

**APPROVED****HOMEOWNERS 3 SPECIAL FORM**

Date Received: 09/15/2016 Date Of Action: 10/24/2016

FL OFFICE OF INSURANCE REGULATION

**AGREEMENT**

This policy is issued on behalf of Homeowners Choice Property & Casualty Insurance Company, Inc. and by acceptance of this policy you agree:

1. The statements in the Application(s) are your representations;
2. This policy is issued in reliance upon the truth of those representations;
3. This policy embodies all agreements existing between you and Homeowners Choice Property & Casualty Insurance Company, Inc. relating to this policy.

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

**DEFINITIONS**

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
2. "Business" includes trade, profession or occupation.
3. "Covered building" means the "principal building."
4. "Fungi" means any type or form of fungus, including:
  - a. Mold or mildew; and
  - b. Any mycotoxins, toxins, spores, scents or byproducts produced or released by fungi.

Under Section II, this does not include any fungi, yeast or bacteria that are, are on or are contained in a good or product intended for consumption.

5. "Insured" means you and residents of your household who are:
  - a. Your relatives; or
  - b. Other persons under the age of 21 and in the care of any person named above.

Under Section II, "insured" also means:

- c. With respect to watercraft to which this policy applies, any person or organization legally responsible for watercraft which are owned by you or any person included in 5.a. or 5.b. above. A person or organization using or having custody of the watercraft in the course of any "business" or without consent of the owner is not an "insured";
- d. With respect to any vehicle to which this policy applies:

- (1) Persons while engaged in your employ or that of any person included in 5.a. or 5.b. above; or
- (2) Other persons using the vehicle on an "insured location" with your consent.

## 6. "Insured location" means:

- a. The "residence premises";
- b. The part of other premises, other structures and grounds used by you as a residence and:
  - (1) Which is shown in the Declarations; or
  - (2) Which is acquired by you during the policy period for your use as a residence;
- c. Any premises used by you in connection with a premises in 6.a. and 6.b. above;
- d. Any part of a premises:
  - (1) Not owned by an "insured"; and
  - (2) Where an "insured" is temporarily residing;
- e. Vacant land, other than farm land, owned by or rented to an "insured";
- f. Land owned by or rented to an "insured" on which a one or two family dwelling is being built as a residence for an "insured";
- g. Individual or family cemetery plots or burial vaults of an "insured"; or
- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.

## 7. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:

- a. "Bodily injury"; or
- b. "Property damage."

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8. "Personal injury" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

9. "Personal Watercraft" means watercraft designed to carry one to four people, propelled by a water jet pump, powered by an internal combustion engine. "Personal Watercraft" includes, but is not limited to, watercraft referred to as jet ski, wave runner, wave blaster, sea scooter, seabreacher, dolphin boat or similar watercraft.

"Personal Watercraft" does not include hand-held sea scooters used for single person underwater propulsion.

10. "Principal Building" means the primary residential building, including its foundation, floor slab and footings supporting the building, wall-to-wall carpeting attached to the building, and an attached garage. "Principal building" also includes, if located inside the primary residential building, indoor swimming pools, indoor hot tubs, indoor spas and their associated plumbing, filtering and circulating systems.

"Principal building" does not include any of the following, even if they are attached to, extend from or about any portion of the building:

- a. appurtenant structures;
- b. outdoor swimming pools, outdoor hot tubs, and outdoor spas and their associated plumbing, filtering and circulating systems, even if they are covered or enclosed by a roof, cage, awning, canopy or similar structure;
- c. fences, walls, porches and carports, unless they are necessary for the structural integrity of the primary residential building;
- d. awnings, patio covers, pool cages and screen enclosures; pool decks, decks, patios or lanais;
- e. sidewalks or driveways;

f. trees, plants, shrubs, lawn care and landscaping, whether damaged by a "sinkhole loss" or catastrophic ground cover collapse; or

g. lawn sprinkling systems and other plumbing, sewage, or utility systems outside the "principal building":

- (1) whether damaged by a "sinkhole loss" or catastrophic ground cover collapse; or
- (2) whether or not connected to or part of the internal building systems

Unless those systems are required for legal habitation of the "principal building."

11. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.

12. "Residence employee" means:

- a. An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises," including household or domestic services; or
- b. One who performs similar duties elsewhere not related to the "business" of an "insured."

13. "Residence premises" means:

- a. The one family dwelling, other structures, and grounds; or
- b. That part of any other building;

where you reside and which is shown as the "residence premises" in the Declarations.

"Residence premises" also means a two-family dwelling where you reside in at least one of the family units and which is shown as the "residence premises" in the Declarations.

14. "Sinkhole" means a landform created by subsidence of soil, sediment, or rock as underlying strata are dissolved by groundwater. A "sinkhole" forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

15. "Sinkhole activity" means settlement or systematic weakening of the earth supporting the "covered building" only when settlement or systematic weakening results from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

16. "Sinkhole loss" means structural damage to the "covered building," including foundation, caused by "sinkhole activity". Contents coverage shall apply only if there is structural damage to the "covered building" caused by "sinkhole activity".

17. "Unoccupied" means the dwelling is not being inhabited as a residence.

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18. "Vacant" means the dwelling lacks the necessary amenities, adequate furnishings, or utilities and services to permit occupancy as a residence.

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## SECTION I – PROPERTY COVERAGES

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**COVERAGE A – Dwelling**

We cover:

1. The dwelling on the "residence premises" shown in the Declarations, including attached structures and attached wall-to-wall carpeting if damage to the dwelling is caused by a covered loss;
2. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises"; and
3. In-ground swimming pools including related permanently installed equipment such as pumps and filters.

This coverage does not apply to land, including land on which the dwelling is located.

**COVERAGE B – Other Structures**

We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. Used in whole or in part for "business"; or
2. Rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage is shown in your Declarations. Use of this coverage does not reduce the Coverage A limit of liability.

**Special Limit of Liability****Cosmetic and Aesthetic Damage to Floors.**

The total limit of liability for Coverages A and B combined is \$10,000 per policy term for cosmetic and aesthetic damages to floors.

1. Cosmetic or aesthetic damage includes, but is not limited to:
  - a. Chips;
  - b. Scratches;
  - c. Dents; or
  - d. Any other damage;
 to less than 5% of the total floor surface area and does not prevent typical use of the floor.

2. This limit includes the cost of tearing out and replacing any part of the building necessary to repair the damaged flooring.
3. This limit does not increase the Coverage A or Coverage B limit of liability shown on the declarations page.
4. This limit does not apply to cosmetic or aesthetic damage to floors caused by a peril named and described under Coverage C – Personal Property in Section I - Perils Insured Against.

**COVERAGE C – Personal Property**

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or \$1,000, whichever is greater.

Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

The paragraphs above do not apply to personal property when the limit of liability for Coverage C shown on your Declarations is \$0.

**Special Limits of Liability**

These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$1,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, stamps, trading cards, and comic books.

This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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This limit includes the cost to research, replace or restore the information from the lost or damaged material.

3. \$1,000 on watercraft, other than "personal watercraft", including their trailers, furnishings, equipment and outboard engines or motors.
4. \$1,000 on trailers not used with watercraft.
5. \$1,000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
6. \$2,000 for loss by theft of firearms.
7. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
8. \$2,500 on property, on the "residence premises," used at any time or in any manner for any "business" purpose.
9. \$250 on property, away from the "residence premises," used at any time or in any manner for any "business" purpose. However, this limit does not apply to loss to adaptable electronic apparatus as described in Special Limits **10.** and **11.** below.
10. \$1,000 for loss to electronic apparatus (for the covered perils except theft, which is hereby excluded from coverage), while in or upon a motor vehicle or other motorized land conveyance; if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power.

Electronic apparatus includes:

- a. Accessories and antennas; or
- b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this item **10.**
11. \$1,000 for loss to electronic apparatus (for all covered perils except theft, which is hereby excluded from coverage), while not in or upon motor vehicle or other motorized land conveyance; if the electronic apparatus:
  - a. Is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power;
  - b. Is away from the "residence premises"; and
  - c. Is used at any time or in any manner for any "business" purposes.

Electronic apparatus includes:

- a. Accessories and antennas; or

b. Tapes, wires, records, discs or other media; for use with any electronic apparatus described in this item **11.**

12. \$500 is the maximum loss payable for covered property stored in freezers or refrigerators on the "residence premises".

### Property Not Covered.

We do not cover:

1. Articles separately described and specifically insured in this or other insurance;
2. Animals, birds or fish;
3. Any engine or motor propelled vehicle or machine, including the parts, designed for movement on land. We do cover those not licensed for use on public highways which are:
  - a. used solely to service the "residence premises"; or
  - b. designed for assisting the handicapped;
4. Devices or instruments for the recording or reproduction of sound permanently attached to an engine or motor propelled vehicle. We do not cover tapes, wires, records or other mediums that may be used with these devices or instruments while in the vehicle;
5. Mopeds or similar motorized bicycles of any horsepower;
6. Aircraft and parts. Aircraft means any contrivance used or designed for flight, including drones. Aircraft does not mean model or hobby aircraft not used or designed to carry people or cargo;
7. Property of roomers, boarders, tenants, or anyone who regularly resides at the "insured location" who is not an "insured" except property of roomers or boarders related to an "insured"; This is excess coverage over other valid and collectible insurance.
8. Property in an apartment regularly rented or held for rental to others by an "insured," except as provided in Additional Coverages **10**;
9. Property rented or held for rental to others off the "residence premises";
10. "Business" data, including such data stored in:
  - a. Books of account, drawings or other paper records; or
  - b. Electronic data processing tapes, wires, records, discs or other software media;

However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market;



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11. Credit cards or fund transfer cards except as provided in Additional Coverages 6.;
12. Personal property stored in freezer or refrigerators located off the "residence premises";
13. "Personal watercraft"; or
14. Water or steam.

However, we cover the removal and replacement of water in a swimming pool located on the "residence premises", when there is covered loss or damage to the swimming pool caused by a Peril Insured Against and a covered repair to the swimming pool requires the removal of all or a portion of the water.

#### **COVERAGE D – Loss of Use**

1. If a loss covered under SECTION I – PROPERTY COVERAGES makes that part of the "residence premises" where you reside not fit to live in, we cover the Additional Living Expense, meaning:

- a. 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:

- a. Repair or replace the damage; or
- b. If you permanently relocate, the shortest time required for your household to settle elsewhere.

In either event, the payments(s) will be limited to 24 consecutive months from the date of the covered loss.

2. If a loss covered under SECTION I – PROPERTY COVERAGES makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the Fair Rental Value, meaning:

- a. The fair rental value of that part of the "residence premises" rented to others or held for rental by you less any expenses that do not continue while the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

In either event, the payment(s) will be limited to 24 consecutive months from the date of the covered loss.

3. If civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Fair Rental Value

loss as provided under 1. and 2. above for no more than 2 weeks.  
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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 cancellation of a lease or agreement.

#### **ADDITIONAL COVERAGES**

##### **1. Debris Removal.**

We will pay reasonable expenses incurred by you for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

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

We will also pay reasonable expenses incurred by you, up to \$500, for the removal from the "residence premises" of:

- a. Your tree(s) felled by the peril of Windstorm or Hail;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet; or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;

provided the tree(s) damages a covered structure.

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

##### **2. Reasonable Emergency Measures.**

- a. We will pay up to the greater of \$3,000 or 1% of your Coverage A limit of liability for the reasonable costs incurred by you for necessary measures taken solely to protect covered property from further damage, when the damage or loss is caused by a Peril Insured Against.
- b. We will not pay more than the amount in a. above, unless we provide you approval within 48 hours of your request to us to exceed the limit in a. above. In such circumstance, we will pay only up to the additional amount for the measures we authorize.

If we fail to respond to you within 48 hours of your request to us and the damage or loss is caused by a Peril Insured Against, you may

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exceed the amount in **a.** above only up to the cost incurred by you for the reasonable emergency measures necessary to protect the covered property from further damage.

- c.** If, however, form **HC 24** is part of your policy and a covered loss occurs during a hurricane as described in form **HC 24**, the amount we pay under this additional coverage is not limited to the amount in **a.** above.
- d.** A reasonable measure under this Additional Coverages **2.** may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.
- e.** This coverage does not:
  - (1)** Increase the limit of liability that applies to the covered property;
  - (2)** Relieve you of your duties, in case of a loss to covered property, as set forth in **SECTION I – CONDITION 2.:**
  - (3)** Pay for property not covered, or for repairs resulting from a peril not covered, or for loss excluded in this policy.

### **3. Trees, Shrubs and Other Plants.**

We cover trees, shrubs, plants or lawns, on the "residence premises," for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the "residence premises," Vandalism or malicious mischief or Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant.

We do not cover property grown for "business" purposes.

This coverage is additional insurance.

### **4. Fire Department Service Charge.**

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance.

No deductible applies to this coverage.

- 5. Property Removed.** <sup>Date Received: 09/15/2016 Date Of Action: 10/24/2016</sup>  
 We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.
- 6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

- a.** We will pay up to \$500 for:
  - (1)** The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
  - (2)** Loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
  - (3)** Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
  - (4)** Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.
- b.** We do not cover use of a credit card or fund transfer card:
  - (1)** By a resident of your household;
  - (2)** By a person who has been entrusted with either type of card; or
  - (3)** If an "insured" has not complied with all terms and conditions under which the cards are issued.

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

We do not cover loss arising out of "business" use or dishonesty of an "insured."

This coverage is additional insurance. No deductible applies to this coverage.

- c. Defense:**
  - (1)** We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
  - (2)** If a suit is brought against an "insured" for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
  - (3)** We have the option to defend at our expense an "insured" or an "insured's"

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bank against any suit for the enforcement of payment under the Forgery coverage.

## 7. Loss Assessment.

We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of a direct loss to the property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under **COVERAGE A – DWELLING**, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the “residence premises”.

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

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

No deductible applies to this coverage.

Condition 1. Policy Period, under **SECTIONS I AND II CONDITIONS**, does not apply to this coverage.

## 8. Collapse.

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purposes of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- c. This Additional Coverage – Collapse, does not apply to:
  - (1) A building or any part of a building that is in danger of falling down or caving in;
  - (2) A building or any part of a building that is standing even if it has separated from another part of the building;
  - (3) A building or any part of a building that is standing, even if it shows evidence of spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion; or
  - (4) The plumbing system, or any part of the plumbing system, whether above or be-

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 low the ground. When the plumbing system or any part of the plumbing system is:

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- (a) Collapsed;
  - (b) In danger of collapsing or caving in; or
  - (c) Separated from another part of the system;
- due to:
- (a) Age, obsolescence, wear, tear;
  - (b) Fading, oxidization, weathering;
  - (c) Deterioration, decay, marring, delamination, crumbling, settling, cracking;
  - (d) Shifting, bulging, racking, sagging, bowing, bending, leaning;
  - (e) Shrinkage, expansion, contraction, bellying, corrosion; or
  - (f) Any other age or maintenance related issue.

However, this Additional Coverage – Collapse will apply to that part of a building's plumbing system damaged by an abrupt collapse of a covered building, or abrupt collapse of any part of a covered building.

- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by one or more of the following:

- (1) The Perils Insured Against in Coverage **C – Personal Property**;
- (2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an “insured” prior to collapse.

However, **d.(2)** above does not provide coverage for a plumbing system or any part of a plumbing system resulting from decay as described in Additional Coverage **8.c.(4)** above;

- (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an “insured” prior to collapse;
- (4) Weight of contents, equipment, animals or people;
- (5) Weight of rain which collects on a roof; or
- (6) Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- e. Loss to a:

- (1) Fence, awning, patio, pavement;
- (2) Swimming pool, underground pipe, flue, drain, cesspool;

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 "insured," for loss caused only by the following  
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- (3) Foundation, retaining wall, bulkhead, pier, wharf, dock;
- (4) Cistern, plumbing system, or any part of a plumbing system, or similar structure;

whether above or below the ground, is not included under items **d.(2)** through **(6)** above; unless the loss is a direct result of the collapse of a building or any part of the building.

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

For purposes of this Additional Coverage **8.**, a plumbing system includes a septic system.

### 9. Glass or Safety Glazing Material.

#### a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
- (2) The breakage caused directly by Earth Movement and Settlement, of glass or safety glazing material which is a part of a covered building, storm door or storm window; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

#### b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken; except as provided in **a.(3)** above; or
- (2) On the "residence premises" if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss; except when the breakage results directly from Earth Movement and Settlement as provided for in **a.(2)** above.

A dwelling being constructed is not considered "vacant".

- c. Loss to glass covered under this Additional Coverage **9.** will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

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

### 10. Landlord's Furnishings.

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in an apartment on the "residence premises" regularly rented or held for rental to others by an

#### a. Fire or lightning.

#### b. Windstorm or hail.

This peril does not include loss to the property contained in 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.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

#### c. Explosion.

#### d. Riot or civil commotion.

- e. Aircraft, including self-propelled missiles and spacecraft.

#### f. Vehicles.

- g. Smoke, meaning sudden and accidental damage from smoke.

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

#### h. Vandalism or malicious mischief.

#### i. Falling objects.

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

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

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

This peril does not include loss:

- (1) To the system or appliance from which the water or steam escaped;
- (2) Caused by or resulting from freezing except as provided in the peril of freezing below; or
- (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises."

In this peril, a plumbing system or household appliance does not include a sump, sump pump, irrigation system or related equipment



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or a roof drain, gutter, down spout or similar fixtures or equipment.

- l. Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

- m. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the "residence premises" while the dwelling is "unoccupied," unless you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain the system and appliances of water.

- n. Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

- o. Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

The \$2,500 limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

## 11. "Fungi," Wet or Dry Rot, Yeast or Bacteria.

- a.** We will pay up to \$10,000 for:

- (1) The total of all loss payable under Section I – Property Coverages caused by "fungi," wet or dry rot, yeast or bacteria;
- (2) The cost to remove "fungi," wet or dry rot, yeast or bacteria from property covered under Section I – Property Coverages;
- (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi," wet or dry rot, yeast or bacteria; and
- (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi," wet or dry rot, yeast or bacteria; whether performed prior to, during or after removal, repair, restoration or replacement.

The cost of such testing will be provided only to the extent that there is a reason

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to believe that there is no presence of "fungi," wet or dry rot, yeast or bacteria.

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- b.** The coverage described in **a.** only applies:

- (1) When such loss or costs are a result of a Peril Insured Against that occurs during the policy period; and
- (2) Only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.

- c.** \$10,000 is the most we will pay for the total of all loss or costs payable, including Loss of Use under this Additional Coverage regardless of the:

- (1) Number of locations insured; or
- (2) Number of occurrences or claims made; or
- (3) Number of "insureds."

- d.** If there is a covered loss or damage to covered property, not caused, in whole or in part, by "fungi," wet or dry rot, yeast or bacteria; loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi," wet or dry rot, yeast or bacteria causes an increase in the loss or any Loss of Use.

Any such increase in the loss or Loss of Use will be subject to the terms of this Additional Coverage.

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

## 12. Ordinance or Law.

- a.** You may use up to 25% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against; or
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure

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(e) Contaminants  
 (f) FLOOD DAMAGE  
 (g) DETOXIFICATION  
 (h) NEUTRALIZATION  
 (i) POLLUTANTS

(g) Detoxify; or

(h) Neutralize;

pollutants in or on any covered building or other structure; or

(i) In any way respond to, or assess the effects of pollutants in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:

(a) Smoke;

(b) Vapor;

(c) Soot;

(d) Fumes;

(e) Acids;

(f) Alkalis;

(g) Chemicals; and

(h) Waste.

Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from:

(1) The construction;

(2) Demolition;

(3) Remodeling;

(4) Renovation;

(5) Repair; or

(6) Replacement;

of property as stated in a. above.

c. We do not cover:

(1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or

(2) The costs to comply with any ordinance or law which requires any "insured" or others to:

(a) Test for;

(b) Monitor;

(c) Clean up;

(d) Remove;

## SECTION I – PERILS INSURED AGAINST

### COVERAGE A – DWELLING and COVERAGE B – OTHER STRUCTURES

1. We insure against risk of direct loss to property described in Coverages A and B only if that loss is a physical loss to property.

2. We do not insure, however, for loss:

a. Involving collapse, including any of the following conditions of property or any part of the property, whether above or below the ground:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any spalling, crumbling, settling, cracking, shifting, bulging, racking, sagging, bowing, bending, leaning, shrinkage or expansion, or any other age or maintenance related issues, as such condition relates to (1) or (2) above;

except as provided in 8. Collapse under Additional Coverages.

b. Caused by:

(1) Freezing of a plumbing, heating, air conditioning or automatic fire protective

sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing.

This exclusion applies only while the dwelling is "vacant," "unoccupied" or being constructed, unless you have used reasonable care to:

(a) Maintain heat in the building; or

(b) Shut off the water supply and drain the system and appliances of water;

(2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:

(a) Fence, pavement, patio or swimming pool;

(b) Foundation, retaining wall, or bulkhead; or

(c) Pier, wharf or dock;

(3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

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- (4) Vandalism and malicious mischief if the dwelling has been "vacant" for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered "vacant";
- (5) Accidental discharge or overflow of water or steam; unless loss to property covered under Coverage **A** or **B** results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises."

Loss to property covered under Coverage **A** or **B** that results from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises" includes the cost to tear out and repair only that part of a building, or only that part of an other structure, on the "residence premises," necessary to access and repair the system or appliance.

The cost that we will pay for the tear out and repair of the part or portion of the building or other structure covered under Coverage **A** or **B** as specified above is limited to only that part or portion of the covered building or other structure which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

In no event will we pay for the repair or the replacement of the system or appliance that caused the covered loss.

We do not cover loss:

- (a) To the system or appliance from which this water or steam escaped;
- (b) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises";
- (c) Caused by constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years, unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure;

- (d) To a plumbing system, whether above or below the ground, caused by the impairment, state or condition of the system, which prohibits repair or replacement including access, necessary to connect the adjoining parts of appliances, pipes or system; or
- (f) Loss otherwise excluded or limited elsewhere in the policy.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump, irrigation system or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

- (6) Any of the following:
- (a) Wear and tear, marring, deterioration;
- (b) Inherent vice, latent defect or mechanical breakdown;
- (c) Smog, rust, decay or other corrosion;
- (d) Smoke from agricultural smudging or industrial operations;
- (e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Coverage **C** of this policy.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (f) Settling, shrinking, bulging or expansion, including resultant cracking, of

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pavements, patios, foundations, walls, floors, roofs or ceilings;

- (g) Animals, whether dead or alive, wild or domestic, owned or kept by an insured, including but not limited to, birds, bats, vermin, rodents, marsupials, termites, snails, armadillos, fish, reptiles, opossums, raccoons, flies, bed bugs, lice, ticks, locust, cockroaches, and fleas.

- (h) Insects or pests.

If any of these cause water damage not otherwise excluded or limited elsewhere in the policy, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost to tearing out and repair only that part or portion of a building or other structure covered under Coverage **A** or **B**, on the "residence premises" necessary to access and repair the system or appliance.

The cost that we will pay for the tear out and repair of the part or portion of the building or other structure covered under Coverage **A** or **B** as specified above is limited to only that part or portion of the covered building or other structure which is necessary to provide access to the part or portion of the system or appliance that caused the covered loss, whether the system or appliance, or any part or portion of the system or appliance, is repairable or not.

In no event will we pay for the repair or the replacement of the system or appliance that caused the covered loss.

We do not cover loss to the system or appliance from which this water escaped.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump, irrigation system or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

### 3. Excluded under Section I – Exclusions.

Under paragraphs **2.a.** and **2.b.**, any ensuing loss to property described in Coverages **A** and **B** not excluded or otherwise precluded in this policy is covered.

### COVERAGE C – PERSONAL PROPERTY

We insure for direct physical loss to the property described in Coverage **C** caused by a peril listed below unless the loss is excluded in SECTION I – EXCLUSIONS.

1. **Fire or lightning.**
2. **Windstorm or hail.**  
This peril does not include loss to the property contained in 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.  
This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.
3. **Explosion.**
4. **Riot or civil commotion.**
5. **Aircraft**, including self-propelled missiles and spacecraft.
6. **Vehicles.**
7. **Smoke**, meaning sudden and accidental damage from smoke.  
This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism or malicious mischief.**
9. **Theft**, including attempted theft and loss of property from the "residence premises" when it is likely that the property has been stolen.  
Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the "residence premises."  
This peril does not include loss caused by theft:
  - a. While property is off the "residence premises";
  - b. Committed by any "insured";
  - c. Committed by a roomer, boarder, tenant, or anyone who regularly resides at the "insured location";
  - d. In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
  - e. From that part of a "residence premises" rented by any "insured" to other than an "insured"; or
  - f. Committed by household members or employees of a roomer, boarder or tenant.
10. **Falling Objects.**  
This peril does not include loss to property contained in a building unless the roof or an



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outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

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

**12. Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance. This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped;
- b. Caused by or resulting from freezing except as provided in the peril of freezing below;
- c. On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
- d. Otherwise excluded or limited elsewhere in the policy.

In this peril, a plumbing system or household appliance does not include a sump, sump pump, irrigation system or related equipment or a roof drain, gutter, down spout or similar fixtures or equipment.

**13. Sudden and accidental tearing apart, cracking, burning or bursting** of steam or hot water heating system, air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

**14. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance.

This peril does not include loss on the "residence premises" while the dwelling is "unoccupied," unless you have used reasonable care to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system and appliances of water.

**15. Sudden and accidental damage from artificially generated electrical current.**

This peril does not include loss to a tube, transistor or similar electronic component.

**16. Volcanic eruption** other than loss caused by earthquake, land shock waves or tremors.

Under Section I - Perils Insured Against, a plumbing system includes a septic system.

## SECTION I – EXCLUSIONS

**1.** 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.

**a. Ordinance or Law**, meaning any ordinance or law:

- (1) Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris.

This Exclusion 1.a. does not apply to the amount of coverage that may be provided for under ADDITIONAL COVERAGES Glass or Safety Glazing Material or Ordinance or Law;

- (2) The requirements of which result in a loss in value to property; or

- (3) Requiring any "insured" or others to:

- (a) Test for;
- (b) Monitor;
- (c) Clean up;
- (d) Remove;

(e) Contain;

(f) Treat;

(g) Detoxify;

(h) Neutralize; or

- (i) In any way respond to or assess the effects of pollutants.

Pollutants means any solid, liquid, gaseous, or thermal irritant, or contaminant, including:

(a) Smoke;

(b) Vapor;

(c) Soot;

(d) Fumes;

(e) Acids;

(f) Alkalis;

(g) Chemicals; and

(h) Waste.

Waste includes materials to be recycled, reconditioned, or reclaimed.

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This Exclusion 1.a. applies whether or not the property has been physically damaged.

**b. Earth Movement and Settlement**, meaning:

- (1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- (2) Landslide;
- (3) Mine subsidence;
- (4) Mudflow or mudslide;
- (5) Any other earth movement including "Sinkhole Loss", "Sinkhole Activity", earth sinking, rising or shifting;
- (6) Clay shrinkage or other expansion or contraction of soils or organic materials;
- (7) Decay of buried or organic materials;
- (8) Settling, cracking or expansion of foundations;
- (9) Erosion or movement resulting from improper compaction, site selection or any other external forces; or
- (10) Scouring;

Whether caused by natural or man-made activities; unless direct loss by:

- (1) Fire; or
- (2) Explosion;

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

**c. Water Damage**, meaning:

- (1) Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, storm surge, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- (2) Water which:
  - (a) Backs up through sewers or drains; or
  - (b) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- (3) Water below the surface of the ground, including water which exerts pressure on or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- (4) Waterborne material carried or otherwise moved by any of the water referred to in **c. (1) through c. (3)** of this Exclusion.

This Exclusion 1.c. applies regardless of whether any of the above, in **c. (1) through c.**

(4), is caused by or results from a man or animal forces or any act of nature.

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This Exclusion 1.c. applies to, but is not limited to, escape, overflow or discharge, for any reason of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

However, direct loss by fire, explosion or theft resulting from any of the above in **c. (1) through c. (4)** is covered.

**d. Power Failure**, meaning:

The failure of power or other utility service if the failure takes place off the "residence premises."

But if the failure of power or other utility service results in a loss, from a Peril Insured Against on the "residence premises," we will pay for the loss or damage caused by that Peril Insured Against.

**e. Neglect**, meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

**f. War**, including the following and any consequence of any of the following:

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

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

**g. Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of SECTION I – CONDITIONS.

**h. Intentional Loss**, meaning any loss arising out of any act committed:

- (1) By or at the direction of any "insured"; and
- (2) With the intent to cause a loss.

**i. Loss caused by "sinkhole", "sinkhole loss" or "sinkhole activity."**

**j. "Fungi," Wet or Dry Rot, Yeast or Bacteria** meaning:

The presence, growth, proliferation, spread or any activity of "fungi," wet or dry rot, yeast or bacteria.

This Exclusion 1.j. does not apply:

- (1) When "fungi," wet or dry rot, yeast or bacteria results from fire or lightning; or

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- (2) To the extent coverage is provided for in the "Fungi," Wet or Dry Rot, Yeast or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi," wet or dry rot, yeast or bacteria is covered.

**k. Existing Damage**, meaning:

- (1) Damages which occurred prior to policy inception regardless of whether such damages were apparent at the time of the inception of this policy or discovered at a later date; or
- (2) Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to policy inception.

This Exclusion 1.k. does not apply in the event of a total loss caused by a Peril Insured Against.

**l. Constant or repeated seepage or leakage** of water or steam, or the presence or condensation of humidity, moisture or vapor; which occurs over a period of 14 or more days, whether hidden or not, and results in damage such as wet or dry rot, "fungi," deterioration, rust, decay or other corrosion.

**m. Accidental discharge or overflow of water or steam** from:

- (1) Within a plumbing, heating, air conditioning or automatic fire protective sprinkler system;
- (2) Within a household appliance for heating water; or
- (3) Within a household appliance.

This Exclusion 1.m. applies only while the dwelling is "vacant" or "unoccupied" for more

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 constructed unless you have used reasonable care to:

- (1) Shut off the water supply; and
- (2) Drain the system and appliances of water.

Systems and appliances of water do not include outdoor swimming spas or outdoor irrigation wells.

**n. Criminal or Illegal Activity** meaning:

Any and all criminal or illegal acts performed by any "insured" that result in damage to your structure or personal property.

2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not otherwise excluded or excepted in this policy is covered.

**a. Weather conditions.** However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;

**b. Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;

**c. Faulty, inadequate or defective:**

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property whether on or off the "residence premises."

## SECTION I – CONDITIONS

**1. Insurable Interest and Limit of Liability.**

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. To the "insured" for more than the amount of the "insured's" interest at the time of loss; or
- b. For more than the applicable limit of liability.

**2. Duties After Loss.**

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prej-

udicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

**a. Give prompt notice to us or your insurance agent;**

Except for Reasonable Emergency Measures taken under Additional Coverages 2., there is no coverage for repairs that begin before the earlier of:

- (1) 72 hours after we are notified of the loss;
- (2) The time of loss inspection by us; or
- (3) The time of other approval by us;

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- b. (1) To the degree reasonably possible, retain the damaged property; and
- (2) Allow us to inspect, subject to b.(1) above, all damaged property prior to its removal from the "residence premises";
- c. File a police report in case of loss by theft or vandalism, and provide a copy of the same to us;
- d. Notify the credit card or fund transfer card company in case of loss as provided for in Additional Coverage 6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money under Section I – Property Coverages;
- e. Protect the covered property from further damage. The following must be performed:
  - (1) Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under Additional Coverages 2.  
A reasonable emergency measure under e.(1) above may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for us to inspect.
  - (2) Keep an accurate record of repair expenses;
- f. Cooperate with us in the investigation of a claim;
- g. Prepare an inventory of damaged personal property showing the:
  - (1) Quantity;
  - (2) Description;
  - (3) Age;
  - (4) Actual cash value; and
  - (5) Amount of loss.
 Attach all bills, receipts and related documents that justify the figures in the inventory;
- h. As often as we reasonably require:
  - (1) Show the damaged property;
  - (2) Provide us with records and documents we request and permit us to make copies;
  - (3) You or any "insured" under this policy must:
    - (a) Submit to examinations under oath and/or recorded statements, while not in the presence of any other "insured"; and
    - (b) Sign the same;

- (4) If you are an association, corporation or other entity, your officers, directors, similar representatives of the association, corporation or other entity must:
  - (a) Submit to examinations under oath and/or recorded statements, while not in the presence of any other "insured"; and
  - (b) Sign the same;

- (5) Your agents, your representatives, and anyone engaged with your claim on your behalf, including any public adjusters and anyone insured under this policy, other than an "insured" in (3) or (4) above, must:
  - (a) Submit to examinations under oath and/or recorded statements, while not in the presence of any "insured"; and
  - (b) Sign the same;
- i. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - (1) The time and cause of loss;
  - (2) The interests of all "insureds" and all others in the property involved and all liens on the property;
  - (3) Other insurance which may cover the loss;
  - (4) Changes in title or occupancy of the property during the term of the policy;
  - (5) Specifications of damaged buildings and detailed repair estimates;
  - (6) The inventory of damaged personal property described in g. above;
  - (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
  - (8) Evidence or affidavit that supports a claim under Additional Coverage 6. Credit Card, Fund Transfer Card, Forgery and Counterfeit Money under Section I - Property Coverages, stating the amount and cause of loss.

The duties above apply regardless of whether you, an "insured" seeking coverage, or a representative of either retains or is assisted by a party who provides legal advice, insurance advice or expert claim advice, regarding an insurance claim under this policy.

### 3. Loss Settlement.

Covered property losses are settled as follows:

- a. Property of the following types:
  - (1) Personal property;



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**(a)** Excavations, foundations, walls or any supports which are below the undersurface of the lowest basement floor;

**(b)** Those supports in **(a)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and

**(c)** Underground flues, pipes, wiring and drains.

**(4)** If the dwelling where loss or damage occurs has been "vacant" for more than 30 consecutive days before the loss or damage, we will:

**(a)** Not pay for any loss or damage caused by any of the following perils, even if they are Perils Insured Against:

**(i)** Vandalism;

**(ii)** Sprinkler leakage caused by or arising out of the freezing of a fire protective sprinkler system, unless you have protected the system against freezing;

**(iii)** Dwelling glass breakage;

**(iv)** Water damage;

**(v)** Theft; or

**(vi)** Attempted theft.

**(b)** Reduce the amount we would otherwise pay for a covered loss by 15%.

Dwellings under construction are not considered "vacant."

**(2)** Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and

**(3)** Structures that are not buildings;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

**b.** Buildings under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:

**(1)** 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 before the loss, we will initially pay the actual cash value of the loss, less any applicable deductible. We will then pay any remaining amounts necessary to perform such repairs or replacement as work is performed and expenses are incurred, but not more than the least of the following amounts:

**(a)** The limit of liability under this policy that applies to the building;

**(b)** The replacement cost of that part of the building damaged for like construction and use on the same premises; or

**(c)** The necessary amount to repair or replace the damaged building.

In the event of a total loss to the dwelling we will pay the replacement cost without reservation or holdback of any depreciation in value. Subject to the limits of your policy.

**(2)** 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 before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

**(a)** The actual cash value of that part of the building damaged; or

**(b)** That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

**(3)** To determine the amount of insurance required to equal 80% of the full replacement cost of the building

#### **4. Loss to a Pair or Set.**

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

- a.** Repair or replace any part to restore the pair or set to its value before the loss; or
- b.** Pay the difference between actual cash value of the property before and after the loss.

#### **5. Glass Replacement.**

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

#### **6. Mediation or Appraisal.**

##### **a. Mediation.**

If there is a dispute with respect to a claim under this policy, you or we may demand a mediation of the loss in accordance with the rules established by the Florida Department of Financial Services.

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(1) The loss amount must be \$500 or more prior to application of the deductible; or there must be a difference of \$500 or more between the lost settlement amount we offer and the loss settlement amount that you request.

(2) The settlement in the course of the mediation is binding only if:

(a) Both parties agree, in writing, on a settlement; and

(b) You have not rescinded the settlement within 3 business days after reaching settlement.

(3) You may not rescind the settlement after cashing or depositing the settlement check or draft we provided to you.

(4) We will pay the cost of conducting any mediation conference except when you fail to appear at a conference.

That conference will then be rescheduled upon your payment of the mediator's fee for that rescheduled conference.

(5) However, if we fail to appear at a mediation conference, we will pay:

(a) Your actual cash expenses incurred while attending the conference; and

(b) The mediator's fee for the rescheduled conference.

**b. Appraisal.**

If you and we fail to agree on the amount of loss, either may request an appraisal of the loss. However, both parties must agree to the appraisal. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of the loss.

Each party will:

(1) Pay its own appraiser; and

(2) Bear the other expenses of the appraisal and umpire equally.

**7. Other Insurance or Service Agreement.**

If a loss covered by this policy is also covered by:

a. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

b. A service agreement, this insurance is excess over any amounts payable under any such agreement.

Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

**8. Suit Against Us.**

No legal action can be brought against us; unless:

a. There has been full compliance with all of the terms of this policy; and

b. The action is started within 5 years after the date of the loss.

**9. Our Option.**

a. If we give or mail you written notice within 30 days after we receive your signed, sworn proof of loss; and:

(1) The damaged property under Coverage A in Section I – PROPERTY COVERAGES is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:

(a) We may, at our option, repair or replace the damaged property or any part or item of the damaged property with material or property of like kind and quality, without deduction for depreciation.

(b) If an identical replacement is part of the repair and is not available, we may, at our option, substitute replacement of equal or greater features, functions or capacities of the damaged property.

(2) The damaged property is insured for Actual Cash Value loss settlement as described in your Loss Settlement conditions:

(a) We may, at our option, repair, rebuild or replace the damaged property or any part or item of the damaged property with material or property of like kind and quality.

(b) If an identical replacement is not available, we may, at our option, substitute replacement of equal or

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greater features, functions or capacities of the damaged property.

- b. If the damaged property under Coverage **C** in Section **I** – PROPERTY COVERAGES is insured for Replacement Cost loss settlement as described in your Loss Settlement conditions:

We will pay the amount of loss, whether or not you repair or replace the damaged property.

#### 10. Loss Payment.

We will adjust all losses with you.

We will pay you unless some other person is named in the policy or is legally entitled to receive payment.

Loss will be payable:

- a. 20 days after we receive your proof of loss and reach written agreement with you; or
- b. 60 days after we receive your proof of loss; and
  - (1) There is an entry of a final judgment; or
  - (2) There is a filing of an appraisal award or a mediation settlement with us.
- c. Within 90 days after we receive the notice of a property insurance initial, reopened or supplemental claim from you, where we shall pay or deny such claim or portion of such claim, unless there are circumstances beyond our control which reasonably prevent such payment.

However, our failure to comply with this subsection shall not form the sole basis for a private cause of action against us.

#### 11. Abandonment of Property.

We need not accept any property abandoned by an "insured."

#### 12. Mortgagee Clause.

The word "mortgagee" includes trustee and lienholder.

If a mortgagee is named in this policy, any loss payments under Coverage **A** or **B** will include the mortgagee as payee. If you and the mortgagee do not agree on the allocation of a loss payment, then we will pay 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 demand if you fail to pay the premium; and
- c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Mediation or Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

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

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. 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.

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

#### 14. Nuclear Hazard Clause.

- a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section **I**.
- c. This policy does not apply under Section **I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

#### 15. 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.

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If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

**16. Volcanic Eruption Period.**

One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

**17. Adjustment to Property Coverage Limits.**

If your policy is a renewal with us, the limit of liability for Coverages **A**, **B**, **C** and **D** may be adjusted. Any change in the limits of liability indicated above does not, in any way, represent, warrant, or guarantee to any person or entity, that:

- a. These adjustments will keep pace with inflation; or
- b. The amounts of coverage are adequate to repair or rebuild any specific building or structure.

**18. Deductible.**

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy provisions that apply, we will pay only that part of the total claim deductible amount under Section I that exceeds the deductible amount shown in the Declarations.

**19. Notice of Claim.**

If windstorm coverage is provided in this policy and after performance of "your" duties as described in **Section I – Conditions 2. Duties After Loss**; a claim, supplemental claim or reopened claim for loss or damage caused by hurricane or other windstorm must be given to us in accordance with the terms of this policy and within three years after the hurricane first made landfall or a windstorm other than a hurricane caused the covered damage. (Supplemental claim or reopened claim means an additional claim for recovery from "us" for losses from the same hurricane or other windstorm which we have previously adjusted pursuant to the initial claim.)

This Condition concerning time for submission of claim does not affect any limitation for legal action against "us" as provided in this policy under the **Suit Against Us** Condition including any amendment to that condition.

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## SECTION II – LIABILITY COVERAGES

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**COVERAGE E – Personal Liability**

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which the "insured" is legally liable. Damages include prejudgment interest awarded against the "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our limit of liability.

**COVERAGE F – Medical Payments to Others**

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury."

Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees." As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location," if the "bodily injury":
  - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
  - b. Is caused by the activities of an "insured";
  - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
  - d. Is caused by an animal or reptile owned by or in the care of an "insured".



**APPROVED****SECTION II – EXCLUSIONS**Date Received: 09/15/2016  
Date Of Action: 10/24/2016**FL OFFICE OF INSURANCE REGULATION****1. Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

- a. Which is expected or intended by one or more "insureds";
- b. Arising out of or in connection with a "business" engaged in by an "insured." This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business";
- c. Arising out of the rental or holding for rental of any part of any premises by an "insured." This exclusion does not apply to the rental or holding for rental of an "insured location":
  - (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;
- d. Arising out of the rendering of or failure to render professional services;
- e. Arising out of a premises:
  - (1) Owned by an "insured";
  - (2) Rented to an "insured"; or
  - (3) Rented to others by an "insured"; that is not an "insured location";
- f. Arising out of:
  - (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an "insured";
  - (2) The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance to any person; or
  - (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

This exclusion does not apply to:

- (1) A trailer not towed by or carried on a motorized land conveyance.

- (2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
  - (a) Not owned by an "insured"; or
  - (b) Owned by an "insured" and on an "insured location";
- (3) A motorized golf cart when used to play golf on a golf course;
- (4) A vehicle or conveyance not subject to motor vehicle registration which is:
  - (a) Used to service an "insured's" residence;
  - (b) Designed for assisting the handicapped; or
  - (c) In dead storage on an "insured location";
- g. Arising out of:
  - (1) The ownership, maintenance, use, loading or unloading of an excluded watercraft described below;
  - (2) The entrustment by an "insured" of an excluded watercraft described below to any person; or
  - (3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft are those that are principally designed to be propelled by engine power or electric motor, including "personal watercraft", or are sailing vessels, whether owned by or rented to an "insured." This exclusion does not apply to watercraft:

- (1) That are not sailing vessels or are not "personal watercraft" and are powered by:
  - (a) Inboard or inboard-outdrive engine or motor power of 50 horsepower or less not owned by an "insured";
  - (b) Inboard or inboard-outdrive engine or motor power of more than 50 horsepower not owned by or rented to an "insured";
  - (c) One or more outboard engines or motors with 25 total horsepower or less;
  - (d) One or more outboard engines or motors with more than 25 total

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horsepower if the outboard engine or motor is not owned by an "insured";

(e) Outboard engines or motors of more than 25 total horsepower owned by an "insured" if:

(i) You acquire them prior to the policy period; and

(a) You declare them at policy inception; or

(b) Your intention to insure is reported to us in writing within 45 days after you acquire the outboard engines or motors.

(ii) You acquire them during the policy period.

This coverage applies for the policy period.

(2) That are sailing vessels, with or without auxiliary power:

(a) Less than 26 feet in overall length;

(b) 26 feet or more in overall length, not owned by or rented to an "insured."

(3) That are stored;

h. Arising out of:

(1) The ownership, maintenance, use, loading or unloading of an aircraft;

(2) The entrustment by an "insured" of an aircraft to any person; or

(3) Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, including drones. Aircraft does not mean model or hobby aircraft not used or designed to carry people or cargo;

i. Caused directly or indirectly by war, including the following and any consequence of any of the following:

(1) Undeclared war, civil war, insurrection, rebellion or revolution;

(2) Warlike act by a military force or military personnel; or

(3) Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

j. Which arises out of the transmission of a communicable disease by an "insured";

k. Arising out of sexual molestation, corporal punishment or physical or mental abuse; or

l. Arising out of the purchase, sale, manufacture, delivery, transportation or possession by any person of a controlled substance(s) as defined under federal law.

Controlled Substances include, but are not limited to:

(1) Cocaine;

(2) LSD;

(3) Marijuana; and

(4) 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 healthcare professional; or

m. Arising out of any and all criminal acts performed by, or at the direction of, any "insured" regardless of whether the consequences of those acts were intended or anticipated; or

n. Arising out of "personal injury", caused by, or at the direction of, any "insured".

o. Coverage E – Personal Liability and Coverage F – Medical Payments to Others do not apply to "bodily injury" or "property damage" arising:

(1) Out of the ingestion of paint that has lead in it;

(2) Out of the ingestion of paint that has lead compounds in it;

(3) Out of the inhalation of paint that has lead in it;

(4) Out of the inhalation of paint that has lead compounds in it

(5) From radon, or any other substance that emits radiation;

(6) In any manner (including liability imposed by law) from the discharge, disposal, release or escape of:

(a) Vapors or fumes;

(b) Gas or oil;

(c) Toxic chemicals, liquid or gas;

(d) Waste materials; and

(e) Irritants, contaminants or pollutants.

All other conditions are the same.

Exclusions e., f., g. and h. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured."

2. Coverage E – Personal Liability, does not apply to:

a. Liability:

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 American Nuclear Insurers  
 Mutual Atomic Energy Liability Underwriters,  
 FL OFFICE OF INSURANCE REGULATION

- (1) For any loss assessment charged against you as a member of an association, corporation or community of property owners;
- (2) Under any contract or agreement. However, this exclusion does not apply to written contracts:
  - (a) That directly relate to the ownership, maintenance or use of an "insured location"; or
  - (b) Where the liability of others is assumed by the "insured" prior to an "occurrence";
 unless excluded in (1) above or elsewhere in this policy;
- b. "Property damage" to property owned by the "insured";
- c. "Property damage" to property rented to, occupied or used by or in the care of the "insured." This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
- d. "Bodily injury" to any person eligible to receive any benefits:
  - (1) Voluntarily provided; or
  - (2) Required to be provided;
 By the "insured" under any:
  - (1) Workers' compensation law;
  - (2) Non-occupational disability law; or
  - (3) Occupational disease law;
- e. "Bodily injury" or "property damage" for which an "insured" under this policy:
  - (1) Is also an insured under a nuclear energy liability policy; or
  - (2) Would be an insured under that policy but for the exhaustion of its limit of liability.
 A nuclear energy liability policy is one issued by:

- (3) Nuclear Insurance Association of Canada;
  - or any of their successors;
  - f. "Bodily injury" to you or an "insured" within the meaning of part a. or b. of "insured" as defined; or
  - g. "Bodily injury" or "property damage" caused by or arising out of any animal or reptile owned or kept by an "insured" whether or not the injury or damage occurs on your premises or any other location.
- 3. Coverage F – Medical Payments to Others,** does not apply to "bodily injury":
- a. To a "residence employee" if the "bodily injury":
    - (1) Occurs off the "insured location"; and
    - (2) Does not arise out of or in the course of the "residence employee's" employment by an "insured";
  - b. To any person eligible to receive benefits:
    - (1) Voluntarily provided; or
    - (2) Required to be provided;
 under any:
    - (1) Workers' compensation law;
    - (2) Non-occupational disability law; or
    - (3) Occupational disease law;
  - c. From any:
    - (1) Nuclear reaction;
    - (2) Nuclear radiation; or
    - (3) Radioactive contamination; all whether controlled or uncontrolled or however caused; or
    - (4) Any consequence of any of these; or
  - d. To any person, other than a "residence employee" of an "insured," regularly residing on any part of the "insured location."

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## SECTION II – ADDITIONAL COVERAGES

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We cover the following in addition to the limits of liability:

### 1. Claim Expenses.

We pay:

- a. Expenses we incur and costs taxed against an "insured" in any suit we defend;
- b. Premiums on bonds required in a suit we defend, but not for bond amounts more than

the limit of liability for Coverage E. We need not apply for or furnish any bond;

- c. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of a claim or suit; and

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- d. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgement which does not exceed the limit of liability that applies.

## 2. First Aid Expenses.

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

## 3. Damage to Property of Others.

We will pay, at replacement cost, up to \$500 per "occurrence" for "property damage" to property of others caused by an "insured."

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 an "insured" who is 13 years of age or older;
- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. Arising out of:
  - (1) A "business" engaged in by an "insured";
  - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured," other than the "insured location"; or
  - (3) The ownership, maintenance, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

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

- 4. Loss Assessment** Date Received: 09/15/2016 Date Of Action: 10/24/2016  
 We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:

- a. "Bodily injury" or "property damage" not excluded under Section II of this policy; or
- b. Liability for an act of a director, officer, or trustee in the capacity as a director, officer or trustee, provided:
  - (1) The director, officer or trustee is elected by the members of a corporation or association of property owners; and
  - (2) The director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessment charges against you as owner or tenant of the "residence premises."

We do not cover loss assessments charged against you or a corporation or association of property owners by any governmental body.

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

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
- b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

The following does not apply to this coverage:

- a. Section II – Coverage E – Personal Liability Exclusion 2.a.(1); and
- b. Condition 1. Policy Period, under SECTIONS I AND II – CONDITIONS.

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## SECTION II – CONDITIONS

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### 1. Limit of Liability.

- a. Our total liability under Coverage E for all damages resulting from any one "occurrence" will not be more than the Coverage E limit of liability shown in the Declarations.

This limit is the same regardless of the number of "insureds," claims made or persons injured.

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."

- b. Our total liability under Coverage F for all medical expenses payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage F limit of liability shown in the Declarations.



**APPROVED****c. Sub-limit of Liability**

However, our total liability under Coverage E for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened:

- (1) Inhalation of;
- (2) Ingestion of;
- (3) Contact with;
- (4) Exposure to;
- (5) Existence of; or
- (6) Presence of any "fungi," wet or dry rot, yeast or bacteria;

will not be more than the Section II – Coverage E Aggregate Sublimit of Liability of \$50,000 for "Fungi," Wet or Dry Rot, Yeast or Bacteria.

This is the most we will pay regardless of the:

- (1) Number of locations insured under the policy to which this endorsement is attached;
- (2) Number of persons injured;
- (3) Number of persons whose property is damaged;
- (4) Number of "insureds"; or
- (5) Number of "occurrences" or claims made.

This sublimit is within, but does not increase, the Coverage E limit of liability.

It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

This condition does not apply with respect to damages arising out of "fungi," wet or dry rot, yeast or bacteria when Endorsement **HO 03 34** is attached.

**2. Severability of Insurance.**

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability of \$50,000 described under Section II, Conditions **1.c.** – Sublimit of Liability for "Fungi," Wet or Dry Rot, Yeast or Bacteria.

This condition will not increase the limit of liability for this coverage.

**3. Duties After Loss.**

In case of an accident or "occurrence," the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:

- a.** Give written notice to us or our agents as soon as is practical, which sets forth:

- (1) The identity of the policy and "insured";
- (2) Reasonably available information on the time, place and circumstances of the accident or "occurrence"; and
- (3) Names and addresses of any claimants and witnesses;

- b.** Promptly forward to us every notice, demand, summons or other process relating to the accident or "occurrence";

- c.** At our request, help us:

- (1) To make settlement;
- (2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
- (3) With the conduct of suits and attend hearings and trials; and
- (4) To secure and give evidence and obtain the attendance of witnesses;

- d.** Under the coverage – Damage to Property of Others – submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the "insured's" control;

- e.** The "insured" will not, except at the "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

**4. Duties of an Injured Person – Coverage F – Medical Payments to Others.**

The injured person or someone acting for the injured person will:

- a.** Give us written proof of claim, under oath if required, as soon as is practical; and
- b.** Authorize us to obtain copies of medical reports and records.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

**5. Payment of Claim – Coverage F – Medical Payments to Others.**

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

**APPROVED****6. Suit Against Us.**

No action can be brought against us unless there has been compliance with the policy provisions. No one will have the right to join us as a party to any action against an "insured." Also, no action with respect to Coverage E can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.

**7. Bankruptcy of an insured.** Date Received: 09/13/2016 Date Of Action: 10/24/2016  
 Bankruptcy of an insured "insured" will not relieve us of our obligations under this policy.

**8. Other Insurance – Coverage E – Personal Liability.**

This insurance is excess over valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

**SECTION I AND II – CONDITIONS****1. Policy Period.**

This policy applies only to loss in Section I or "bodily injury" or "property damage" in Section II, which occurs during the policy period.

**2. Concealment or Fraud.**

a. Under SECTION I – PROPERTY COVERAGES, with respect to any "insured" covered under this policy, this policy is void and we provide no coverage for loss under SECTION I – PROPERTY COVERAGES if, whether before or after a loss, any "insured" has:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made material false statements; relating to this insurance.

b. Under SECTION II – LIABILITY COVERAGES, with respect to any "insured", this policy is void and we provide no coverage for loss under SECTION II – LIABILITY if, whether before or after a loss, any "insured", has:

- (1) Intentionally concealed or misrepresented any material fact or circumstance;
- (2) Engaged in fraudulent conduct; or
- (3) Made material false statements; relating to this insurance.

However, we will not deny a claim based on credit information available in public records, whether disclosed or undisclosed, if the policy has been in effect for more than 90 days.

**3. Liberalization Clause.**

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we

implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

**4. Waiver or Change of Policy Provisions.**

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

**5. Cancellation.**

a. You may cancel this Policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.

b. If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, we may cancel this Policy only for the following reasons, with respect to the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel during this period by letting you know at least 10 days before the date cancellation takes effect.

(2) If:

(a) There has been a material misstatement or fraud related to the claim;

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Except as provided in Paragraphs **5.c.(1)** and **5.c.(2)(a)** of this provision, we will let you know of our action at least 20 days before the date cancellation takes effect.

- (ii) On the basis of credit information available in public records.

- (ii) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the in-

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(e) If any of the reasons listed in Paragraphs **5.c.(2)(c)(i)-(vi)** apply, we will provide written notice at least 120 days before the date cancellation takes effect.

- d. If the date of cancellation becomes effective during a hurricane occurrence:
- (1) The date of cancellation will not become effective until the end of the hurricane occurrence; and
  - (2) We shall be entitled to collect additional premium for the period beyond the original date of cancellation for which the Policy remains in effect.

However, this provision (**5.d.**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the hurricane occurrence.

- e. We may cancel this Policy after giving at least 45 days' notice if the Florida Office of Insurance Regulation determines and approves of our plan that early cancellation of some or all of our policies is necessary to protect the best interests of the policyholders due to our financial condition, lack of adequate reinsurance coverage for hurricane risk or other relevant factors.
- f. When this Policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- g. If the return premium is not refunded with the notice of cancellation or when this Policy is returned to us, we will refund it within 15 working days after the date cancellation takes effect.

## 6. Nonrenewal.

- a. We may elect not to renew this Policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice, together with the specific reasons for nonrenewal. Proof of mailing will be sufficient proof of notice.
- (1) If a state of emergency is declared by the Governor and the Commissioner of Insurance Regulation files an Emergency Order, and the "residence premises" has been damaged as a result of a hurricane or wind loss that is the subject of the declared emergency, then, during the period beginning from the date the state of emergency is declared to the expiration of 90 days following the repairs to the dwelling or other structure located on the "residence premises", we may elect not to renew this Policy only if:

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 You have not paid premium.

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- (a) There has been a material misstatement or fraud related to the claim;
- (c) We determine that you have unreasonably caused a delay in the repair of the dwelling or other structure; or
- (d) We have paid policy limits.

We may do so by letting you know at least 45 days before the expiration date of the Policy.

- (2) We shall be entitled to collect any additional premium required to keep the Policy in effect during this period.

However, this provision (**6.a.(2)**) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the extension.

- (3) If the conditions described in Paragraph **6.a.(1)** do not apply, we may elect not to renew this Policy by providing written notice at least 120 days before the expiration date of this Policy.

- b. We will not nonrenew this Policy:

- (1) On the basis of property insurance claims that are the result of an Act of God, unless we can demonstrate, by claims frequency or otherwise, that the "insured" has failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (2) On the basis of a single claim which is the result of water damage, unless we can demonstrate that the "insured" has failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property;
- (3) On the basis of filing of claim(s) for "sink-hole loss", unless:
  - (a) The total of such property claim payments equals or exceeds the policy limits of the Policy in effect on the date of loss for property damage to the "principal building(s)"; or
  - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based;
- (4) On the basis of the lawful use, possession or ownership of a firearm or ammunition by an "insured" or members of the "insured's" household; or



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 but only while a "residence premises" and  
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- (5) On the basis of credit information available in public records.
- c. If the date of nonrenewal becomes effective during a hurricane occurrence:

- (1) The expiration date of this Policy will not become effective until the end of the hurricane occurrence; and
- (2) We shall be entitled to collect additional premium for the period the Policy remains in effect.

However, this provision (6.c.) does not apply if you have obtained replacement coverage with respect to the damaged property, and the coverage is in effect for a claim occurring during the duration of the hurricane occurrence.

- d. We may nonrenew this Policy after giving at least 45 days' notice if the Florida Office of Insurance Regulation determines and approves of our plan that early nonrenewal of some or all of our policies is necessary to protect the best interests of the policyholders due to our financial condition, lack of adequate reinsurance coverage for hurricane risk or other relevant factors.

## 7. Assignment.

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

## 8. Subrogation.

All rights of recovery against any person or entity for the "insured's" damages are automatically transferred to us from the "insured" upon our payment to the "insured" under any coverage of this policy to the extent of our payment without need to obtain a written assignment or transfer of rights from the "insured".

The "insured" must do nothing after loss to impair our recovery rights. Upon our request, the "insured" must sign and deliver all papers and cooperate with us in the prosecution of our subrogation claim.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

## 9. Death.

If any person named in the Declarations or the spouse, if a resident of the same household, dies:

- a. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;
- b. "Insured" includes:
- (1) Any member of your household who is an "insured" at the time of your death,

- (2) With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

## 10. Renewal Notification.

If we elect to renew this policy, we will let you know, in writing:

- a. Of our decision to renew this policy; and
- b. The amount of renewal premium payable to us.

This notice will be delivered to you or mailed to you at your mailing address shown in the Declarations at least 45 days before the expiration date of this policy.

Proof of mailing will be sufficient proof of notice.

## 11. Our Right to Recover Payment.

- a. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:

- (1) Whatever is necessary to enable us to exercise our rights; and
- (2) Nothing after a loss to prejudice them.

- b. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:

- (1) Hold in trust for us the proceeds of the recovery, and
- (2) Reimburse us to the extent of our payment.

## 12. Notice.

If we need access to an "insured" or claimant or to the insured property, we will provide you or the claimant 48 hours' notice before scheduling a meeting or onsite inspection. You or the claimant may deny access to the property if the notice has not been provided. You or the claimant may waive the 48-hour notice requirement.