you** ask **us** to, and when not insured by the owner, personal property owned by:
      (1) others while it is on the part of the **insured premises** occupied exclusively by any **insured;** or
      (2) a house guest or **domestic employee** while it is in any residence occupied by an **insured.**

   This coverage also includes:
   a. window air conditioners;
   b. curtains, drapes and other window coverings, whether or not installed;
   c. outdoor equipment; and
   d. yard fixtures not permanently installed.

2. **Limitations on Specific Property**
   a. **We** will provide coverage up to 10% of the Coverage B - Personal Property **limit** but not less than $2500 for any personal property:
      (1) when taken outside the United States; or
      (2) which is usually at any **insured's** residence, other than the dwelling described in the Declarations. This includes property of a student, who is an **insured,** at a residence occupied by the student while away at school. This limitation does not apply to personal property in a newly acquired principal residence located in the United States for the first 30 days after **you** begin to move there.
   b. The following special **limits** apply to certain categories of personal property. These **limits** do not increase the Coverage B **limit** shown in the Declarations. Each **limit** below is the total **limit** for each loss for all property in that category:
      (1) $200 on money, bank notes, negotiable instruments (as defined by statute), bullion, gold other than goldware, silver other than silverware, platinum, coins, medals and numismatic property;
      (2) $1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, stamps and other philatelic property. 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 information from the lost or damaged material.
      Multiple withdrawals from a single account over any period of time are considered to be one loss and **our** liability for the total of such withdrawals will not exceed the maximum **limit** for this category of personal property at the time the loss was discovered;
      (3) $1000 on jewelry, watches, precious and semi-precious stones, gems and furs;
      (4) $1000 on any type of watercraft, including their trailers, equipment, accessories and outboard motors;
      (5) $1000 on camping trailers, camper bodies and trailers not used with watercraft;
      (6) $1200 on property used or intended for use in any **business,** while on the **insured premises.** This does not include electronic data processing equipment or the recording or storage software used with such equipment;
      (7) $250 on property used or intended for use in any **business** while away from the **insured premises.** This does not include electronic data processing equipment or the recording or storage software used with such equipment;
      (8) $5000 for loss by theft of silverware and goldware;
      (9) $5000 for loss by theft of firearms and accessories;
      (10) $5000 on electronic data processing equipment and the recording or storage software used with such equipment. Coverage for this property is provided only:
         (a) when located on the **insured premises;** or
         (b) while off the **insured premises** when removed temporarily for up to 30 days. However, property of a student, who is an **insured,** is covered at a residence occupied by the student while away at school.

SPECIMEN

The recording or storage software will be covered only up to:
(a) the retail value of the software, if pre-programmed; or
(b) the retail value of the software in blank or unexposed form, if blank or self-programmed;

(11) $5000 on any one article and $10,000 in the aggregate for loss by theft of any rug, carpet (except attached wall-to-wall carpeting), tapestry, wall hanging or other similar article;

(12) $1200 on any one item for loss by sudden and accidental damage from artificially generated electrical currents. This does not include electronic data processing equipment or the recording or storage software used with that equipment; or

(13) $7500 for loss by theft of tools.

3. **Personal Property Not Covered**
Coverage B does not cover:
a. property separately described or specifically insured by this policy or any other insurance;
b. animals, insects, birds and fish;
c. land motor vehicles or motor propelled vehicles or machines, whether assembled or unassembled, including their equipment and accessories. **We** do cover those motorized land conveyances designed for assisting the handicapped or used solely for the service of the **insured premises** and not licensed for road use;
d. aircraft and parts, whether assembled or unassembled. **We** do cover model aircraft not used or designed for transporting cargo or persons;
e. **business** property owned by others while away from the **insured premises;**
f. property rented or held for rental to others when not on the **insured premises;**
g. property of a roomer, boarder, tenant or other resident who is not an **insured;**
h. outdoor antennas, their lead-in wiring, accessories, masts and towers, except as covered by Supplementary Coverages;
i. trees, plants, shrubs and lawns, except as covered by Supplementary Coverages;
j. any device, accessory or antenna designed for reproducing, detecting, receiving, transmitting, recording or playing back data, radar, sound or picture (or any film, tape, wire, record, disc or other medium designed for use with such device) which may be operated from the electrical system of a land motor vehicle, farm equipment or watercraft and while in or on the land motor vehicle, farm equipment or watercraft;
k. **credit/debit cards** except as covered by Supplementary Coverages;
l. land; or
m. natural water.

COVERAGE C - LOSS OF USE
The **limit** for Coverage C is the actual loss incurred by **you** within 12 months following the date of loss for all the following coverages.

1. If a loss covered under this section makes that part of the **insured premises** where **you** reside uninhabitable, **we** will pay:
Additional Living Expense, meaning any necessary increase in living expenses incurred by **you** so that **your** household can maintain its normal standard of living.
Payment will be for the shortest time required to repair or replace the damaged property or, if **you** permanently relocate, the shortest time required for **your** household to settle elsewhere.
2. If a loss covered under this section makes that part of the **insured premises** rented to others or held for rental by **you** uninhabitable, **we** will pay:
Fair Rental Value, meaning the fair rental value of that part of the **insured premises** rented to others or held for rental by **you** less any expenses that do not continue while the premises is uninhabitable.
Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.
3. If a civil authority prohibits **you** from use of the **insured premises** as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, **we** cover the Additional Living Expense or Fair Rental Value loss as provided above for a period not exceeding two weeks during which use is prohibited.

The periods of time under 1, 2 and 3 above are not limited by expiration of this policy.
We do not cover loss or expense due to cancelation of a lease or agreement or arising out of **your** mortgage agreement.

SUPPLEMENTARY COVERAGES - SECTION I

We provide the following Supplementary Coverages. These coverages are subject to all terms of this policy, except where modified by the Supplementary Coverage.

1. **Collapse. We** cover risk of direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:
a. Perils Insured Against in Coverage B. These perils apply to covered building(s) and personal property for loss insured by this Supplementary Coverage;
b. hidden decay;
c. hidden insect or vermin damage;
d. weight of people, animals, equipment or contents;
e. weight of rain or snow which collects on a roof; or
f. use of defective material or methods in construction, reconstruction, renovation or remodeling if the collapse occurs during the course of the construction, reconstruction, renovation or remodeling.
Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf, dock, outdoor equipment or a structure that is not a building is not included under items b, c, d, e and f unless the loss is a direct result of the collapse of a building.
Collapse does not include settling, cracking, shrinking, bulging or expansion.
This coverage does not increase the **limit** applying to the damaged covered property.

2. **Credit/Debit Card, Forgery and Counterfeit Money.**
a. **We** will pay for loss sustained by an **insured,** but not to exceed $1000 per loss, when such **insured:**
(1) becomes legally obligated to pay for the theft or unauthorized use of **credit/debit cards** issued to or registered in any **insured's** name;
(2) suffers a loss through forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or
(3) accepts in good faith counterfeit United States or Canadian paper currency.
b. **We** will not pay for loss if:
(1) the **insured** has not complied with the provisions under which the **credit/debit card** was issued;

SPECIMEN

(2) the loss is caused by the dishonesty of any **insured;**
(3) the loss results from **business** activities of any **insured;** or
(4) the loss occurs while a person, not an **insured,** has possession of the **credit/debit card** with an **insured's** permission.

All loss, whether the result of a single act or a series of acts, committed by any one person or any one person in conjunction with other persons, shall be considered one loss.
This coverage is additional insurance.
No deductible applies to this coverage.

3. **Debris Removal. We** will pay reasonable expenses **you** incur to remove debris of covered property following a covered loss from a peril **we** insure against.
If the damage to that property and the cost of debris removal is more than **our limit** for the property, **we** will pay up to an additional 5% of that **limit** for debris removal.
We will also pay up to $500 in the aggregate for any one loss for reasonable expenses incurred by **you** in removing any fallen trees from the **insured premises** if:
a. the tree damages a covered building;
b. the falling of the tree is caused by any peril **we** insure against under Coverage B; and
c. this coverage is not provided elsewhere in this policy.
We do not cover debris removal of any trees:
a. grown for **business** purposes; or
b. located more than 250 feet from the dwelling on the **insured premises.**
We will not pay the costs, expenses, fines or penalties to:
a. extract **pollutants** from land or water;
b. remove, restore, replace or dispose of polluted land, ground water or underground resources;
c. extract, remove or dispose of **pollutants** from natural resources, buildings or other structures away from any **insured premises;**
d. remove or dispose of covered property that has polluted land, water, ground or underground resources;
e. remove or dispose of ash, dust, particulate matter or lava flow from outside of a dwelling; or
f. test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or dispose of **pollutants;**
whether or not such actions are done voluntarily or at the direction or request of any governmental body, agency or other jurisdiction.
Coverage for items a, b, d, e and f will apply only as provided in Supplementary Coverages - Section I, under **Pollutant** Cleanup and Removal.

4. **Emergency Removal of Property. We** will pay for loss to covered property while being removed or while removed from the **insured premises** because of danger from a Peril Insured Against. Such property is covered against accidental direct loss from any cause for a period up to 30 days. This coverage does not increase the **limit** applying to the property being removed.

5. **Fire Department Service Charge. We** will pay up to an aggregate **limit** of $500 for any one loss for Fire Department Service Charges billed by a government entity or fire department for the response to save or protect covered property on the **insured premises** from a Peril Insured Against.
This coverage is additional insurance.
No deductible applies to this coverage.

6. **Grave Markers. We** will pay up to $5000 for direct loss by Perils Insured Against in Coverage B to cover grave markers.
This coverage is additional insurance.

7. **Inflation Protection Coverage. We** will increase the insurance for Section I Coverage A - Real Property and Coverage B - Personal Property at the same rate as the increase in the Personal Property Cost Index. This index is identified on **your** latest Declarations page.
To determine the amount of insurance on a given date, divide the latest available index by the index level shown on **your** latest Declarations.
Multiply the resulting factor by the **limits** for Coverages A and B. At each renewal, **we** will correct the amount of Coverages A and B to the nearest $100* in accordance with the changes in the Personal Property Cost Index. (For rounding, $50.00 or more is raised to one hundred dollars, $49.99 or less is treated as $0.00.) **We** will adjust the renewal premium accordingly.
We will not reduce the **limits** to less than those previously specified without **your** consent.
This Inflation Protection Coverage provision does not apply to the **limit** of Coverage A (Real Property) when the **limit** for Coverage A is no more than $1000.
*When the rounded amount for Coverage B does not equal the minimum required, the Coverage B amount will then be rounded up to the next $100.

8. **Loss Assessments. We** will cover an amount up to $1000 for **your** share of special loss assessments charged during the policy period and levied against **you** by a corporation or association of property owners in accordance with the governing rules of the association. This $1000 **limit** is the most **we** will pay for any one loss, regardless of the number of assessments. This coverage only applies when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under Section I of this policy.
This coverage applies only to loss assessments charged against **you** as owner or tenant of the **insured premises.**
We do not cover loss assessments charged against **you** or a corporation or association of property owners by any governmental body.
In the event of an assessment, this coverage is subject to all other terms of this policy. This coverage is excess insurance over any insurance collectible under any policy or policies covering the association of property owners.

9. **Outdoor Antennas. We** will pay up to $1000 for direct loss by Perils Insured Against in Coverage B to outdoor antennas or dish antennas including their lead-in wiring, accessories, masts and towers.
This coverage is additional insurance.

10. **Pollutant Cleanup and Removal. We** will pay up to $10,000 to cover **your** expense to extract **pollutants**, or covered property which becomes a **pollutant**, from land, water, insured buildings or other structures, or **your** personal property. Such loss must occur on the **insured premises** and must be caused by or result from a covered cause of loss under Section I of this policy, during the policy period.
This coverage is additional insurance.

11. **Protective Repairs. We** will pay the reasonable cost **you** incur for necessary repairs made to protect covered property from further damage following a covered loss from a peril **we** insure against.
This coverage does not increase the **limit** applying to the property being repaired.

12. **Refrigerated Food Products. We** will pay for loss to food products in freezer or refrigerator units on the **insured premises,** but not to exceed $250 per loss to each freezer or refrigerator, when caused by power interruption or mechanical failure.
Power interruption or mechanical failure does not include:
a. removal of the plug from an electrical outlet; or
b. turning off an electrical switch unless caused by a Peril Insured Against.

SPECIMEN

This coverage does not increase the **limit** applying to the damaged property.
No deductible applies to this coverage.
The Power Failure exclusion does not apply to this coverage.

13. **Trees, Plants, Shrubs and Lawns. We** cover trees, plants, shrubs and lawns on the **insured premises. We** pay only for loss caused by the following perils: Fire, Lightning, Explosion, Riot, Civil Commotion, Aircraft, Vehicles not owned or operated by an occupant of the **insured premises,** Vandalism or Malicious Mischief, Theft or Collapse of a building or any part of a building. The **limit** for this coverage will not exceed 10% of the **limit** that applies to Coverage B for all trees, plants, shrubs and lawns nor more than $500 for any one tree, plant or shrub including the cost of removing the debris of the covered item.
We do not cover trees, plants, shrubs or lawns:
    a. grown for **business** purposes; or
    b. located more than 250 feet from the dwelling on the **insured premises.**
This coverage is additional insurance.

PERILS INSURED AGAINST - SECTION I

COVERAGE A - REAL PROPERTY

We cover risks of accidental direct physical loss to property described in Coverage A - Real Property, unless the loss is excluded in this policy.

LOSSES NOT COVERED

We do not cover loss to the property described in Coverage A - Real Property resulting directly or indirectly from or caused by one or more of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Losses excluded under EXCLUSIONS - SECTION I.
2. **Collapse,** other than as provided in Supplementary Coverages - Section I, under Collapse.
3. **Continuous or Repeated Seepage** or leakage of water or steam from within a plumbing, heating, air-conditioning or automatic fire protection sprinkler system or from within a household appliance which occurs over a period of weeks, months or years.
4. **Freezing** of a plumbing, heating, air-conditioning or automatic fire protection sprinkler system or household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing while the residence is **vacant,** unoccupied or under construction, unless **you** have taken precaution to:
    a. maintain heat in the building; or
    b. shut off the water supply and drain the system and appliances of water.
5. **Freezing, Thawing, Pressure or Weight of Water or Ice,** whether or not driven by wind, to:
    a. a fence, pavement, patio, foundation, retaining wall, bulkhead, pier, wharf or dock; or
    b. an outdoor swimming pool, outdoor sauna, outdoor whirlpool or hot tub, including filters, pipes, pumps and other related equipment.
6. **Other Causes of Loss:**
    a. wear and tear, marring, scratching, deterioration;
    b. inherent vice, latent or inherent defect, mechanical breakdown;
    c. smog, rust, corrosion, frost, condensation, mold, wet or dry rot;
    d. smoke from agricultural smudging or industrial operations;
    e. settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
    f. birds, vermin, rodents, insects or domestic animals.

    If any of these cause water or steam to escape from a plumbing, heating, air-conditioning or automatic fire protection sprinkler system or household appliance, **we** cover loss caused by the water or steam. **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 or steam escaped.
7. **Theft** in or from a dwelling while under construction, or of materials and supplies for use in the construction, until completed and occupied.
8. **Vandalism or Malicious Mischief** or breakage of glass and safety glazing if the dwelling has been **vacant** for more than 30 consecutive days immediately before the loss. A dwelling under construction is not considered **vacant.**

However, **we** do cover any resulting loss to property described in Coverage A - Real Property from items 2 through 8 above, not excluded or excepted in this policy.

COVERAGE B - PERSONAL PROPERTY

We cover risks of accidental direct physical loss to property described in Coverage B - Personal Property when caused by a peril listed below, unless the loss is excluded in this policy.

1. **Fire or Lightning.**
2. **Windstorm or Hail. We** do not cover loss to:
    a. the property inside a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening; or
    b. any type of watercraft, including their trailers, equipment and accessories, and outboard motors, unless inside a fully enclosed building or structure.
3. **Explosion.**
4. **Riot or Civil Commotion.**
5. **Aircraft,** including self-propelled missiles and spacecraft.
6. **Vehicles.**
7. **Smoke,** if the loss is sudden and accidental. **We** do not cover loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism or Malicious Mischief,** meaning only willful or malicious damage to or destruction of property. **We** do not cover loss to property on the **insured premises** if the dwelling has been **vacant** for more than 30 consecutive days immediately before the loss.

SPECIMEN

9. **Theft,** including damage from attempted theft, and loss of property from a known place only when it is likely that a theft occurred.
   a. **We** do not cover:
      (1) theft committed by any **insured** or by any other person regularly residing on the **insured premises;**
      (2) theft from the **insured premises** while the dwelling is under construction, until the dwelling is completed and occupied;
      (3) loss of a precious or semi-precious stone from its setting;
      (4) theft from that part of the **insured premises** while rented by **you** to other than an **insured;**
      (5) theft from premises which are **vacant** for more than 30 consecutive days immediately before the loss;
      (6) loss of personal property obtained voluntarily from any **insured** by swindling, fraud, trick or false pretense; or
      (7) loss resulting from the theft of any **credit/debit card** or similar device except as provided under Supplementary Coverages.
   b. **We** do not cover theft occurring away from the **insured premises** of:
      (1) any type of watercraft, including their trailers, equipment and accessories, and outboard motors;
      (2) trailers, campers and camper bodies; or
      (3) other property while on the part of any other residential type premises owned, rented, used or occupied by any **insured,** except while an **insured** is living there temporarily.
      Property of a student, who is an **insured,** is covered while at a residence occupied by the student while away at school.

10. **Breakage of Glass,** meaning damage to personal property caused by breakage of glass which is a part of any building on the **insured premises,** but excluding loss or damage to the glass.
    We do not cover loss on the **insured premises** if the dwelling has been **vacant** for more than 30 consecutive days immediately before the loss.

11. **Falling Objects. We** do not cover loss to:
    a. the property inside a building, unless the falling object first damages the outside of the building;
    b. outdoor equipment and yard fixtures not permanently installed; or
    c. the object which falls.

12. **Weight of Ice, Snow or Sleet. We** do not cover loss to property outside of a building.

13. **Sudden and Accidental Tearing Apart, Burning, Bursting or Bulging** of a heating, air-conditioning or automatic fire protection sprinkler system or a water heater. **We** do not cover loss:
    a. caused by continuous or repeated seepage or leakage which occurs over a period of weeks, months or years; or
    b. caused by or resulting from freezing.

14. **Accidental Discharge or Overflow of Water or Steam** from a plumbing, heating, air-conditioning or automatic fire protection sprinkler system or household appliance. (Gutters and downspouts are not part of a plumbing system.) **We** do not cover loss:
    a. caused by continuous or repeated seepage or leakage which occurs over a period of weeks, months or years;
    b. caused by or resulting from freezing;
    c. on the **insured premises** caused by accidental discharge or overflow which occurs away from the building where the **insured premises** is located;
    d. to the system or appliance from which the water or steam escaped; or
    e. caused by or resulting from water which backs up through sewers or drains or water which enters into and overflows or accidentally discharges from within a sump pump, sump pump well, sump pump well discharge system or other type system designed to remove subsurface water which is drained from the foundation area.

15. **Freezing** of a plumbing, heating, air-conditioning or automatic fire protection sprinkler system or household appliance.
    We do not cover loss on the **insured premises** while the residence is **vacant,** unoccupied or under construction. This exclusion does not apply if **you** have taken precaution to:
    a. maintain heat in the building; or
    b. shut off the water supply and drain the system and appliances of water.

16. **Sudden and Accidental Damage from Artificially Generated Electrical Currents.**

17. **Volcanic Eruption** other than loss caused by earthquake, land shock waves or tremors.
    We will also pay for the cost to remove the ash, dust or particulate matter which has caused direct loss to property inside a condominium unit.
    All eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

EXCLUSIONS - SECTION I

PART A

The following exclusions apply to Coverage A - Real Property, Coverage B - Personal Property, Coverage C - Loss of Use and the Supplementary Coverages - Section I. **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. **Earth Movement,** meaning any loss caused by, resulting from, contributed to or aggravated by earthquake; landslide; subsidence; sinkhole; erosion; mudflow; earth sinking, rising, shifting, expanding or contracting; volcanic eruption, meaning the eruption, explosion or effusion of a volcano.
   This exclusion applies whether or not the earth movement is combined with water or rain.
   We do cover only direct resulting loss when caused by:
   a. fire;
   b. explosion other than the explosion of a volcano; or
   c. if an insured peril, breakage of glass or safety glazing material which is a part of a building.

2. **Intentional Loss,** meaning any loss or damage arising out of any act committed:
   a. by or at the direction of any **insured;** and
   b. with the intent to cause a loss.

3. **Neglect** of any **insured** to use all reasonable means to protect covered property at and after the time of loss.

SPECIMEN

4. **Nuclear Hazard,** meaning nuclear reaction, radiation, radioactive contamination or any consequence of any of these. Loss caused by nuclear hazard is not considered loss by perils of Fire, Explosion or Smoke. Direct loss by fire resulting from nuclear hazard is covered.

5. **Ordinance, Law or Regulation,** meaning enforcement of any ordinance, law or regulation which regulates the construction, repair or demolition of a building or other structure, unless specifically provided under this policy. This includes, but is not limited to the removal and disposal of damaged or undamaged property which results from such enforcement.

   We do cover loss caused by actions of civil authorities to prevent the spread of a fire caused by an insured peril.

6. **Pollution**, meaning any actual, alleged or threatened discharge, dispersal, release, escape, seepage, trespass, wrongful entry or migration of **pollutants** from any source.

7. **Power Failure,** meaning the failure of power or other utility service if the failure takes place away from the **insured premises.** If a Peril Insured Against ensues on the **insured premises, we** will pay only for loss caused by that peril.

8. **War** (declared or undeclared), civil war, insurrection, rebellion, revolution or discharge of a nuclear weapon or device, even if accidental.

9. **Water Damage,** meaning:
   a. flood, surface water, waves, tidal water or overflow of a body of water, from any cause. **We** do not cover spray from any of these, whether or not driven by wind;
   b. water from any source which backs up through sewers or drains, or water which enters into and overflows or accidentally discharges from within a sump pump, sump pump well, sump pump well discharge system or other type system designed to remove subsurface water which is drained from the foundation area; or
   c. regardless of its source, 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 Fire or Explosion.

PART B

The following exclusion applies to Coverage A - Real Property, Coverage B - Personal Property, Coverage C - Loss of Use and the Supplementary Coverages - Section I.

1. **Fraud. We** will not provide coverage for all or any part of a loss if, before or after the loss, any **insured** has committed fraud. Fraud means any concealment, misrepresentation or attempt to defraud by any **insured** either in causing any loss or in presenting any claim under this policy.

PART C

The following exclusions apply to Coverage A - Real Property. **We** do not insure for loss caused by any of the following.

1. **Acts or Decisions,** including the failure to act or decide, of any person, group, organization or governmental body.

2. **Planning, Construction or Maintenance,** meaning faulty, inadequate or defective:
   a. construction, reconstruction, repair, remodeling or renovation;
   b. materials used in construction, reconstruction, repair, remodeling or renovation;
   c. design, workmanship or specifications;
   d. siting, surveying, zoning, planning, development, grading or compaction; or
   e. maintenance;

   of part or all of the **insured premises** or any other property.

3. **Weather Conditions** which contribute in any way with a cause or event excluded in Part A above to produce the loss.

However, **we** do cover any resulting loss to property described in Coverage A - Real Property not excluded or excepted in this policy.

CONDITIONS - SECTION I

The following conditions apply to all of Section I of this policy.

1. **Abandoned Property. You** may not abandon property to **us** unless **we** specifically agree to it.

2. **Appraisal.** If **you** and **we** fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and disinterested 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 the **insured premises** is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon will be the amount of loss. If they fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two of these three will set the amount of the loss. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by **you** and **us.**

3. **Contract of Sale Clause.** If a contract for sale of the property described in this policy has been made between the **insured** and the titleholder shown in the Declarations, the interest of the titleholder is also covered, but without any increase in the **limit,** and subject to all other terms of this policy, including any mortgage clause forming a part of this policy. If there is other insurance on the property described, **we** will not be liable for a greater part of any loss than the amount covered bears to the whole amount of insurance on the property, whether collectible or not.

4. **Dwellings Under Construction.** This policy may cover a dwelling under construction. If so, until the dwelling is completed and occupied, the **limit** will be determined by the actual value of the dwelling at the time of loss, but not greater than the **limit** shown in the Declarations.

5. **Glass or Safety Glazing Replacement.** Damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing when required by law.

6. **Insurable Interest and Our Liability.** In the event of a covered loss, **we** will not pay for more than the insurable interest an **insured** has in the covered property, nor more than the amount of coverage afforded by this policy in any one loss.

7. **Loss Deductible. We** will pay only that part of a covered loss over any deductible which applies.

8. **Loss Payable Clause.** Loss will be adjusted only with the **insured** named and payable to the **insured** and the lienholder shown in the Declarations as their respective interests may appear, subject to all the terms of this policy.

SPECIMEN

9. **Loss Payment. We** will adjust all losses with **you. We** will pay **you** unless some other party is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after **we** receive **your** properly completed proof of loss and:
   a. **we** reach agreement with **you;**
   b. there is an entry of a final judgment; or
   c. there is a filing of an appraisal award with **us.**

10. **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 actual cash value of the property before and after the loss.

11. **Loss Value Determination.**
   a. **Personal Property, Structures, Awnings, Carpeting, Household Appliances and Outdoor Antennas.**
      (1) Loss to covered:
         (a) awnings;
         (b) carpeting;
         (c) household appliances;
         (d) outdoor antennas and outdoor equipment, whether or not attached to buildings;
         (e) other structures that are not buildings and buildings without a permanent foundation;
         (f) property under Coverage B - Personal Property;

      will be settled subject to the following:
      We will pay the smaller of:
         (a) the actual cash value at the time of loss but not more than the cost to repair or replace the damaged property with property of like kind and quality; or
         (b) any policy **limit** which applies.
   b. **Buildings Which Have a Permanent Foundation and Roof.**
      Buildings which have a permanent foundation and roof will be settled at replacement cost without deduction for depreciation, subject to the following:
      (1) Actual Cash Value.
         If at the time of loss, the building is not repaired or replaced, **we** will pay the actual cash value at the time of loss of that part of the building damaged up to the **limit** applying to the building, but not exceeding the replacement cost of the damaged building.
      (2) Replacement Cost.
         (a) If at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately prior to the loss, and the building is repaired or replaced, **we** will pay the full cost to repair or replace the damaged building without deducting for depreciation, but not exceeding the smallest of:
            i. the **limit** in this policy for the building, including any additional amount of insurance as provided by the Inflation Protection Coverage;
            ii. the cost to replace the damaged building with like construction for similar use on the same premises; or
            iii. the amount actually and necessarily spent for repair or replacement of the damaged building.
         (b) If at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately prior to the loss, and the building is repaired or replaced, **we** will pay the larger of the following amounts, but not exceeding the **limit** under this policy applying to the building:
            i. the actual cash value of that part of the building damaged; or
            ii. the amount of insurance on the building divided by 80% of its full replacement cost times the amount of the loss.
         (c) To determine the full replacement cost of the covered building immediately prior to the loss:
            i. where there is a basement, do not include the value of excavations, foundations, piers and other supports which are below any basement floor nor underground pipes, wiring and drains; or
            ii. where there is no basement, do not include the value of underground pipes, wiring and drains.
   c. **Procedures to Claim Replacement Coverage.**
      If **you** receive an actual cash value settlement for damaged or stolen property covered by replacement coverage and **you** have not reached **your limit, you** may make a further claim under this condition for any additional payment on a replacement cost basis provided:
      (1) **you** notify **us** within 180 days after the loss of **your** decision to repair or replace the damaged or stolen property; and
      (2) repair or replacement is completed within one year of the date of loss.

12. **Mortgage Clause.**
   The word "mortgagee" includes trustee or contract of sale titleholder.
   If a mortgagee is named in this policy, any loss payable on buildings will be paid to the mortgagee and **you,** as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages. If **we** deny **your** claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
   a. notifies **us** of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
   b. pays any premium due under this policy on demand 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.

   As to only the interest of a lienholder or mortgagee declared in this policy, this insurance will terminate only if **we** give such lienholder or mortgagee at least 10 days written notice of termination. If **we** pay the mortgagee for any loss and deny payment to **you:**
   a. **we** are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
   b. at **our** option, **we** may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, **we** will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

13. **No Benefit to Bailee.** This insurance will not, in any way, benefit any person or organization who may be caring for or handling property for a fee.

14. **Other Insurance.** If both this and other insurance in the name of the condominium association apply to a loss, this policy will be excess over the other insurance. If both this and other insurance, except insurance in the name of the condominium association, 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.

15. **Our Settlement Options.**
   In the event of a covered loss, **we** have the option to:
   a. make a cash settlement for all or part of the damaged, destroyed or stolen property; or
   b. pay the cost to repair, rebuild, or replace all or the necessary part(s) of the damaged, destroyed or stolen property with like property, as of the time of loss, less an allowance for depreciation when replacement cost coverage doesn't apply.

SPECIMEN
SPECIMEN

We may take the salvage of all or any part of the covered property at its agreed or appraised value. Property paid for or replaced by **us** becomes **ours,** if **we** choose.
If **we** give **you** notice within 30 days after **we** receive an acceptable proof of loss, **we** may repair or replace any part of the damaged property with like property.

16. **Permission Granted to You. You** may make alterations, additions and repairs to **your** building and complete structures under construction. The **insured premises** may be **vacant** or unoccupied without limit of time, except where this policy specifies otherwise. A dwelling under construction is not considered **vacant.**

17. **Recovered Property.** If **you** or **we** recover any property for which **we** have made payment under this policy, **you** or **we** will notify the other of the recovery. At **your** option, the property will be returned to or retained by **you** or it will become **our** property. If the recovered property is returned to or retained by **you,** the claim payment, or any lesser amount to which **we** agree, must be refunded to **us.**

18. **Suit Against Us.** No action can be brought unless it is started within one year after the date of loss.

19. **What You Must Do in Case of Loss.** In the event of a loss to property that this insurance may cover, **you** and any person claiming coverage under this policy must:
    a. give notice as soon as reasonably possible to **us** or **our** agent. Report any theft to the police immediately. If the loss involves a **credit/debit card,** written notice must also be given to the company that issued the card;
    b. protect the property from further damage, make reasonable and necessary repairs to protect the property and keep records of the cost of these repairs;
    c. promptly separate the damaged and undamaged personal property. Give **us** a detailed list of the damaged property, showing the quantities, when and where acquired, original cost, current value and the amount of loss claimed;
    d. as often as **we** reasonably require:
        (1) show **us** the damaged property before permanent repairs or replacement is made;
        (2) provide **us** with records and documents **we** request and permit **us** to make copies; and
        (3) let **us** record **your** statements and submit to examinations under oath by any person named by **us,** while not in the presence of any other **insured,** and sign the transcript of the statements and examinations;
    e. submit to **us,** within 60 days after **we** request, **your** signed, sworn proof of loss which sets forth, to the best of **your** knowledge and belief:
        (1) the date, time, location and cause of loss;
        (2) the interest **you** and others have in the property, including any encumbrances;
        (3) the actual cash value and amount of loss of each item damaged or destroyed;
        (4) other insurance that may cover the loss;
        (5) changes in title, use, occupancy or possession of the property during the policy period;
        (6) the plans and specifications of any damaged dwelling or structure **we** may request;
        (7) detailed estimates for repair of the damage;
        (8) 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) evidence supporting a claim under the **Credit/Debit Card,** Forgery and Counterfeit Money protection. This should state the cause and amount of loss.

LIABILITY COVERAGES - SECTION II

COVERAGE D - PERSONAL LIABILITY COVERAGE

We will pay, up to **our limit,** compensatory damages for which any **insured** is legally liable because of **bodily injury** or **property damage** caused by an **occurrence** covered by this policy.

Defense Provision.
If a suit is brought against any **insured** for damages because of **bodily injury** or **property damage** caused by an **occurrence** to which this policy applies, **we** will provide a defense at **our** expense by counsel of **our** choice. **We** will defend any suit or settle any claim for damages payable under this policy as **we** think proper.

OUR OBLIGATION TO DEFEND ANY CLAIM OR SUIT ENDS WHEN THE AMOUNT **WE** HAVE OFFERED OR PAID FOR DAMAGES RESULTING FROM THE **OCCURRENCE** EQUALS **OUR LIMIT.**

COVERAGE E - MEDICAL EXPENSE COVERAGE

We will pay the **medical expenses** which are incurred or medically ascertained within three years from the date of an accident causing **bodily injury** covered by this policy. This coverage applies only:

1. to a person on the **insured premises** with the permission of any **insured;** or
2. to a person away from the **insured premises** 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 any **insured;**
    c. is caused by a person while performing duties as a **domestic employee** of any **insured;**
    d. is caused by an animal owned by or in the care of any **insured;** or
    e. is suffered by a **domestic employee** in the course of employment by any **insured.**

SUPPLEMENTARY COVERAGES - SECTION II

We will pay the following in addition to the **limits.** All terms of this policy remain unchanged, except where modified by the Supplementary Coverage.

1. **Claim and Defense Expenses. We** will pay the expenses described below for a claim or suit **we** are obligated to defend under the Personal Liability Coverage:
    a. all expenses **we** incur and costs taxed against any **insured;**
    b. premiums on bonds required in any suit **we** defend, but not for bond amounts more than **our limit. We** need not apply for or furnish any bond;
    c. reasonable expenses (other than loss of earnings) any **insured** incurs at **our** request;
    d. any **insured's** loss of earnings (but not loss of other income) up to $200 per day, to attend trials or hearings at **our** request;
    e. prejudgment interest awarded against any **insured** on the part of the judgment that **we** are obligated to pay. However, **we** will not pay any such interest which accrues after such time that **we** make an offer to pay **our limit;**

SPECIMEN

f. interest accruing on **our** share of the amount of any judgment between the time the judgment is entered and the time **we** pay or tender or deposit in court that part of the judgment which does not exceed **our limit.**

2. **Damage to Property of Others. We** will pay up to $500 per **occurrence** for **property damage** to property of others caused by any **insured,** even if not negligent or legally liable.
   At **our** option, **we** will either:
   a. pay the actual cash value of the property; or
   b. repair or replace the property with other property of like kind and quality.
   We will not pay for **property damage:**
   a. to the extent of any amount recoverable under Section I of this policy;
   b. caused intentionally by any **insured** who has attained the age of 13;
   c. to property, other than a rented golf cart, owned by or rented to any **insured,** a tenant of any **insured** or a resident in **your** household; or
   d. resulting from:
      (1) **business** pursuits;
      (2) any act or omission in connection with premises owned, rented or controlled by any **insured,** other than an **insured premises;** or
      (3) the ownership, maintenance or use of a land motor vehicle, aircraft, watercraft or iceboat.

3. **Emergency First Aid. We** will pay reasonable expenses incurred by any **insured** for first aid to persons, other than **insureds,** at the time of the accident, for bodily harm covered under this policy.

4. **Loss Assessments. We** will cover an amount up to $1000 for **your** share of special loss assessments charged during the policy period and levied against **you** by a corporation or association of property owners in accordance with the governing rules of the association, when the assessment is made as a result of:
   a. each **occurrence** to which Section II of this policy would apply; or
   b. damages which the association may be obligated to pay because of any personal injury arising out of:
      (1) false arrest, detention or imprisonment;
      (2) malicious prosecution;
      (3) libel, slander, humiliation or defamation of character;
      (4) invasion of privacy, wrongful eviction or wrongful entry.
   This $1000 **limit** is the most **we** will pay for any one loss, regardless of the number of assessments.
   This coverage applies only to loss assessments charged against **you** as owner or tenant of the **insured premises.**
   We do not cover loss assessments charged against **you** or a corporation or association of property owners by any governmental body.
   Section II - Coverage D - Personal Liability Exclusion 2 does not apply to this coverage.
   In the event of an assessment, this coverage is subject to all other terms of this policy. This coverage is excess insurance over any insurance collectible under any policy or policies covering the association of property owners.

EXCLUSIONS - SECTION II

Coverage D - Personal Liability and Coverage E - Medical Expense do not apply to:

1. **Abuse. We** will not cover **bodily injury** or **property damage** arising out of or resulting from any actual or alleged:
   a. sexual molestation or contact;
   b. corporal punishment; or
   c. physical or mental abuse of a person.

2. **Acts or Omissions. We** will not cover **bodily injury** or **property damage** arising out of any act or omission of any **insured** as an officer or member of the board of directors of any corporation, municipality, political unit or other organization, except the acts of an unpaid volunteer director, officer or trustee of a religious, charitable or civic non-profit organization. An elected, public official does not qualify as an unpaid volunteer director, officer or trustee.

3. **Aircraft.**
   a. **We** will not cover **bodily injury** or **property damage** arising out of the ownership, supervision, entrustment, maintenance, operation, use, loading or unloading of any type of aircraft, glider, balloon, parachute or other air conveyance and their facilities. **We** do cover model aircraft not used or designed for transporting cargo or persons.
      This exclusion does not apply to **bodily injury** to any **domestic employee** arising out of and in the course of employment by any **insured.**
   b. **We** will not cover **bodily injury** or **property damage** arising out of any vicarious parental liability, whether or not statutorily imposed by law, for the actions of a child or minor regarding any type of aircraft described in a. above.

4. **Business. We** will not cover **bodily injury** or **property damage** arising out of **business** pursuits or the rental or holding for rental of any part of any premises except:
   a. activities which are normally considered non-**business;**
   b. the rental or holding for rental of an **insured premise:**
      (1) on an occasional basis if used only as a residence;
      (2) in part, for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
      (3) in part, as an office, school, studio or private garage;
   c. the additional premises of a one or two family dwelling when specifically insured under Option 7 - Additional Premises Coverage; or
   d. the occasional or part-time **business** activities of any self-employed **insured** under 19 years of age.
   This exclusion does not apply to **bodily injury** to any **domestic employee** arising out of and in the course of employment by any **insured.**

5. **Communicable Disease. We** will not cover **bodily injury** arising out of the actual or alleged transmission of a communicable disease.

6. **Controlled Substances. We** will not cover **bodily injury** or **property damage** arising out of the use, sale, manufacture, delivery, transfer, possession or administration of a controlled substance(s) as defined by 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.

7. **Employees. We** will not cover **bodily injury** to any employee (other than a **domestic employee)** of any **insured** arising out of and in the course of their employment by any **insured.**

8. **Illegal Consumption of Alcohol. We** will not cover **bodily injury** or **property damage** arising out of the **insured's** knowingly permitting or failing to take action to prevent the illegal consumption of alcohol beverages by an underage person.

SPECIMEN

9. **Imputed Liability. We** will not cover **bodily injury** or **property damage** arising out of any liability imputed to any **insured** which is otherwise excluded in this policy.

10. **Intentional Injury. We** will not cover **bodily injury** or **property damage** caused intentionally by or at the direction of any **insured** even if the actual **bodily injury** or **property damage** is different than that which was expected or intended from the standpoint of any **insured.**

11. **Intra-insured Suits. We** will not cover **bodily injury** to any **insured.**

12. **Nuclear Energy. We** will not cover a nuclear energy **occurrence** for which any **insured** under this policy:
    a. is also an **insured** under a nuclear energy liability policy; or
    b. would be an **insured** under that policy but for the exhaustion of its **limit.**

    A nuclear energy liability policy is one issued by:
    a. American Nuclear Insurers;
    b. Mutual Atomic Energy Liability Underwriters;
    c. Nuclear Insurance Association of Canada;
    or any of their successors.

13. **Pollution Damage. We** will not cover **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, release, escape, seepage, trespass, wrongful entry, migration, ingestion, inhalation or absorption of **pollutants** from any source.

    We will not pay for any loss, cost, expense, fine or penalty to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or dispose of **pollutants**, whether or not such actions are done voluntarily or at the direction, request or demand of any governmental body or agency, any other authority, person or organization, or as a result of any suit.

14. **Premises Owned, Rented or Controlled. We** will not cover **bodily injury** or **property damage** arising out of any act or omission occurring on or in connection with any premises owned, rented or controlled by any **insured** other than an **insured premises.**

    This exclusion does not apply to **bodily injury** to any **domestic employee** arising out of and in the course of employment by any **insured.**

15. **Professional Liability. We** will not cover **bodily injury** or **property damage** arising out of the rendering or failing to render professional services.

16. **Vehicles.**
    a. **We** will not cover **bodily injury** or **property damage** arising out of the ownership, supervision, entrustment, maintenance, operation, use, loading or unloading of any type of motor vehicle, motorized land conveyance or trailer, except:

       We will provide specific coverage on only the following types owned or operated by or rented or loaned to any **insured:**
       (1) a motor vehicle or motorized land conveyance which is not subject to motor vehicle registration and is:
           (a) used for the service of the insured residence;
           (b) designed to assist the handicapped; or
           (c) kept in dead storage on the **insured premises;**
       (2) a motorized golf cart while used for golfing purposes on a golf course;
       (3) a motorized land conveyance including a motorized bicycle, tricycle or similar type of equipment designed principally for recreational use off public roads, which is not subject to motor vehicle registration and is:
           (a) not owned or leased by an **insured;** or
           (b) owned or leased by an **insured** and while on the **insured premises;**
       (4) a trailer of the boat, camp, home or utility type when not attached to or towed by or carried on a motor vehicle or motorized land conveyance.

       This exclusion does not apply to **bodily injury** to any **domestic employee** arising out of and in the course of employment by any **insured.**
    b. **We** will not cover **bodily injury** or **property damage** arising out of any vicarious parental liability, whether or not statutorily imposed by law, for the actions of a child or minor regarding any type of vehicle described in a. above.

17. **Violation of Law. We** will not cover **bodily injury** or **property damage** arising out of:
    a. violation of any criminal law for which any **insured** is convicted;
    b. violation of any building or housing code for which any **insured** is convicted; or
    c. violation of any criminal law for which any **insured** is not convicted due to mental incapacity.

18. **War. We** will not cover any **occurrence** due to:
    a. war, including undeclared war;
    b. civil war, insurrection, rebellion or revolution; or
    c. warlike act by a military force or military personnel, 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.

19. **Watercraft.**
    a. **We** will not cover **bodily injury** or **property damage** arising out of the ownership, supervision, entrustment, maintenance, operation, use, loading or unloading of a watercraft:
       (1) with inboard or inboard-outdrive motor power owned by any **insured;**
       (2) with inboard or inboard-outdrive motor power of more than 50 horsepower rented to any **insured;**
       (3) that is a sailing vessel, with or without auxiliary power, 26 feet or more in length owned by or rented to any **insured;**
       (4) that is an iceboat, airboat, air cushion or similar type of craft; or
       (5) powered by one or more outboard motors with more than 50 total horsepower, owned by any **insured.**

       This exclusion does not apply while such crafts are stored on the **insured premises** nor to **bodily injury** to any **domestic employee** arising out of and in the course of employment by any **insured.**
    b. **We** will not cover **bodily injury** or **property damage** arising out of any vicarious parental liability, whether or not statutorily imposed by law, for the actions of a child or minor regarding any type of watercraft described in a. above.

SPECIMEN

20. **Workers Compensation. We** will not cover any obligation of the **insured** under a workers compensation, disability benefits, unemployment compensation law or any other similar law.

Coverage D - Personal Liability does not apply to:

1. **Contractual Liability. We** will not cover personal liability under any contract or agreement.
   This exclusion does not apply to written contracts:
   a. directly relating to the ownership, maintenance or use of the **insured premises** not excluded in 2 below or elsewhere in this policy; or
   b. in which the **insured** assumes the liability of others prior to the **occurrence.**
2. **Loss Assessments. We** will not cover personal liability for **your** share of any loss assessment charged against all members of a corporation or association of property owners other than as provided by Supplementary Coverages - Section II, under Loss Assessments.
3. **Property Owned or Controlled. We** will not cover **property damage** to:
   a. property owned by any **insured;**
   b. property borrowed, used or occupied by, rented to, or in the care of any **insured;** or
   c. property owned by a corporation or association of property owners of which any **insured** is a member.
   We will, if any **insured** is legally obligated, pay for **property damage** to item b above caused by fire, smoke or explosion.
4. **Punitive Damages. We** will not cover punitive or exemplary damages.

Coverage E - Medical Expense does not apply to:

1. **Domestic Employees. We** will not cover **bodily injury** to a **domestic employee** if it occurs off the **insured premises** and does not arise out of or in the course of the **domestic employee's** employment by any **insured.**
2. **Nuclear Hazard. We** will not cover **bodily injury** from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
3. **Residents. We** will not cover **bodily injury** to any **insured** or other person, other than a **domestic employee,** regularly residing on any part of the **insured premises.**

CONDITIONS - SECTION II

The following conditions apply to all of Section II of this policy.

1. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any **insured** will not relieve **us** of **our** obligations under this policy.
2. **Limit of Liability.** Regardless of the number of **insureds,** claims made or persons injured, **our** total liability under Coverage D - Personal Liability for all damages resulting from any one **occurrence** will not exceed the Coverage D - Personal Liability **limit** stated in the Declarations.

   All **bodily injury** and **property damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one **occurrence.**

   Our total liability under Coverage E for all **medical expenses** payable for **bodily injury** to one person as the result of one accident will not exceed the Coverage E **limit** stated in the Declarations.
3. **No Admission of Liability With Medical Expense Coverage.** Payment under this coverage is not an admission of liability by any **insured** or **us.**
4. **Other Insurance - Coverage D - Personal Liability.** This insurance is excess over any other collectible insurance. However, if the other insurance is specifically written as excess insurance over this policy, the **limits** of this policy apply first.
5. **Severability of Insurance.** This insurance applies separately to each **insured.** This condition will not increase **our limit** for any one **occurrence.**
6. **Suit Against Us.** No legal action can be brought against **us:**
   a. unless there has been full compliance with all the terms of this policy; and
   b. until the obligation of any **insured** has been determined by agreement signed by **us.**

   No person or organization has the right to join **us** as a party to any legal action against any **insured.**
7. **What You Must Do in Case of Loss.** In the event of an accident or **occurrence** which this insurance may cover, **you** and any person claiming coverage under this policy must:
   a. give prompt notice to **us** or **our** agent, including:
      (1) the identity of the policy and **insured;**
      (2) the time, place and circumstances of the accident or **occurrence;**
      (3) names and addresses of any claimants and witnesses; and
      (4) as often as **we** reasonably require, let **us** record **your** statements and submit to examinations under oath by any person named by **us,** while not in the presence of any **insured,** and sign the transcript of the statements and examinations;
   b. promptly forward to **us** any notice, demand or legal paper relating to the accident or **occurrence;**
   c. at **our** request, assist **us** in:
      (1) making settlement;
      (2) enforcing any right of contribution or indemnity against any person or organization who may be liable to any **insured;** and
      (3) any matter relating to a claim or suit;
   d. under the Damage to Property of Others coverage, give **us** a sworn statement of the loss. This must be made within 60 days after **our** request. Also, be prepared to show **us** any damaged property under any **insured's** control;
   e. not voluntarily make any payment, nor assume any obligation or incur expenses except for Emergency First Aid, except at **your** own cost.

   Under Coverage E - Medical Expense, the injured person or someone acting on their behalf will:
   a. give **us** prompt written proof of claim, under oath if required;
   b. authorize **us** to obtain copies of medical reports and records; and
   c. permit doctors **we** select to examine the injured person when **we** may reasonably require.

SPECIMEN

GENERAL CONDITIONS

SPECIMEN

Unless otherwise noted, the following conditions apply to all sections of this policy.

1. **Assignment.** Assignment of this policy will not be valid unless **we** give **our** written consent.

2. **Cancelation.**
   a. **You** may cancel this policy at any time by returning it to **us** or advising **us** of the current or future date when it should be canceled.
   b. **We** may cancel this policy by notifying **you** in writing of the date cancelation takes effect and the reason for cancelation. The delivery of this cancelation notice will be subject to the laws of the state of Nevada.

      Cancelation by **us** may only be for the following reasons:
      (1) When **you** have not paid the premium, whether payable to **us** or to **our** agent or under any finance or credit plan, **we** may cancel at any time by notifying **you** at least 10 days before the date cancelation takes effect.
      (2) When this policy has been in effect for less than 70 days and is not a renewal with **us, we** may cancel for any reason other than nonpayment by notifying **you** at least 10 days before the date cancelation takes effect.
      (3) When this policy has been in effect for 70 days or more, or at any time if it is a renewal with **us, we** may cancel for one or more of the following reasons:
         (a) Conviction of the **insured** of a crime arising out of acts increasing the hazard insured against;
         (b) discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim under the policy;
         (c) discovery of an act or omission; or a violation of any condition of the policy, which occurred after the first effective date of the current policy and substantially and materially increases the hazard insured against;
         (d) a material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
         (e) a determination by the commissioner that continuation of the insurer's present volume of premiums would jeopardize the insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public; or
         (f) a determination by the commissioner that the continuation of the policy would violate, or place the insurer in violation of, any provision of the code.

      This can be done by notifying **you** at least 30 days before the date cancelation takes effect.
      (4) With respect to a policy written for a period of more than one year or for an indefinite term: In addition to **our** right to cancel as provided in b(1), b(2) and b(3), **we** may cancel for any reason at anniversary by notifying **you** at least 30 days before the date cancelation takes effect.
   c. When this policy is canceled, the premium for the period from the date of cancelation to the expiration date will be refunded pro rata.
   d. If the return premium is not refunded with the notice of cancelation or when this policy is returned to **us, we** will refund it within a reasonable time after the date cancelation takes effect.

3. **Concealment or Fraud.** With respect to all **insureds, we** will not provide coverage if, before or after the loss, any **insured** has:
   a. Intentionally concealed or misrepresented any material fact or circumstance;
   b. Engaged in fraudulent conduct; or
   c. Made false statements;

   relating to this insurance.

4. **Conformity to State Law.** If any part of this policy is contrary to a law of the state in which the described property is located, **we** agree to alter that part of **our** policy and make it conform with that state law. However, all other parts of this policy will remain in force and unaltered.

5. **Cooperation. You** must cooperate with **us** in performing all acts required by this policy.

6. **Inspection. We** are permitted but not obligated to inspect **your** property and operations. **Our** inspection or any resulting advice or report does not warrant that **your** property or operations are safe or healthful or are in compliance with any law, rule or regulation.

7. **Liberalization Clause.** Forms or endorsements may be revised during the policy period. If any coverage is broadened under this policy without additional premium, the broadened coverage will apply.

8. **Membership, Voting, Annual Meeting and Participation. You** are a member of the American Family Mutual Insurance Company of Madison, Wisconsin, and are entitled to one vote either in person or by proxy at its meetings. The Annual Meetings are held at its Home Office in Madison, Wisconsin, on the first Tuesday of March at 2:00 P.M. Notice printed in this policy will be **your** notification of the time and place. If any dividends are distributed, **you** will share in them according to law and under conditions set by the Board of Directors.

9. **Non-Renewal. We** may elect not to renew this policy. **We** may do so by delivering to **you,** or mailing to **you** at the mailing address shown in the Declarations, written notice, including **our** reasons for non-renewal, at least 30 days before the expiration date of this policy.

   The reasons for non-renewal and delivery of this termination notice will be subject to the laws of the state of Nevada.

10. **Option and Endorsement Changes.** Any option or endorsement made a part of this policy, whether at the time of issue or during the policy period, amends the terms of this policy. Where the policy terms differ from similar terms in any option or endorsement, the terms of that option or endorsement will prevail.

11. **Policy Non-Assessable.** This policy is non-assessable.

12. **Policy Period, Renewal of Coverage, Premiums and Changes.** Insurance begins and ends at 12:01 A.M. Standard Time at the location of the property described and on the dates shown in the Declarations.
    This policy may be continued for successive policy periods by payment of the required premium on or before the effective date of each renewal period. If the premium is not paid when due, this policy expires at the end of the last policy period for which the premium was paid.

    The premium for each policy period will be based on **our** current manuals. This premium is determined by information in **our** possession at the inception of each policy period. Any changes in this information during that policy period which would affect the rating of **your** policy, will allow **us** to make an additional charge or refund on a pro rata basis. If a premium adjustment is necessary, **we** will make the adjustment as of the effective date of the change.

SPECIMEN

You are responsible for the payment of all premiums and will be the payee for any return premiums **we** pay.

If this policy form or any endorsement attached is revised, **we** may substitute or add, at any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with **our** manual rules in effect at the time.

As to only the interest of a lienholder or mortgagee declared in this policy, this insurance will terminate only if **we** give such lienholder or mortgagee at least 10 days written notice of termination.

If this policy replaces coverage in other policies terminating at 12:00 Noon Standard Time on the inception date of this policy, this policy will be effective at 12:00 Noon Standard Time instead of at 12:01 A.M. Standard Time.

13. **Subrogation.** An **insured** 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, an **insured** must sign and deliver all related papers and cooperate with **us. Our** right to recover will apply only after **you** have been fully compensated for the loss.

    Where prohibited by law, subrogation does not apply under Section II to Medical Expense Coverage or Damage to Property of Others.

14. **Waiver or Change of Policy Provisions. You** are authorized to request changes in this policy, on behalf of all **insureds,** if **we** agree to those changes. A provision of this policy is waived or changed only if **we** put it in writing.

    Our request for appraisal or examination does not waive **our** rights.

ADDITIONAL PROTECTION YOU MAY BUY

Each option **you** choose and for which **you** pay an additional premium, where applicable, applies only as indicated and will be identified in the Declarations.

These coverages are subject to all terms of this policy, except where modified by the option chosen.

OPTION 1 - EARTHQUAKE AND VOLCANIC ERUPTION COVERAGE.

We will cover direct loss caused by earthquake or volcanic eruption to property described in Section I Coverage A - Dwelling, Dwelling Extension and Coverage B - Personal Property and covered by this policy. This Volcanic Eruption Coverage replaces any Volcanic Eruption peril included in this policy.

Additional Conditions

1. One or more earthquake shocks or volcanic eruptions that occur within a 168-hour period will be considered a single earthquake or volcanic eruption.
2. This coverage does not increase the **limits** stated in this policy.

Special Deductible

The following is the only deductible that applies to each covered loss caused by earthquake or volcanic eruption:

We will pay only that part of the covered loss that exceeds the deductible percentage (shown in the Declarations) that applies to the total **limit** applicable to the destroyed or damaged property. The deductible is stated as a percentage (%).

This deductible percentage applies separately to the total **limit** on Coverage A - Dwelling, separately to the total **limit** on Coverage A - Dwelling Extension, and separately to the total **limit** on Coverage B - Personal Property. The minimum deductible amount for any one covered loss under each coverage applicable will be $250.

Special Exclusions

1. **We** do not cover loss resulting directly or indirectly from flood of any nature or tidal wave, whether caused by, resulting from, contributed to or aggravated by earthquake or volcanic eruption.
2. **We** do not cover any loss caused by any earthquake or volcanic eruption that occurs before this option is effective, nor for any loss caused by any earthquake or volcanic eruption that occurs after this option expires.

OPTION 2 - EXTENDED COVERAGE ON JEWELRY, WATCHES AND FURS.

Jewelry, watches, precious and semi-precious stones, gems and furs will be insured for risks of accidental direct physical loss or damage, subject to the following additional exclusions and limitations:

1. the insurance provided by this coverage applies instead of and not in addition to that provided in Coverage B - Personal Property;
2. **our limit** for any covered loss will be $1500 on any one article, $2500 in the aggregate;
3. **we** do not cover loss or damage caused by mechanical or electrical breakdown, wear and tear, gradual deterioration, insects, vermin or inherent vice;
4. if any property covered consists of two or more parts, **we** will only be liable for the value of the part lost or damaged. The Loss to a Pair or Set condition under Conditions - Section I does not apply to loss under this option.

Any deductible shown in the Declarations also applies to loss under this coverage.

OPTION 3 - HOME DAY CARE.

(Applies only to the described premises.)

The Section II Coverages are extended to cover an **insured** who provides home day care. The definition of **insured premises** is amended to include that part of the premises occupied for home day care. Section II Exclusion 4 **Business** is amended to add:

e. home day care service regularly provided by an **insured** on the **insured premises** for which an **insured** receives monetary or other compensation.

   This coverage does not apply to **bodily injury** or **property damage** arising out of the supervision, entrustment, maintenance, use, loading or unloading of:

   (1) saddle animals and vehicles for use with them;
   (2) any type of aircraft, glider, balloon, parachute or other air conveyance;
   (3) any type of motor vehicle or motorized land conveyance; or
   (4) watercraft of all types;

   owned, operated, or hired by or for the **insured** or employee or used by the **insured** for the purpose of instruction in their use.

OPTION 4 - EXTENDED WATERCRAFT LIABILITY AND MEDICAL EXPENSE COVERAGE.

The Section II Coverages are extended to cover the watercraft powered by outboard motor(s), owned by an **insured** and described in the Declarations.

Exclusion 19a(5) does not apply to such described watercraft.

OPTION 5 - OFFICE, SCHOOL OR STUDIO USE.

(Applies only to the occupancy by the **insured** as shown in the Declarations or Additional Protection Schedule Endorsement.)

1. Section I: Coverage B - Personal Property is extended for up to an additional $5000 to cover **business** personal property of this described incidental occupancy. This includes equipment, supplies, stock of merchandise in storage and furnishings usual to the described occupancy while such property is on the **insured premises.**

SPECIMEN

Any deductible shown in the Declarations also applies to loss under this coverage.

2. Section II: The **insured premises** will not be considered **business** property because an **insured** occupies a part of it as an incidental office, school or studio as described. Section II Exclusion 4 **Business** is amended to add:
   e. **business** pursuits of an **insured** which are necessary or incidental to the use of the **insured premises** as the described office, school or studio.

OPTION 6 - BUSINESS PURSUITS.
The Section II Coverages are extended to cover the **business** pursuits of an **insured** who is a clerical office employee, salesperson, collector, messenger or teacher as described in the Declarations or Additional Protection Schedule Endorsement. This coverage does not apply:

1. to **bodily injury** or **property damage** arising out of the **business** pursuits of an **insured** in connection with a **business** owned or financially controlled by such **insured** or by a partnership or joint venture of which such **insured** is a partner or member;
2. to **bodily injury** or **property damage** arising out of the rendering or failing to render professional services (other than teaching);
3. to **bodily injury** to a fellow employee of an **insured** injured in the course of employment;
4. when the **insured** is a member of the faculty or teaching staff of any school or college to **bodily injury** or **property damage** arising out of the supervision, entrustment, maintenance, use, loading or unloading of:
   a. saddle animals and vehicles for use with them;
   b. any type of aircraft, glider, balloon, parachute or other air conveyance;
   c. any type of motor vehicle or motorized land conveyance; or
   d. watercraft of all types;

   owned, operated, or hired by or for the **insured** or employer or used by the **insured** for the purpose of instruction in their use.

OPTION 7 - ADDITIONAL PREMISES COVERAGE.
The Section II Coverages are extended to cover the one or two family dwelling(s) shown in the Declarations or Additional Protection Schedule Endorsement. Item b in the definition of **insured premises** is amended to include such premises.

OPTION 12 - NAMED ADDITIONAL INSURED(S).
The definition of **insured** in this policy includes the person or organization named as an additional **insured** in the Declarations or Additional Protection Schedule Endorsement with respect to:

1. Section I: Coverage A - Dwelling and Dwelling Extension;
2. Section II: Coverage D - Personal Liability and Coverage E - Medical Expense but only with respect to ownership, maintenance or use of the **insured premises.**

The interest of the named additional **insured(s)** will be terminated only if **we** give such additional **insured** at least 10 days written notice of termination.

This option applies only with respect to the location shown in the Declarations or Additional Protection Schedule Endorsement.

OPTION 14 - PERSONAL PROPERTY REPLACEMENT COVERAGE.
We will pay the cost of repair or replacement of property listed below and owned by an **insured,** without deducting for depreciation.

1. This coverage applies to:
   a. awnings;
   b. carpeting;
   c. household appliances;
   d. outdoor antennas;
   e. other structures covered under Coverage A - Real Property that are not buildings and buildings without a permanent foundation;
   f. personal property under Coverage B - Personal Property and not excluded below.
2. This coverage does not apply to:
   a. **business** property and property of others, on or off the described premises;
   b. records, films, tapes or other magnetic recordings;
   c. paintings, etchings, pictures, tapestries, statuary, articles made of marble, bronzes, antiques, rare books and papers, porcelains, rare glassware or any other property which because of its inherent nature, cannot be replaced with new property;
   d. property whose age or history contributes substantially to its value including, but not limited to, memorabilia, souvenirs and collectors items;
   e. property which because of age or condition has become obsolete or unusable for its originally intended purpose;
   f. land motor vehicle equipment and accessories for vehicles **you** no longer own;
   g. property not maintained in good or workable condition;
   h. property that is outdated or obsolete and is stored or not being used.
3. **Loss Value Determination.** The Loss Value Determination condition in Conditions - Section I is amended to add the following as item a(2):
   a. (2) Loss to covered property covered by Option 14 - Personal Property Replacement Coverage will be settled subject to the following:
   We will pay the cost of repair or replacement but not exceeding the smallest of:
      (a) the actual cash value at the time of loss up to the **limit** applying to the property, if the property is not actually repaired or replaced;
      (b) the amount actually and necessarily spent for the replacement of an item with a similar item of like kind and quality at the time of loss;
      (c) the amount actually and necessarily spent for repair or restoration;
      (d) any policy **limit** which applies.

   The following procedure applies to loss to covered property under this option:

   Procedures to Claim Replacement Coverage.
   If **you** receive an actual cash value settlement for damaged or stolen property covered by replacement coverage and **you** have not reached **your limit, you** may make a further claim under this condition for any additional payment on a replacement cost basis provided:
   (1) **you** notify **us** within 180 days after the loss of **your** decision to repair or replace the damaged or stolen property; and
   (2) repair or replacement is completed within one year of the date of loss.

OPTION 16 - PREMISES ALARM OR FIRE PROTECTION SPRINKLER SYSTEM.
For a premium credit, **we** acknowledge the installation of an alarm system and/or an automatic fire protection sprinkler system approved by **us** on the **insured premises. You** agree to maintain the system(s) in working order and to notify **us** promptly of any changes made to or removal of the system(s).

SPECIMEN

OPTION 18 - GOLD STAR CONDO-UNIT COVERAGE.

The Supplementary Coverages - Section I are amended as follows:

1. The **limit** for item 12 Refrigerated Food Products is increased to $500.
2. The following is added:

   Lock Replacement Coverage. We will pay the necessary cost **you** incur to replace or re-key exterior dwelling door locks on the **insured premises** when the dwelling door keys or automatic garage door transmitter(s) are stolen in a covered theft loss.

   This coverage is additional insurance.

   No deductible applies to this coverage.

The Supplementary Coverages - Section II are amended as follows:

1. The **limit** for item 2 Damage to Property of Others is increased to $1000.

The following options apply:

OPTION 2 - EXTENDED COVERAGE ON JEWELRY, WATCHES AND FURS

OPTION 14 - PERSONAL PROPERTY REPLACEMENT COVERAGE

IN WITNESS WHEREOF, this policy is signed at Madison, Wisconsin, on **our** behalf by **our** President and Secretary. If required by statute, it is countersigned on the Declarations page by **our** authorized representative.

President

Secretary

This is not a complete and valid contract without an accompanying DECLARATIONS PAGE.

SPECIMEN