

*Home Insurance  
Policy*



**COUNTRY Mutual Insurance Company**



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**We're happy to serve you . . .**

COUNTRY® Financial is a group of companies offering you convenient insurance and comprehensive financial solutions to fit your needs. The Declarations of your Home Insurance Policy shows all your coverages, endorsements, limits and the company issuing your policy. We believe this policy provides the best solution to your home insurance needs available in the market today.

Please note the Definitions section for words you'll find in quotation marks and headings throughout your policy.

This policy explains the coverages, conditions, terms, exclusions, restrictions and limitations that apply. We urge you to read this policy carefully. Your COUNTRY Financial representative will welcome your call if you have any questions.

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## **WHERE TO LOOK**

Be sure you check your declarations page to see which of the following apply to you.

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## HOME INSURANCE POLICY

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### Definitions (Includes Limitations)

- A.** In this policy, “you” and “your” refer to the person shown in the Declarations as INSURED and that person’s spouse if a resident of the same household. “We”, “us” and “our” refer to the company providing this insurance.
- B.** In addition, these words and phrases in quotation marks are defined as follows:
1. “Actual cash value” means:
    - a. For buildings or structures the lesser of the following, as determined by “us”:
      - (1) The cost actually and necessarily incurred to repair or replace the damaged property using standard new construction materials of like kind and quality and standard new construction techniques, less depreciation; or
      - (2) Fair market value.
    - b. For property other than buildings and structures the lesser of the following, as determined by “us”:
      - (1) The cost to repair or replace the damaged property using materials of like kind and quality, less depreciation; or
      - (2) Fair market value.

In determining depreciation “we” will consider wear and tear, deterioration, obsolescence, age, physical condition and reduced market value of the property. The rate of depreciation shall be the same for both labor and materials. “Actual cash value” does not include increased costs due to applicable building codes, laws or ordinances.
  2. “Aircraft liability”, “hovercraft liability”, “motor vehicle liability” and “watercraft liability”, subject to the provisions in **b.** below, mean any of the following:
    - a. Liability for “bodily injury” or “property damage” arising out of the:
      - (1) Ownership of such vehicle or craft by an “insured”;
      - (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
      - (3) Entrustment of such vehicle or craft by an “insured” to any person;
      - (4) Failure to supervise or negligent supervision by an “insured”, of any person involving such vehicle or craft; or
      - (5) Vicarious liability, whether or not imposed by law, for the actions of any person including a minor involving such vehicle or craft.
    - b. For the purpose of this definition:
      - (1) “Aircraft” means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
      - (2) “Hovercraft” means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flare craft and air cushion vehicles;
      - (3) “Watercraft” means a craft principally designed to be propelled on or in water; and
      - (4) “Motor vehicle” means a “motor vehicle” as defined in **9.** below.
  3. “Bodily injury” means physical injury to a person. Sickness, disease, or emotional distress that is not caused by physical injury is not “bodily injury”.
  4. “Business” means:
    - a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
    - b. Any other activity engaged in for financial compensation, other compensation, or other professional purposes, except the following:
      - (1) Activities for which no “insured” receives more than \$2,000 in total compensation for the 12 months before the “occurrence”;
      - (2) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
      - (3) The rendering of home day care services to a relative of an “insured”.

5. "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".
6. "Fungus" means any type or form of fungus, including but not limited to, mold, mildew, mycotoxins, spores, scents or by-products produced or released by fungi.
7. "Insured" means:
  - a. "You" and residents of "your" household who are:
    - (1) "Your" relatives; or
    - (2) Other persons under the age of 21 and in the care of any person named above;
  - b. A student enrolled in school full time, as defined by the school, who was a resident of "your" household before moving out to attend school, provided the student is under the age of:
    - (1) 24 and "your" relative; or
    - (2) 21 and in "your" care or the care of a person described in a.(1) above; or
  - c. Under **SECTION 1**:
    - (1) With respect to animals, watercraft, or "recreational motor vehicles" to which this policy applies, any person or organization legally responsible for these animals, watercraft, or "recreational motor vehicles" that are owned by "you" or any person included in a. or b. above. "Insured" does not mean a person or organization using or having custody of these animals, watercraft, or "recreational motor vehicles" in the course of any "business" or without consent of the owner; or
    - (2) With respect to a "motor vehicle" to which this policy applies:
      - (a) "Employees" or "residence employees" while engaged in "your" employ or that of any person included in a. or b. above;
      - (b) Other persons using the vehicle on an "insured location" with "your" consent; or
      - (c) A person while operating machinery with "your" permission in "your" activities covered by this policy.
8. "Insured location" means:
  - a. The "residence premises";
  - b. Under **SECTION 1** only, the part of other premises, other structures and grounds used as a residence; and
    - (1) Which is shown in the Declarations; or
    - (2) Which is acquired by "you" during the policy period for use as "your" principal residence;
  - c. Any premises used by "you" in connection with a premises described in a. and, under **SECTION 1** only, b. above;
  - d. Any part of premises not owned by an "insured" where an "insured" is temporarily residing;
  - e. Vacant 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";
  - h. Any part of a premises occasionally rented to an "insured" for other than "business" use; or
  - i. Any location shown in the Declarations.
9. "Motor vehicle" means:
  - a. A self-propelled land or amphibious vehicle; or
  - b. Under **SECTION 1** only, any trailer or semi-trailer that is being carried on, towed by or hitched for towing by a vehicle described in a. above.
10. "Occurrence" means:
  - a. Under **SECTION 1**, an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
    - (1) "Bodily injury"; or

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- (2) "Property damage".
- b. Under **SECTIONS 2** through **6**, the happening of an event, or series of events closely related in time and nature that give rise to a loss.
11. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, whether indoor or outdoor, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, sewage, methane gas, manure, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
12. "Property damage" means physical injury to or destruction of tangible property, including the resulting loss of use of this property.
13. "Recreational motor vehicle" means any motorized land vehicle designed for recreational use, principally used off public roads, which is not licensed for road use. A motor vehicle designed or used for racing is not considered a "recreational motor vehicle".
14. "Replacement cost" means:
- a. Under Loss Settlements 1 and 2, and **Coverage EE Additional Replacement Cost**, the cost actually and necessarily incurred to repair or replace the damaged property using standard new construction materials of like kind and quality and standard new construction techniques. "We" will not pay the additional cost to repair, replace or reproduce obsolete or antique construction. "Replacement cost" does not include any increased cost due to applicable building codes, laws or ordinances.
- b. Under **Personal Property (Scheduled)**, **Coverage I** and **Coverage DD Personal Property Replacement Cost**, the lesser of the following, as determined by "us":
- (1) The cost to repair the damaged property using materials of like kind and quality; or
- (2) The cost to replace the damaged property with a new article identical to it. When the identical article is no longer available, or cannot be legally manufactured or constructed, "replacement cost" means the cost of a new article similar to the one

damaged which is of comparable quality and usefulness.

15. "Residence employee" means:
- a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
- b. One who performs duties similar to those described in a., above, in a different place not related to the "business" of an "insured".

A "residence employee" does not include a relative under age 18 residing in "your" household.

16. "Residence premises" means:
- a. The one or two family dwelling where "you" principally reside; or
- b. That part of any other building where "you" principally reside; and which is at a location listed in the Declarations.

"Residence premises" also includes grounds and appurtenant structures at that location.

Unless otherwise stated in **SECTION 6**, the definitions in **DEFINITIONS** which apply to **SECTION 1** also apply to **Coverages AA, BB** and **GG** in **SECTION 6**.

## AGREEMENT

"We" will provide the coverages "you" have purchased through the company named in the Declarations if "you" have paid the premiums and have complied with the policy provisions. When "we" refer to the policy "we" mean this policy booklet (titled Home Insurance Policy), applications for insurance, Declarations, and any applicable endorsements. This policy booklet describes the coverages "you" have purchased and may include descriptions of other coverages "you" have not purchased. The coverages and limits of liability "you" have purchased are stated in the Declarations that are in effect at the time of any loss, injury or damage, and are subject to the limits of liability, exclusions, conditions and other terms of the policy. A coverage applies only when that coverage is listed in the "Descriptions of Coverage" column on the Declarations.

## SECTION 1

### Liability, Coverage A

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 an “insured” is legally liable. Damages include prejudgment interest awarded against an “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 or settle any claim or suit as “we” decide is appropriate. “Our” duty to settle or defend ends when “our” limit of liability for the “occurrence” has been exhausted by payment of a judgment or settlement.

### Medical Payments, Coverage B (Includes Limitations)

“We” will pay the necessary medical expenses for services performed within two years from the date of an “occurrence” causing “bodily injury” and submitted to “us” within three years from the date of the “occurrence”. 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 residents of “your” household except “residence employees”. 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 employment; or
  - d. Is caused by an animal owned by or in the care of an “insured”.

## Exclusions – SECTION 1

### A. Motor Vehicle Liability

1. **Liability, Coverage A and Medical Payments, Coverage B** do not apply to any “motor vehicle liability” if, at the time and place of an “occurrence”, the involved “motor vehicle”:
  - a. Is registered for use on public roads or property;
  - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the “occurrence”;
  - c. Is being:
    - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
    - (2) Rented to others;
    - (3) Used to carry persons or cargo for a charge;
    - (4) Used for any “business” purpose except for a motorized golf cart while on a golfing facility; or
    - (5) Used on a public road or public property, except this exclusion **A.1.c.(5)** does not apply to liability arising from the use of lawnmowers or walk-behind snowblowers by an “insured” away from the “residence premises” on public roads or public property; or
  - d. Is insured on any other policy of insurance.
2. If exclusion **A.1.** does not apply, there is still no coverage for “motor vehicle liability” unless the “motor vehicle” is:
  - a. In dead storage on an “insured location”;
  - b. Used solely to service an “insured’s” residence and lawnmowers or walk-behind snowblowers when used by an “insured” away from the “residence premises” and not otherwise excluded;
  - c. Designed to assist the handicapped and, at the time of an “occurrence”, it is:
    - (1) Being used to assist a handicapped person; or
    - (2) Parked on an “insured location”;
  - d. A “recreational motor vehicle”:
    - (1) Not owned by an “insured”; or

- (2) Owned by an “insured” provided the “occurrence” takes place on an “insured location” as defined in **Definitions**, items **B.8.a., b., d., e. or h.**; or
- e. A motorized golf cart that is owned by an “insured”, designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an “occurrence”, is within the legal boundaries of a golfing facility, and:
  - (1) Is being used within the rules stated for use of a golf cart; and
  - (2) Is parked or stored there, or being used by an “insured” to:
    - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
    - (b) Travel to or from an area where “motor vehicles” or golf carts are parked or stored; or
    - (c) Cross public roads at designated points to access other parts of the golfing facility.

**B. Watercraft Liability**

- 1. **Liability, Coverage A and Medical Payments, Coverage B** do not apply to any “watercraft liability” arising from the ownership, maintenance, operation, use, loading or unloading of any watercraft owned by or rented to an “insured” if the watercraft:
  - a. Has inboard or inboard-outboard motor power of more than 50 horsepower;
  - b. Is 26 feet or more in overall length; or
  - c. Is powered by one or more outboard motors totaling over 25 horsepower.
 This exclusion does not apply to “bodily injury” or “property damage” occurring on the “insured location”.
- 2. **Liability, Coverage A and Medical Payments, Coverage B** do not apply to “watercraft liability” if at the time of an “occurrence” the involved watercraft is being operated in, or practicing for, any prearranged or organized race, speed contest or other competition. However, this exclusion **B.2.** does not apply to a sailing vessel or a predicted log cruise.

**C. Aircraft Liability**

**Liability, Coverage A and Medical Payments, Coverage B** do not apply to “aircraft liability”.

**D. Hovercraft Liability**

**Liability, Coverage A and Medical Payments, Coverage B** do not apply to “hovercraft liability”.

**E. Liability, Coverage A and Medical Payments, Coverage B** do not apply to the following:

**1. Expected Or Intended Injury**

“Bodily injury” or “property damage” that may reasonably be expected or intended to result from the intentional acts of an “insured” even if the resulting “bodily injury” or “property damage”:

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real property or personal property, than initially expected or intended.

This exclusion applies regardless of whether any “insured” personally participated in or committed the alleged act and regardless of whether any “insured” subjectively intended the “bodily injury” or “property damage” for which a claim is made.

However, this exclusion **E.1.** does not apply to “bodily injury” resulting from the use of reasonable force by an “insured” to protect persons or property;

**2. Business**

- a. “Bodily injury” or “property damage” arising out of or in connection with a “business” conducted from an “insured location” or engaged in by an “insured”, whether or not the “business” is owned or operated by an “insured” or employs an “insured”.

This exclusion **E.2.** 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”.

- b. This exclusion **E.2.** does not apply to:
  - (1) The rental of living space in the “residence premises” if such rental did not exceed 90 days in the 12 months prior to the “occurrence”;
  - (2) The rental of a private garage on the “residence premises”; or

- (3) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no "employees";
3. **Professional Services**  
"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services by an "insured";
  4. **Insured's Premises Not An Insured Location**  
"Bodily injury" or "property damage" arising out of a premises:
    - a. Owned by an "insured";
    - b. Rented to an "insured"; or
    - c. Rented to others by an "insured";
 that is not an "insured location";
  5. **War**  
"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:
    - a. Undeclared war, civil war, insurrection, rebellion or revolution;
    - b. Warlike act by a military force or military personnel; or
    - c. Destruction, seizure or use for a military purpose.
 Discharge of a nuclear weapon will be deemed a warlike act even if accidental;
  6. **Communicable Disease**  
"Bodily injury" or "property damage" that arises out of the transmission of a communicable disease by an "insured". This exclusion applies regardless of whether any "insured" personally participated in or committed the alleged act and regardless of whether any "insured" subjectively intended the "bodily injury" or "property damage" for which a claim is made;
  7. **Sexual Misconduct, Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse**  
"Bodily injury" or "property damage" arising out of sexual misconduct, sexual molestation, corporal punishment or physical or mental abuse. This exclusion applies regardless of whether any "insured" personally participated in or committed the alleged act and regardless of whether any "insured" subjectively intended the "bodily injury" or "property damage" for which a claim is made.

tively intended the "bodily injury" or "property damage" for which a claim is made.

Sexual misconduct or sexual molestation means any activity, whether or not prosecuted, which is sexual in nature, whether permitted or unpermitted, including, but not limited to: sexual assault; sexual abuse; sexual battery; sexual relations; sexual acts; sexual activity; sexual handling; sexual massage; sexual exploitation; sexual exhibition; photographic, video, or other reproduction of sexual activity; fondling, intimacy, indecent exposure, or undue familiarity; or lewd or lascivious behavior;

8. **Controlled Substance**

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. This exclusion applies regardless of whether any "insured" personally participated in or committed the alleged act and regardless of whether any "insured" intended the "bodily injury" or "property damage" for which a claim is made.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of that person's licensed physician;

9. **Criminal Acts**

"Bodily injury" or "property damage" arising from any criminal act. Criminal act means any act or omission which is criminal in nature or for which a penal statute or ordinance permits or requires any term of imprisonment or sentence of public service duties. This exclusion applies regardless of whether any "insured" is actually charged with or convicted of a crime and regardless of whether any "insured" subjectively intended the "bodily injury" or "property damage" for which a claim is made;

10. **Pollution**

- a. "Bodily injury" or "property damage" arising out of the actual, alleged, or threatened discharge, dispersal, release or escape of "pollutants".
- b. Any loss, cost or expense resulting from any governmental direction, order or



request that an “insured” test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of, “pollutants”.

- c. Exclusions **10.a.** and **b.** do not apply to “bodily injury” or “property damage” caused by heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one that becomes uncontrollable or breaks out from where it was intended to be;

#### **11. Fungus or Bacteria**

- a. “Bodily injury” or “property damage” caused by, consisting of, or arising out of, either directly or indirectly, “fungus” or bacteria; or
- b. Any loss, cost or expense resulting from any governmental direction, order or request that an “insured” treat for, monitor, clean up, remove, contain, treat, detoxify, or neutralize “fungus” or bacteria; or

#### **12. Lead, Asbestos, Silica or Radon Gas**

- a. “Bodily injury” or “property damage” caused directly or indirectly, or arising out of lead, asbestos, silica or radon gas; or
- b. Loss, cost or expense resulting from any governmental direction, order or request that an “insured” treat for, monitor, clean up, remove, contain, treat, detoxify, or neutralize substances described in **12.a.**

Exclusions **A. Motor Vehicle Liability, B. Watercraft Liability, C. Aircraft Liability, D. Hovercraft Liability, and E.4. Insured's Premises Not An Insured Location** 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”.

**F. Liability, Coverage A** does not apply to the following:

##### **1. Liability:**

- a. For any loss assessment charged against an “insured” as a member of an association, corporation or community of property owners; or
- b. Under any contract or agreement entered into by an “insured”;

- 2. “Property damage” to property owned by an “insured”. This includes costs or expenses incurred by an “insured” or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an “insured location”;
- 3. “Property damage” to property rented to, occupied or used by or in the care of an “insured”. This exclusion does not apply to “property damage” caused by fire, smoke or explosion;
- 4. “Bodily injury” to any person eligible to receive any benefits voluntarily provided or required to be provided by an “insured” under any:
  - a. Workers' compensation law;
  - b. Non-occupational disability law; or
  - c. Occupational disease law;
- 5. “Bodily injury” or “property damage” from any:
  - a. Nuclear reaction;
  - b. Nuclear radiation; or
  - c. Radioactive contamination;all whether controlled or uncontrolled or however caused;
- 6. “Bodily injury” to any “insured”. This exclusion also applies to any claim made or suit brought against “you” or an “insured”:
  - a. To repay; or
  - b. Share damages with; another person who may be obligated to pay damages because of “bodily injury” to an “insured”;
- 7. “Property damage” to:
  - a. Goods or products, including containers, which an “insured” manufactures, sells, handles, or distributes;
  - b. Work completed by or for an “insured”; or
  - c. An “insured location” arising out of the alienation (e.g. selling, leasing, separating) of that location; or
- 8. Punitive or exemplary damages. These include damages that may be imposed to punish a wrongdoer or deter others from similar conduct. If a suit is brought against an “insured” seeking covered compensatory damages and punitive or exemplary dam-

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ages, "we" will afford a defense to such action but will not pay such punitive or exemplary damages.

**G. Medical Payments, Coverage B** does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":
  - a. Occurs off the "insured location"; and
  - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
  - a. Workers' compensation law;
  - b. Non-occupational disability law; or
  - c. Occupational disease law;
3. From any:
  - a. Nuclear reaction;
  - b. Nuclear radiation; or
  - c. Radioactive contamination;all whether controlled or uncontrolled or however caused; or
- d. Any consequence of any of these; or
4. To any person, other than a "residence employee" of an "insured", residing on any part of the "insured location".

**Additional Coverages – SECTION 1 (Includes Limitations)**

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

**A. Claim Expenses**

- With respect to suits for covered damages, "we" pay:
1. Expenses "we" incur and costs taxed against an "insured" in any suit "we" defend;
  2. Premiums on bonds required in a suit "we" defend, but not for bond amounts more than the **Liability, Coverage A** limit of liability. "We" need not apply for or furnish any bond;
  3. Reasonable expenses incurred by an "insured" at "our" request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting "us" in the investigation or defense of a claim or suit;
  4. Postjudgment interest that accrues before "we" pay or tender, or deposit in court that part of the judgment which is covered and

does not exceed the limit of liability that applies; and

5. Reasonable expenses incurred, other than loss of earnings, up to \$250 per day for the cost of defending a claim brought against an "insured" under a workers' compensation law, if it is finally determined the workers' compensation law is not applicable.

**B. 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 an "insured".

**C. Damage To Property Of Others**

1. "We" will pay, at "replacement cost", up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured" or animals owned by or in the care of an "insured".
2. "We" will not pay for "property damage":
  - a. To property covered elsewhere in this policy;
  - b. Caused intentionally by an "insured" who is 13 years of age or older;
  - c. To property owned or rented by an "insured";
  - d. To property owned by or rented to a tenant of an "insured" or a resident in "your" household;
  - 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, occupancy, renting, loaning, entrustment, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion **e.(3)** does not apply to a "motor vehicle" that: **(a)** Is a "recreational motor vehicle"; **(b)** Is not owned by an "insured"; and **(c)** At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property; or

- f. Caused by wear and tear, latent defects (a defect not immediately apparent), or inherent vice (the quality for self-deterioration or damage).

## **Conditions—SECTION 1 (Includes Limitations)**

### **A. Limit Of Liability**

“Our” total liability under **Liability, Coverage A** for all damages resulting from any one “occurrence” will not be more than the **Liability, Coverage A** limit of liability shown in the Declarations. This limit is the same regardless of the number of “insureds”, injured persons, claims made, persons liable, claimants, or policies involved. All “bodily injury” and “property damage” resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one “occurrence”.

“Our” total liability under **Medical Payments, Coverage B** for all medical expense payable for “bodily injury” to one person as the result of one accident will not exceed the limit of liability for each person as stated in the Declarations. “Our” liability for each “occurrence” as stated in the Declarations is limited to all medical expenses for “bodily injury” to two or more persons.

### **B. Joint Obligations**

The terms of this policy impose joint obligations on persons defined as an “insured” person. This means that responsibilities, acts and failures to act of a person defined as an “insured” person will be binding upon another person defined as an “insured” person.

### **C. Duties After Occurrence**

In case of an “occurrence”, “you” or another “insured” will perform the following duties that apply. “We” have no duty to provide coverage under this policy if “you” fail to comply with the following duties:

1. Give written notice to “us” or “our” agent as soon as is practical, which sets forth:
  - a. The policy number and the named insured shown under INSURED in the Declarations;
  - b. Reasonably available information on the time, place and circumstances of the “occurrence”; and

- c. Names and addresses of any claimants and witnesses;
  2. Cooperate with “us” and any retained legal counsel in the investigation, settlement or defense of any claim or suit;
  3. Promptly forward to “us” every notice, demand, summons or other legal document relating to the “occurrence”;
  4. At “our” request, help “us”:
    - a. To effect settlement;
    - b. To enforce any right of contribution or indemnity against any person or organization who may be liable for the “occurrence”;
    - c. With the conduct of suits and attend hearings and trials; and
    - d. To secure and give evidence and obtain the attendance of witnesses;
  5. Promptly give notice of an “occurrence”, a claim that is made, or a suit, to any other insurer who might provide insurance for the “occurrence”;
  6. Promptly identify, report, and tender the defense of any claim made or suit to any other insurer that also might have available insurance for the “occurrence”;
  7. With respect to **C. Damage To Property Of Others** under **Additional Coverages – SECTION 1** “you” must submit to “us” within 60 days after the loss, a sworn statement of loss and show the damaged property, if it is in an “insured's” control; and
  8. No “insured” will, except at such “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”.
- ### **D. Duties Of An Injured Person – Medical Payments, Coverage B**
1. The injured person or someone acting for the injured person will:
    - a. Give “us” written proof of claim, under oath if “we” so request, as soon as is practical; and
    - b. Authorize “us” to obtain copies of medical reports and records when and as often as “we” request.
  2. The injured person will submit to a physical exam by a doctor of “our” choice when and as often as “we” reasonably require.

**E. Payment Of Claim – Medical Payments, Coverage B**

“We” reserve the right to make direct payment to the injured person or any individual or organization rendering medical services. That payment reduces the total amount “we” will pay for that injury. Payment under this coverage is not an admission of liability by an “insured” or “us”.

**F. Suit Against Us**

1. No action can be brought against “us” unless there has been full compliance with all of the terms under this **SECTION 1**.
2. No one will have the right to join “us” as a party to any action against an “insured”.
3. No action with respect to **Liability, Coverage A** can be brought against “us” until the obligation of such “insured” has been determined by final judgment or agreement signed by “us”.
4. Under **Medical Payments, Coverage B** an action to collect benefits must be taken no later than 3 years after the date of the “occurrence”.

**G. Bankruptcy Of An Insured**

Bankruptcy or insolvency of an “insured” will not relieve “us” of “our” obligations under this policy.

**H. Other Insurance**

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

**I. Concealment Or Fraud**

“We” do not provide coverage where any “insured”, whether before or after a loss, has:

1. Concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made false statements; relating to this insurance.

Unless otherwise stated in **SECTION 6**, definitions under **Definitions** which apply to **SECTION 1**, **Exclusions - SECTION 1** and **Conditions - SECTION 1** also apply to the following Coverages in **SECTION 6: Coverage AA Watercraft Liability, Coverage BB Additional Residence Liability, and Coverage GG Off Premises Recreational Motor Vehicle Liability.**

**For SECTIONS 2 through 6**

Under **SECTIONS 2** through **6**, “we” insure covered property against loss. Loss means sudden, accidental direct physical damage to covered property which is a direct result of a peril that the property is insured against. Covered property is described in this policy booklet for each of the coverages “you” have purchased. Perils are described and identified by number in the **Perils Insured Against-SECTIONS 2 through 6** section of this policy. Covered property is insured against the perils identified by the corresponding peril numbers shown in the Declarations for the described coverage.

The following do not apply to **Coverages AA, BB** and **GG** in **SECTION 6**:

- \* Definitions under **Definitions** which apply only to **SECTIONS 2** through **6**;
- \* **SECTIONS 2** through **5**;
- \* **Perils Insured Against - SECTIONS 2** through **6**;
- \* **Exclusions - SECTIONS 2** through **6**; and
- \* **Conditions - SECTIONS 2** through **6**.

**Deductible**

Subject to the limit of liability that applies and unless otherwise stated in the applicable Coverage section, “we” will pay only that part of any covered loss over any deductible that applies as stated in the Declarations. The deductible applies to each “occurrence” to which this coverage applies.

**SECTION 2**

**Dwelling, Coverage C (Includes Limitations)**

1. “We” cover:
  - a. The dwelling on the “residence premises”; and
  - b. Materials and supplies located on or next to the “residence premises” used to construct, alter or repair the dwelling on the “residence premises”.
2. “We” do not cover land, including;
  - a. The land necessary to support any **Dwelling, Coverage C** property;
  - b. Any costs required to replace, rebuild, stabilize, or otherwise restore the land; or
  - c. The cost of repair techniques designed to compensate for or prevent land instability to any property, whether or not insured under **Dwelling, Coverage C**.

## Personal Property, Coverage D (Includes Limitations)

### 1. Covered Property

#### a. Insured's Property And Property Of Others

"We" cover personal property owned by, or used by, an "insured" while it is anywhere in the world. After a loss and 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"; or
- (2) A guest or "residence employee" while the property is in any residence occupied by an "insured".

If "you" ask "us" to cover property under (1) or (2) above, the owner of the property is bound by all of the terms and conditions of this policy.

### 2. Limit For Property At Other Residences

"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 **Personal Property, Coverage D** or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because the "residence premises" is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time "you" begin to move the property there.

### 3. Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the **Personal Property, Coverage D** limit of liability.

- a. \$200 on money, checks, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, casino chips, gift certificates, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, per-

sonal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors. "We" do not cover loss by windstorm or hail to this property unless the property is inside a fully enclosed building. Canoes and rowboats, however, are covered outside against loss by windstorm or hail if this property is on the "insured location".
- d. \$1,500 on trailers of all types except camping trailers and those used with watercraft.
- e. \$2,500 on jewelry, watches, furs, and precious and semi-precious stones. This special limit does not apply to losses caused by Perils Insured Against **2** through **18**, if those perils are purchased on this policy.
- f. \$2,500 on firearms and related equipment. This special limit does not apply to losses caused by Perils Insured Against **2** through **18**, if those perils are purchased on this policy.
- g. \$2,500 on silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter. This special limit does not apply to losses caused by Perils Insured Against **2** through **18**, if those perils are purchased on this policy.
- h. \$2,500 on property, on the "residence premises", used or intended for use in a "business".
- i. \$500 on property, away from the "residence premises", used or intended for use in a "business".
- j. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is

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equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category j.

- k. \$1,000 for electronic apparatus designed to be operated solely by power from the electrical system of a "motor vehicle" while such property is not in or upon a "motor vehicle".
  - l. \$5,000 on electronic data processing equipment and the recording or storage media equipment used with that equipment. Programming time and expense is excluded.
  - m. \$500 on "recreational motor vehicles" and parts.
  - n. \$2,500 for trading cards and comic books, including any of these that are part of a collection.
  - o. \$5,000 on any one article and \$10,000 in the aggregate for loss of any rug, carpet (except wall to wall carpet), tapestry, wall-hanging or other similar articles. This special limit does not apply to losses caused by Perils Insured Against 2 through 18, if those perils are purchased on this policy.
  - p. \$1,500 on camping trailers, slide-in campers, and campers of any type.
- 4. Property Not Covered**

"We" do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles".
  - (1) This includes:
    - (a) Their accessories, equipment and parts; or
    - (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs

or other media that can be used with any apparatus described above.

The exclusion of property described in (b) above applies only while such property is in or upon a "motor vehicle". When not in or upon a "motor vehicle" electronic apparatus is limited to **3. Special Limits Of Liability**, item k.;

(2) "We" do cover "motor vehicles" not required to be registered for use on public roads which are:

(a) Used solely to service an "insured's" residence and lawnmowers or walk-behind snowblowers used away from the "insured's" residence;

(b) Designed to assist the handicapped; or

(c) "Recreational motor vehicles" subject to **3. Special Limits Of Liability**, item m.;

d. Semi-trailers;

e. Mobile homes;

f. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft; "we" do cover model or hobby aircraft not used or designed to carry people or cargo;

g. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

h. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

i. Property in a living space on the "residence premises" regularly rented or held for rental to others, for more than the amount provided by **3. Special Limits Of Liability**, item h.;

j. Property rented or held for rental to others off the "residence premises";

k. "Business" data, including such data stored in:

(1) Books of account, drawings or other paper records; or

(2) Computers and related equipment.

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

- l. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided for in **SECTION 5, B. Special Coverages, Credit Card and Forgery, Coverage O**;
- m. Water or steam, except for water contained in a swimming pool;
- n. Radar detectors;
- o. Any controlled substance; or
- p. Trees, shrubs, plants and lawns except as provided for in **SECTION 5, B. Special Coverages, Trees, Shrubs, Plants and Lawns, Coverage L**.

### **Additional Living Expense – Rental Value, Coverage E (Includes Limitations)**

The limit of liability shown in the Declarations is the total limit for the coverages in **1. Additional Living Expense, 2. Fair Rental Value** and **3. Civil Authority Prohibits Use**.

#### **1. Additional Living Expense**

If a covered loss under **SECTION 2** makes that part of the "residence premises" where "you" reside not fit to live in, "we" cover any necessary increase in living expenses incurred by "you" so that "your" household can maintain its normal standard of living.

Payment will be for only the shortest time reasonably required to repair or replace the damage or, if "you" permanently relocate, the shortest time reasonably required for "your" household to settle elsewhere.

#### **2. Fair Rental Value**

If a covered loss under **SECTION 2** 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 of such premises less any expenses that do not continue while it is not fit to live in.

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

#### **3. Civil Authority Prohibits Use**

If a civil authority prohibits "you" from use of the "residence premises" as a result of direct

damage to neighboring premises by a Peril Insured Against applicable to **Dwelling, Coverage C**, "we" cover the loss as provided in **1. Additional Living Expense** and **2. Fair Rental Value** above for no more than two weeks.

#### **4. Loss Or Expense Not Covered**

"We" do not cover loss or expense due to cancellation of a lease or agreement.

The periods of time under **1. Additional Living Expense, 2. Fair Rental Value** and **3. Civil Authority Prohibits Use** are not limited by expiration of this policy.

### **Auxiliary Private Structures, Coverage F (Includes Limitations)**

- 1. "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.
- 2. "We" do not cover:
  - a. Land, including:
    - (1) The land necessary to support any **Auxiliary Private Structures, Coverage F** property;
    - (2) Any costs required to replace, rebuild, stabilize, or otherwise restore the land; or
    - (3) The cost of repair techniques designed to compensate for or prevent land instability to any property, whether or not insured under **Auxiliary Private Structures, Coverage F**;
  - b. Other structures rented or held for rental unless used solely as a private garage;
  - c. Other structures used in whole or in part for any "business", ranching or farming purposes unless the "business" is covered under **SECTION 1**.
- 3. A structure described in the Declarations to which **SECTION 2, Auxiliary Private Structures, Coverage F** specifically applies is covered only for the perils, Loss Settlement Clause and the limit of liability shown in the Declarations. **1.** above, does not apply to those structures.

### SECTION 3

#### Recreational Motor Vehicles, Coverage G (Includes Limitations)

"We" insure "recreational motor vehicles" that are listed in the Declarations owned by an "insured". The policy territory is the United States of America, its territories or possessions, and Canada. "We" do not insure loss resulting from electrical breakdown, unless fire or explosion results and then only for direct loss caused by such fire or explosion. If "you" have this coverage, newly acquired "recreational motor vehicles" will also be insured, effective on the date of delivery, if "we" are notified within 30 days following the date of delivery.

Loss Settlement 3 - Actual Cash Value applies.

#### Watercraft, Coverage H (Includes Limitations)

"We" insure watercraft, motors and trailers listed in the Declarations, owned by an "insured".

1. The policy territory is the United States of America, its territories or possessions, or Canada. This coverage applies only while the covered property is on land, inland waters, and coastal waters within 75 nautical miles of the United States, its territories or possessions or Canada.
2. The following definitions apply:
  - a. Boat includes inboard motors and other equipment permanently attached;
  - b. Motor means outboard motor or trolling motor, and includes remote controls, steering equipment, electric harness and pressure gas tanks, but does not include batteries;
  - c. Boat accessories and equipment means anchors, extra fuel tanks, oars, oar locks, lines, paddles, cook stoves, deck chairs, flags, flagstuffs, detachable canopies, tools, batteries, battery boxes, chargers, seat cushions, boat and motor covers, tarpaulins, life preservers, spare propellers, fire extinguishers, lights, horns, and bilge pumps.
3. "We" do not insure loss or damage:
  - a. To the rudder, propeller, shaft or machinery of an inboard motorboat, either inside or outside the vessel, unless caused by stranding, burning, collision with another vessel, or sinking. This

exclusion does not apply to water forced propulsion inboard motorboats; or

- b. Resulting from electrical breakdown, unless fire or explosion results and then only for direct loss caused by such fire or explosion.
4. If during the policy period the "insured" acquires ownership of a boat, motor or boat trailer, and notifies "us" within 30 days following the date of delivery, insurance under this policy applies to the newly acquired boat, motor or boat trailer, effective on the date of delivery, provided:
    - a. It replaces a boat, motor or boat trailer covered by this policy. If the new acquisition replaces a boat, motor or boat trailer insured by this policy, the insurance ceases to cover the unit replaced on the date the new one is delivered; or
    - b. "We" insure all boats, motors or boat trailers owned by the "insured" on the date of delivery. The limit of liability will be the "actual cash value" of the boat, motor or boat trailer, provided the "insured" pays any additional premium required. This extension does not apply to a newly acquired boat, motor or boat trailer if there is other valid or collectible insurance.
  5. The deductible will not apply to the boat, motor, trailer, or accessories in the event of a total loss of the boat, motor, or trailer.
  6. Coverage on an insured boat is extended to include loss to boat accessories and equipment.
  7. Loss Settlement 3 – Actual Cash Value applies.

### SECTION 4

#### Personal Property (Scheduled), Coverage I (Includes Limitations)

"We" insure the personal property specifically listed in the Declarations. This coverage applies to property owned by or in the custody and control of an "insured". Unless otherwise provided either in this policy or by endorsement, "we" insure the property wherever it may be located.

#### Acquisition Clause

This clause is applicable only to fine arts, jewelry, watches, furs, cameras and musical instruments



when such property is insured under this **Coverage I**. If the “insured” **(a)** reports additional similar property acquired within 30 days from the date of acquisition, and **(b)** pays full premium on that property from the date acquired, “we” insure each separate class of such additionally acquired property for an amount not to exceed 25 percent of the limit of liability, or \$10,000, whichever is less, on such class, exclusive of this provision. “We” will cease to insure such additionally acquired property if it is not reported to “us” within the stated 30 day period. This additional coverage does not apply to property of a class not already insured under this section.

### **Replacement Cost Clause**

A covered loss to property insured under **Personal Property (Scheduled), Coverage I** will be settled for “replacement cost” if “you” repair or replace the damaged property. Payment will be made for the smallest of the following:

1. “Replacement cost” of the damaged property at the time of the loss; or
2. The applicable limit of liability shown in the Declarations. However, when the amount shown in the Declarations is an aggregate amount for multiple items, the limit of liability will be the specific value of the individual item as determined from information on record with “our” home or regional office prior to the loss.

If “you” do not repair or replace the damaged property, “we” will settle the loss for the “actual cash value”. “You” then have one year from the date of loss to make the repair or replacement and request payment for the difference between the actual “replacement cost” and the amount “we” already paid.

“Replacement cost” will not apply to:

1. Property not maintained in good or workable condition; or
2. Property that is obsolete or unusable for the purpose originally intended.

This clause does not apply if **Special Conditions - SECTION 4, Coverage I** states another method of payment for a specific scheduled item.

### **Special Conditions-SECTION 4, Coverage I**

1. **Fine Arts.** “Our” coverage of fine arts is subject to additional exclusions and special conditions. “We” do not insure:

- a. Damage sustained to and resulting from any repairing, restoration or retouching process;
- b. Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, earthquake, flood, explosion, malicious damage or collision, derailment or vehicle overturn; or
- c. Property on exhibition at a fairgrounds or at any national or international exposition unless such locations are specifically described in the Declarations.

“We” will not be liable for more than the amount set opposite the respective articles listed in the Declarations. The amounts represent the agreed value of the articles.

If there is total loss to any part of a pair or set, “we” agree to pay “you” the full value of the set as specified in the Declarations. “You” agree to surrender the remainder of the set to “us”.

2. **Golfer’s Equipment.** “We” insure “your” golf clubs and golf equipment (except watches, jewelry and stock for sale) wherever located. Clothing “you” have is covered if contained in a locker situated in a building (such as a club house) that is used in connection with the game of golf. “We” insure golf balls, however, only against loss by fire or burglary.
3. **Guns.** “We” do not insure loss from fouling or gradual depreciation, or caused by or during repair, refinishing, or renovation.
4. **Silverware.** This coverage does not apply to pens, pencils, flasks, smoking implements or accessories or articles of personal adornment as silverware.
5. **Stamp And Coin Collections.** This insurance on stamp and coin collections applies to:
  - a. Postage stamps including due, envelope, official, revenue, match and medicine stamps, covers, locals, reprints, essays, proofs, and other philatelic property “you” own or which is in “your” custody or control, including books, pages or mountings; and

- b. Rare and current coins, medals, paper money, bank notes, tokens of money and other numismatic property “you” own or which is in “your” custody or control, including coin albums, containers, frames, cards and display cabinets in use with such a collection.

“We” do not insure:

- a. Loss from fading, creasing, denting, scratching, tearing, thinning, transfer of colors, inherent vice (quality for self-deterioration or damage), dampness, extremes of temperature, gradual depreciation, or damage sustained from handling or while being actually worked upon;
- b. Mysterious disappearance of individual stamps, coins or other individual articles insured unless specifically listed in the Declarations with a definite limit of liability. If not specifically listed, “we” will cover mysterious disappearance if the articles are mounted in a volume, and the page to which they are attached is also lost;
- c. Loss of or damage to property in the custody of transportation companies, or shipments by mail unless by registered mail;
- d. Loss by theft from any unattended automobile. This exclusion does not apply while the property is being shipped by registered mail; or
- e. Loss of or damage to any property that is not an actual part of a stamp, money or coin collection.

In the event of loss or damage the amount payable will be determined in the following manner:

- a. In case of loss of or damage to the property listed representing any one stamp, coin or other individual article insured, “we” will pay or make good the loss or damage up to the amount listed for the item in the Declarations.
- b. In case of loss or damage to property specifically described in the Declarations as pairs, strips, blocks, series, sheets, covers, frames, cards, or the like, “we” will pay, in the event of total loss of such

an item, up to the amount set opposite the item involved. In the event of partial loss, “we” will not pay more than the cash market value of the whole set, less the cash market value of the remainder at the time of loss. It is understood and agreed, however, that in the event of the property being insured for less than the cash market value, “our” liability will not exceed the share the amount insured bears to the cash market value.

- c. In all cases of loss of or damage to the insured property not provided for in the two previous paragraphs, “we” will not pay more than the actual cash market value of the property at the time of loss. This is subject, however, to a limit not exceeding \$1,000 on unlisted numismatic property and not exceeding \$250 with respect to any one stamp, coin, or other individual article or any one pair, strip, block, series, sheet, cover, frame, card or the like.
- d. “We” will not pay a greater share of any loss on property not specifically listed than the amount the total sum insured on that unlisted property bears to the actual cash market value at the time of loss.

## SECTION 5

When **SECTION 5** is shown in the Declarations the following **Additional Coverages** and **Special Coverages** (as shown in the Declarations) apply to property covered under this policy.

### A. Additional Coverages (Includes Limitations)

#### 1. Reasonable Repairs

- a. If a covered loss occurs, “we” will pay the reasonable and necessary cost “you” incur for temporary repairs to covered property to protect the property from further immediate damage or loss.
- b. If the measures taken involve repair to other damaged property, “we” will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against.

This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or

- (2) Relieve “you” of “your” duties, in case of a loss to covered property, described in **B.5. under Conditions – SECTIONS 2 through 6.**

## 2. Collapse

- a. With respect to this additional coverage:
  - (1) Collapse means a member of a structure has actually fallen down or fallen into pieces. It does not include settling, cracking, shrinking, bulging, expansion, sagging or bowing.
  - (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
  - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
  - (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- b. “We” insure for loss to covered property involving collapse of a building or any part of a building if the collapse was caused by one or more of the following:
  - (1) The Perils Insured Against that apply to the damaged property. However, if peril **1.** applies to the damaged property, then only perils **2.** through **19.** shall apply;
  - (2) Weight of contents, equipment, animals or people;
  - (3) Weight of rain that collects on a roof or ceiling; or
  - (4) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- c. Loss to an awning, gutter, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not covered under **b.(2)** through **(4)** above, unless

the loss is a direct result of the collapse of a building or any part of a building.

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

## 3. Building Ordinance

- a. Under **Dwelling, Coverage C** and item **5. Building Additions And Alterations**, below, “we” will pay for the increased costs “you” incur due to the enforcement of any ordinance or law that requires or regulates:
  - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered dwelling damaged by a Peril Insured Against;
  - (2) The demolition and reconstruction of the undamaged part of a covered dwelling, when that dwelling must be totally demolished because of damage by a Peril Insured Against to another part of that dwelling; or
  - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered dwelling necessary to complete the remodeling, repair or replacement of that part of the covered dwelling damaged by a Peril Insured Against.

This coverage provides additional insurance up to 10% of the stated applicable limit, but is not increased by **Coverage EE** or **Coverage HH**, if **Coverage EE** or **Coverage HH** is purchased.

- b. “You” may use all or part of this Building Ordinance coverage to pay for the increased costs “you” incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
- c. “We” do not cover:
  - (1) The loss in value to any covered dwelling 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 test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way

respond to, or assess the effects of “pollutants” or “fungus” in or on any covered dwelling.

**4. Grave Markers**

“We” will pay up to \$5,000 for human grave markers, including mausoleums, on or away from the “residence premises” for loss caused by a Peril Insured Against applicable to **Personal Property, Coverage D**. However, if Peril 1 applies to **Coverage D**, then Perils 2. through 19. will apply.

Loss Settlement 3 - Actual Cash Value applies.

**5. Building Additions And Alterations**

If “you” do not own the “residence premises”, “we” cover the building improvements or installations, made or acquired at “your” expense, to that part of the “residence premises” used exclusively by “you”. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to **Personal Property, Coverage D**.

**6. Lock Coverage**

“We” will pay the reasonable expenses “you” incur to re-key or replace locks on exterior doors of the “residence premises” if the keys to those locks are stolen and theft coverage is provided. “We” will pay no more than the amount necessary to replace “your” locks with like kind and quality, or re-key the existing locks whichever is less. The deductible does not apply to this coverage.

**B. Special Coverages (Includes Limitations)**

**1. Package of Special Coverages, Coverage K**

In this package “we” provide **Coverages L** through **P** subject to the agreements, conditions and limits applying to each.

**2. Trees, Shrubs, Plants and Lawns, Coverage L**

“We” will cover trees, shrubs, plants or lawns, on the “residence premises” within 250 feet of the dwelling, for loss caused by the following perils:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the “residence premises”;

f. Vandalism or Malicious Mischief; or

g. Theft.

“We” will pay up to an additional 5% of the limit of liability that applies to **Dwelling, Coverage C** for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant, including expenses incurred for removing debris. “We” do not cover property grown for “business” purposes.

This coverage is additional insurance. Loss Settlement 3 – Actual Cash Value applies.

**3. Debris Removal, Coverage M**

a. After a covered loss occurs, “we” will pay “your” reasonable expense for the removal of debris of covered property. This expense is included in the applicable 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 applicable limit is available for such expense. This additional coverage does not apply to **Trees, Shrubs, Plants and Lawns, Coverage L**.

b. “We” will also pay “your” reasonable expense, up to \$500, for the removal from the “residence premises” of tree(s) within 250 feet of the dwelling felled by windstorm, hail or weight of ice, snow or sleet, provided the tree(s):

- (1) Damage(s) a covered structure; or
- (2) Does not damage a covered structure, but:

(a) Block(s) a driveway on the “residence premises” which prevent(s) a “motor vehicle”, that is registered for use on public roads or property, from entering or leaving the “residence premises”; or

(b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

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

This coverage is additional insurance.

**4. Refrigerated Products, Coverage N**

"We" will pay an amount not to exceed \$500 for loss or damage to contents of a freezer or refrigerated unit on the "residence premises". If a higher amount is specified in the Declarations for this **Refrigerated Products, Coverage N** then that amount will apply. This coverage does not apply to "business" personal property. The contents must be owned by an "insured" and the loss or damage caused by change in temperature resulting from:

- a. Interruption of electrical service to refrigeration equipment caused by damage to generating or transmission equipment;
- b. Interruption of electrical service by any other cause, unless resulting from human error of an "insured"; or
- c. Mechanical or electrical breakdown of the refrigeration system.

The "insured" must exercise diligence in inspecting and maintaining refrigeration equipment in proper working condition. If interruption of electrical service, or mechanical or electrical breakdown is known, all reasonable means must be used to protect the insured property from further damage or this coverage is void.

This coverage is included in the **Personal Property, Coverage D** limit. The deductible does not apply.

**5. Credit Card and Forgery, Coverage O**

- a. "We" will pay up to \$1,000 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 an electronic fund transfer card or access device 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.

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.

b. "We" do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:

- (a) By a resident of "your" household;

- (b) By a person who has been entrusted by an "insured" with either type of card or access device; or

- (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices are accessed; or

- (2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in a. above applies, the following defense provisions also apply:

- (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 a.(1) or (2) above, "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" bank against any suit for the enforcement of payment under a.(3) above.

d. If a higher amount is shown in the Declarations for this **Credit Card and Forgery, Coverage O** then that amount will apply.

This coverage is additional insurance. The deductible does not apply.

**6. Fire Department Service Charge, Coverage P**

"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 loss. "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.

If a higher amount is shown in the Declarations for this **Fire Department Service Charge, Coverage P** then that amount will apply. This coverage is additional insurance. The deductible does not apply.

## **SECTION 6 Optional Policy Coverages (Includes Limitations)**

Each Optional Coverage applies only if it is shown in the Declarations. Nothing contained in **SECTION 6** varies, alters, or extends any provisions of this policy except as provided in each optional coverage.

Unless otherwise stated in this **SECTION 6**, the definitions in **Definitions** which apply to **SECTION 1, Exclusions - SECTION 1** and **Conditions - SECTION 1** apply to **Coverage AA Watercraft Liability, Coverage BB Additional Residence Liability, and Coverage GG Off Premises Recreational Motor Vehicle Liability.**

### **Coverage AA Watercraft Liability**

For additional premium, "we" agree to pay on behalf of the "insured" all sums which the "insured" shall become legally obligated to pay as damages, because of "bodily injury" or "property damage", under **Liability, Coverage A** and **Medical Payments, Coverage B** caused by an "occurrence" and arising out of the ownership, maintenance or use of watercraft. The policy territory is the United States of America, its territories or possessions, or Canada. This coverage applies only while the covered property is on land, inland waters, and coastal waters within 75 nautical miles of the United States, its territories or possessions, or Canada. Coverage will also apply to newly acquired watercraft if "we" are notified within 30 days following the date of delivery and provided:

- a. That watercraft replaces a boat, motor or boat trailer insured by this policy. If the new acquisition replaces a boat, motor or boat trailer insured by this policy, the insurance ceases to cover the unit

replaced on the date the new one is delivered; or

- b. "We" insure all boats, motors or boat trailers owned by the "insured" on the date of delivery. This extension does not apply to a newly acquired boat, motor or boat trailer if there is other valid or collectible insurance.

Paragraph 1. of exclusion **B. Watercraft Liability in Exclusions - SECTION 1** does not apply to the extent that coverage is provided under this **Coverage AA.**

### **Coverage BB Additional Residence Liability**

For additional premium, insurance under **SECTION 1, Liability, Coverage A** and **Medical Payments, Coverage B** applies to the additional residence described in the Declarations. Coverage does not apply while a "business", other than rental as a residence, is conducted at the additional residence with "your" knowledge.

With respect to this Coverage:

1. The following changes are made to **Definitions**:

"Insured location" and "residence premises" are replaced with the following:

"Insured location" means:

- a. The "residence premises";
- b. Any premises used by "you" in connection with a premises described in **a.** above.

"Residence premises" means the one or two family dwelling listed in the Declarations as HOME PROTECTOR including grounds and appurtenant structures at that location. "Residence premises" also means the CONDOMINIUM - NOT OWNER OCCUPIED listed in the Declarations, if applicable.

2. Under **Exclusions - SECTION 1**, exclusion **E.2.** is replaced by the following:

#### **2. Business**

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This exclusion **E.2.** 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".

- b. This exclusion **E.2.** does not apply to the rental or holding for rental of the "residence premises" to which **Coverage BB** applies.

### **Coverage CC Inflation**

The limit of liability specified in the Declarations for those items in **SECTION 2** of the policy, which are indicated as having inflation coverage, will be increased at the same rate as the increase in the Company Dwelling and Personal Property Index. The Company Dwelling and Personal Property Index is developed monthly from available government and appraisal company indexes and kept on file in the Home Office Actuarial Division. Coverage will not be less than the amount specified in the Declarations.

### **Coverage DD Personal Property Replacement Cost**

For additional premium, "we" agree to substitute the term "replacement cost" for Loss Settlement 3 - Actual Cash Value as it applies to **SECTION 2, Personal Property, Coverage D.**

This provision will not apply to:

1. Antiques, fine arts, paintings, statuary or similar articles which by their inherent nature cannot be replaced with new articles;
2. Articles whose age or history contribute substantially to their value, including but not limited to memorabilia, souvenirs, and collector's items;
3. Property not maintained in good or workable condition;
4. Property which, at the time of loss, is either obsolete or useless to "you";
5. Tractors or lawn equipment rated at 26 horsepower or more; or
6. Property in a dwelling or related auxiliary private structure listed in the Declarations as DWELLING - HOME PROTECTOR.

"We" will not be liable for any loss under this provision unless and until actual repair or replacement is completed. "You" may make a claim under this policy on an "actual cash value" basis, and have one year from the date of loss to make the repair or replacement and request payment for the difference between the reasonable cost of repair or replace-

ment and the amount "we" have already paid. In no event will the total amount paid, plus the deductible, exceed the total amount actually and necessarily spent to repair or replace the damaged property.

### **Coverage EE Additional Replacement Cost**

If there is a loss to the building insured under **Dwelling, Coverage C** that exceeds the **Coverage C** limit of liability shown in the Declarations, "we" will increase the **Coverage C** limit of liability to equal the current "replacement cost" of the building. This **Coverage EE** does not increase any coverage provided under **SECTION 5, Additional Coverages, 3. Building Ordinance.**

The following changes apply to **Dwelling, Coverage C** only:

1. Under **Conditions - SECTIONS 2 through 6, paragraph A. Insurable Interest And Limit Of Liability** is deleted and replaced by the following:

#### **A. 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 for any one loss:

1. To the "insured" for an amount greater than the "insured's" interest; or
2. For more than the applicable limit of liability. However, "we" will settle covered losses to the dwelling building under **Dwelling, Coverage C** at "replacement cost" without regard for the limit of liability.

"You" must notify "us" within 90 days of the start of any addition to or remodeling of the dwelling which will increase the value by \$5,000 or more and pay any additional premium. If "you" do not notify "us", "we" will not be liable for more than the limit of liability shown in the Declarations.

2. Under **Conditions - SECTIONS 2 through 6, paragraph C. Loss Settlement**, items **1.b., 1.c.** and **1.d.** are deleted from Loss Settlement 1 - 80% Insurance Requirement.
3. A new item **1.b.** is added to Loss Settlement 1 - 80% Insurance Requirement in **Condi-**

tions - **SECTIONS 2 through 6**, paragraph **C. Loss Settlement**, which states:

- b. "We" will pay no more than the "actual cash value" of the damage or the applicable limit of liability as shown in the Declarations, whichever is less, until actual repair or replacement is complete, unless the "replacement cost" is less than \$2,500. With respect to losses as a result of peril **4. Windstorm or Hail**, "we" will not pay more than "actual cash value" until actual repair or replacement is complete, unless the replacement cost is less than \$15,000. "You" have one year from the date of the loss to repair or replace the damaged property and request the difference between the amount already paid and the "replacement cost".

#### **Coverage FF Special Personal Property Increased Coverage**

For additional premium, **Coverage FF** provides additional insurance to that stated in the Declarations for **PERSONAL PROPERTY COVERAGE D**.

"We" provide risk of direct physical loss to jewelry, watches, furs, precious and semi-precious stones, silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. These items include flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter. However, "we" do not cover loss or damage caused by mechanical breakdown, wear and tear, gradual deterioration, insects, vermin or inherent vice.

"We" will pay up to \$5,000 per loss to the items above, but not more than \$2,500 for a single article or set of articles.

**Coverage FF** is subject to a \$250 deductible. If more than one deductible applies to an "occurrence" only the highest deductible applies.

#### **Coverage GG Off Premises Recreational Motor Vehicle Liability**

For additional premium, coverage is provided to an "insured" for the ownership, maintenance or use of the "recreational motor vehicle" shown in the Declarations while off the "insured location" for **Liability, Coverage A and Medical Payments, Coverage B**.

If "you" have this **Coverage GG**, newly acquired "recreational motor vehicles" will also be insured if "we" are notified within 30 days following the date of delivery, effective the date of delivery.

Paragraph **2.d.(2)** of exclusion **A. Motor Vehicle Liability in Exclusions – SECTION 1** does not apply to the extent that coverage is provided under this **Coverage GG**.

#### **Coverage HH Extended Replacement Cost**

If there is a loss to the building or buildings insured under **Dwelling, Coverage C** which exceeds the **Coverage C** limit of liability shown in the Declarations, "we" will increase the **Coverage C** limit of liability to equal the current "replacement cost" of the building up to a maximum of 120% of the amount stated in the Declarations. This **Coverage HH** does not increase any coverage provided under **SECTION 5, Additional Coverages, 3. Building Ordinance**.

The following changes apply to **Dwelling, Coverage C** only:

1. Under **Conditions - SECTIONS 2 through 6**, paragraph **A. Insurable Interest And Limit Of Liability** is deleted and replaced by the following:

##### **A. 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 for any one loss:

1. To the "insured" for an amount greater than the "insured's" interest; or
2. For more than the applicable limit of liability. However, "we" will settle covered losses to the dwelling building under **Dwelling, Coverage C** at "replacement cost", up to a maximum of 120% of the limit of liability shown in the Declarations.

"You" must notify "us" within 90 days of the start of any addition to or remodeling of the dwelling which will increase the value by \$5,000 or more and pay any additional premium. If "you" do not notify "us", "we" will not be liable for more than the limit of liability shown in the Declarations.



2. Under **Conditions - SECTIONS 2 through 6**, paragraph **C. Loss Settlement**, items **1.b.**, **1.c.** and **1.d.** are deleted from Loss Settlement 1 - 80% Insurance Requirement.
3. A new item **1.b.** is added to Loss Settlement 1 - 80% Insurance Requirement in **Conditions - SECTIONS 2 through 6**, paragraph **C. Loss Settlement**, as follows:
  - b. "We" will pay no more than the "actual cash value" of the damage or the applicable limit of liability as shown in the Declarations, whichever is less, until actual repair or replacement is complete, unless the "replacement cost" is less than \$2,500. With respect to losses as a result of peril **4. Windstorm or Hail**, "we" will not pay more than "actual cash value" until actual repair or replacement is complete, unless the "replacement cost" is less than \$15,000. "You" have one year from the date of the loss to repair or replace the damaged property and request the difference between the amount already paid and the "replacement cost".

### **Perils Insured Against - SECTIONS 2 through 6 (Includes Limitations)**

"We" insure covered property against loss caused by the following perils as indicated in the Declarations except as excluded under **Exclusions – SECTIONS 2 through 6**.

1. **Risk Of Direct Physical Loss**
2. **Fire Or Lightning**
3. **Removal**

"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.

4. **Windstorm Or Hail**

This peril does not include loss to the interior of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail

first damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening. The **Windstorm Or Hail** peril also does not include loss caused directly or indirectly by frost, cold weather, ice (other than hail), snowstorm or sleet, even if driven by wind.

5. **Explosion**
6. **Riot Or Civil Commotion**
7. **Aircraft**  
This peril includes self-propelled missiles and spacecraft.
8. **Vehicles**  
This peril means impact by a vehicle.
9. **Smoke**  
This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke or soot from a boiler, furnace or related equipment.  
This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
10. **Vandalism And Malicious Mischief**  
This peril means only willful and malicious damage to or destruction of property.
11. **Breakage Of Glass Or Safety Glazing Material**
  - a. "We" cover:
    - (1) The breakage of glass or safety glazing material that is part of a covered building, storm door or storm window;
    - (2) The breakage of glass or safety glazing material that is part of a covered building, storm door or storm window when caused directly by earth movement; and
    - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material that 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 unoccupied for

- more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A dwelling being constructed is not considered unoccupied.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

**12. 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.

**13. Weight Of Ice, Snow Or Sleet**

This peril means weight of ice, snow or sleet which causes damage to a building or property contained in the building. This peril does not include loss to a fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf, or dock.

**14. Volcanic Eruption**

This peril does not include loss caused by earthquake, land shock waves, airborne shock waves or tremors. "We" do pay for "your" reasonable expense for the removal of ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a fully enclosed building.

**15. Sudden And Accidental Tearing Apart**

This peril means 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.

**16. Accidental Discharge Or Overflow**

- a. This peril means 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.
- b. 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 Perils Insured Against **17. Freezing**; or

- (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises".

- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

**17. Freezing**

- a. This peril means freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or a hot tub or spa, or a household appliance; but only if "you" have used reasonable care to:

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

However, if the building is protected by an automatic fire protective sprinkler system, "you" must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

**18. Sudden And Accidental Damage From Artificially Generated Electrical Current**

This peril does not include loss to tubes, transistors, electronic components or circuitry that is a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus. This limitation, however, does not apply if there is damage to covered property on the "residence premises" caused by one of the Perils Insured Against **2.** through **17.** which results in an artificially generated electrical current.

**19. Theft**

- a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

- b. This peril does not include loss caused by theft:
  - (1) Committed by an “insured”;
  - (2) Of tools, materials, and supplies for use in construction until the building is finished and occupied;
  - (3) From that part of a “residence premises” rented by an “insured” to someone other than another “insured”; or
  - (4) That occurs off the “residence premises” of:
    - (a) Trailers and campers;
    - (b) Watercraft of all types, and their furnishings, equipment and out-board engines or motors; or
    - (c) Property while at any other residence owned by, rented to, or occupied by an “insured”, except while an “insured” is temporarily living there. Property of an “insured” who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 60 days immediately before the loss.

**Exclusions – SECTIONS 2 through 6**

A. “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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area or the loss arises from natural, man-made, or external forces, or occurs as a result of any combination of these.

**1. Building Ordinance**

Building Ordinance means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion **A.1.a.** does not apply to the amount of coverage that may be provided for in **3. Building Ordinance** under **SECTION 5, Additional Coverages**;

- b. The requirements of which result in a loss in value to property; or
- c. Requiring any “insured” or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants” or “fungus”.

This exclusion **A.1.** applies whether or not the property has been physically damaged.

**2. Earth Movement**

Earth Movement means earth movement of any type, including but not limited to:

- a. Earthquake. This includes land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide, lava flow or mud-flow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising, shifting, creeping, expanding, bulging, cracking, settling, or contracting of the earth.

Direct loss by fire or explosion resulting from earth movement is covered.

This exclusion **A.2.** does not apply to:

- a. Loss by theft;
- b. Breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; or
- c. Losses under **Recreational Motor Vehicles, Coverage G; Watercraft, Coverage H; or Personal Property (Scheduled), Coverage I.**

**3. Water Damage**

Water Damage means loss from:

- a. Flood; surface water (including water flowing naturally on or near the surface and water whose flow is artificially altered); waves; tidal water; overflow of a body of water; storm surge; break, breach or leak of a levee, dam or canal; or spray from any of these, whether or not driven by wind;
- b. Water or water-borne material, including sewage, which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or

- c. Water or water-borne material, regardless of its source, below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire, explosion or theft resulting from Water Damage is covered.

This exclusion **A.3.** does not apply to: **Recreational Motor Vehicles, Coverage G; Watercraft, Coverage H; or Personal Property (Scheduled), Coverage I.**

**4. Power Failure**

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a covered loss on the "residence premises", "we" will pay for the covered loss.

**5. Neglect**

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss or when the property is in danger of loss.

**6. War**

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

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

**7. Nuclear Hazard**

This exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in **L. Nuclear Hazard Clause** under **Conditions – SECTIONS 2 through 6.**

**8. Intentional Loss**

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

Notwithstanding any other provisions of this policy, in the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

**9. Governmental Action**

Governmental Action means the destruction, confiscation or seizure of property by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

**10. Collapse**

Except as provided in **2. Collapse** under **SECTION 5, Additional Coverages.**

**11. Freezing of Plumbing**

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 provision does not apply if "you" have used reasonable care to:

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

However, if the building is protected by an automatic fire protective sprinkler system, "you" must use reasonable care to continue the water supply and maintain heat in the building for coverage to apply. For purposes of this provision a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

**12. Freezing, Thawing, Pressure or Weight**

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

- a. Swimming pool, including the filtration and circulation systems, fence, pavement, or patio;
- b. Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building, or other structure;
- c. Retaining wall or bulkhead that does not support all or part of a building or other structure;
- d. Pier, wharf or dock; or
- e. "Recreational motor vehicles" or watercraft.

**13. Theft Of Tools**

Theft of tools, materials, and supplies for use in construction until the building is finished and occupied.

**14. Unoccupied Dwelling**

Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been unoccupied for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered unoccupied.

**15. Fungus, Wet or Dry Rot, or Bacteria**

The existence, growth or dispersal of "fungus", wet or dry rot, or bacteria. This includes, but is not limited to:

- a. Any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, due to interference at the "residence premises" or location of the rebuilding, repair or replacement, by "fungus", wet or dry rot, or bacteria;
- b. Any remediation of "fungus", wet or dry rot, or bacteria, including the cost to:
  - (1) Remove the "fungus", wet or dry rot, or bacteria from covered property or to repair, restore or replace that property; or
  - (2) Tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot, or bacteria; or
- c. The cost of any testing or monitoring of air or property to determine the type, absence, presence or extent of "fungus", wet or dry rot, or bacteria, whether performed prior to, during or after removal, repair, restoration or replacement of covered property.

**16. Seepage Or Leakage**

Continuous or repeated seepage or leakage of water or steam from a:

- a. Heating, air conditioning or automatic fire protective sprinkler system;
- b. Household appliance; or
- c. Plumbing system, including from, within or around any shower stall, shower bath,

tub installation, or other plumbing fixture, including their walls, ceilings or floors.

"We" also do not cover loss to the system or appliance from which the water or steam escaped.

**17. Controlled Substance**

The manufacture or processing by any "insured" or with any "insured's" knowledge of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812.

**18. Virus**

The existence, spread or dispersal of a virus or other microorganism that includes or is capable of inducing physical distress, illness or disease. This includes, but is not limited to:

- a. Any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, due to interference at the "residence premises" or location of the rebuilding, repair or replacement, by a virus or other microorganism;
- b. Any remediation of a virus or other microorganism, including the cost to:
  - (1) Remove the virus or other microorganism from covered property or to repair, restore or replace that property; or
  - (2) Tear out and replace any part of the building or other property as needed to gain access to the virus or other microorganism; or
- c. The cost of any testing or monitoring of air or property to determine the type, absence, presence or extent of a virus or other microorganism, whether performed prior to, during or after removal, repair, restoration or replacement of covered property.

**19. Any of the following:**

- a. Wear and tear, marring, deterioration;
- b. Mechanical breakdown, latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself;
- c. Smog, rust 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 fire on the “residence premises”;
  - f. Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
  - g. Birds, vermin, rodents, or insects;
  - h. Animals owned or kept by an “insured”;
  - i. Pressure from or presence of tree, shrub or plant roots;
  - j. Any property while: **(1)** operated in any prearranged race, competitive speed or strength test, or preparation for a race, speed or strength test, and regardless of whether the race or test had ended before the loss occurred; **(2)** used for hire or charter; or **(3)** used in any unlawful trade or transportation; or
  - k. Street creeping.
- B.** “We” do not insure for loss to covered property caused by any of the following. However, any ensuing loss to covered property not precluded by any other provision in this policy is covered.
1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A.** above to produce the loss.
  2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  3. Faulty, inadequate or defective:
    - a. Planning, zoning, development, surveying, or siting;
    - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;
    - c. Materials used in repair, construction, renovation or remodeling; or
    - d. Maintenance;
 of part or all of any property whether on or off the “residence premises”.

## Conditions– SECTIONS 2 through 6 (Includes Limitations)

### A. 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 “occurrence”:

1. To an “insured” for more than the amount of such “insured’s” interest at the time of loss; or
2. For more than the applicable limit of liability.

### B. Duties After Loss

In case of a loss, “we” have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to “us”. These duties must be performed either by “you”, an “insured” seeking coverage, or a representative of either:

1. Give prompt notice to “us” or “our” agent;
2. Notify the police if the loss is suspected to be in violation of a law;
3. Promptly identify and give notice to any other insurer who might provide insurance for a loss;
4. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **Credit Card and Forgery, Coverage O** under **SECTION 5**;
5. Protect the property from further damage. If repairs to the property are required, “you” must:
  - a. Make reasonable and necessary temporary repairs to protect the property; and
  - b. Keep an accurate record of repair expenses;
6. Cooperate with “us” in the investigation of a claim;
7. Prepare an inventory of damaged or stolen property showing the quantity, description, “actual cash value” and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
8. As often as “we” reasonably require:
  - a. Show the damaged property;
  - b. Provide “us” with records and documents “we” request and permit “us” to make copies; and
  - c. Submit to examinations under oath, outside the presence of all other “insureds”, and sign the same within a reasonable

amount of time of “our” request, after having been informed:

- (1) of “your” right to counsel; and
- (2) that “your” answers may be used against “you” in later civil proceedings or criminal proceedings;

- 9. 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:
  - a. The time and cause of loss;
  - b. The interests of all “insureds” and all others in the property involved and all liens on the property;
  - c. Other insurance which may cover the loss;
  - d. Changes in title or occupancy of the property during the term of the policy;
  - e. Specifications of damaged buildings and detailed repair estimates;
  - f. The inventory of damaged property described in 7. above;
  - g. Receipts for additional living expenses incurred and records that support the fair rental value loss;
  - h. Evidence or affidavit that supports a claim under **SECTION 5, Credit Card and Forgery, Coverage O** stating the amount and cause of loss; and
- 10. Notwithstanding any other provisions in **SECTIONS 2 through 6**, all claims under this policy must be brought within one year of the date of “occurrence”.

### C. Loss Settlement

“We” settle covered losses according to Loss Settlement 1, Loss Settlement 2 or Loss Settlement 3 below, depending on what number appears on the Declarations in the “LOSS STLMT” column for applicable coverage. The numbers “1”, “2”, and “3” refer to the Loss Settlements 1, 2 and 3 described below.

For covered “recreational motor vehicles” and watercraft, the term materials of like kind and quality includes parts from original equipment manufacturers as well as parts manufactured from other sources that are of comparable quality.

Under no circumstances do “we” pay for:

- a. The increased costs necessary to comply with the enforcement of any building

code, ordinance or law, except to the extent coverage is provided in **Building Ordinance** under **SECTION 5, Additional Coverages**; or

- b. Any actual or perceived decrease in value, however measured, resulting from loss to or repair of “your” damaged property.

Property covered under **Personal Property, Coverage D** will be settled under Loss Settlement 3 - Actual Cash Value at time of loss, unless “you” purchase **Coverage DD Personal Property Replacement Cost**.

Covered losses are settled as follows:

- 1. Loss Settlement 1 - 80% Insurance Requirement
  - If “1” appears in the Declarations under “LOSS STLMT”:
    - a. “We” pay “replacement cost” unless paragraph **b.** applies. If a building or structure is rebuilt at a new location, “replacement cost” may not exceed the cost of restoring the property at the original location.
    - b. If the applicable limit of liability for the damaged property is less than 80% of its “replacement cost” at the time of loss, “we” will pay “actual cash value”.
    - c. “We” will not pay more than “actual cash value” until actual repair or replacement is complete, unless the “replacement cost” is less than \$2,500 and less than 5% of the applicable limit of liability. With respect to losses as a result of peril **4. Windstorm Or Hail** “we” will not pay more than “actual cash value” until actual repair or replacement is complete, unless the replacement cost is less than \$15,000.
    - d. “You” may choose, at “your” election, to accept “actual cash value” instead of “replacement cost”. If “you” do so, “you” will have one year from the date of the loss to repair or replace the damaged property and request the difference between “actual cash value” and “replacement cost”.
    - e. “We” will pay “actual cash value” for damage to wood fences.

**2. Loss Settlement 2 - No 80% Insurance Requirement**

If "2" appears in the Declarations under "LOSS STLMT", "we" settle covered losses according to Loss Settlement 1, except that paragraph **b.** of Loss Settlement 1 does not apply.

**3. Loss Settlement 3 - Actual Cash Value**

If "3" appears in the Declarations under "LOSS STLMT", "we" settle covered losses according to "actual cash value".

**D. Loss To A Pair Or Set**

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

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

**E. Appraisal**

If "you" and "we" fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire, who shall be competent in the trade or skill necessary to assess the loss. If they cannot agree upon an umpire within 15 days, "you" or "we" may request that the choice of an umpire 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 loss. If the appraisers submit a written report of an agreement between them to "us", the amount agreed upon will set the amount of loss and be final. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will then set the amount of loss and be final.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

**F. Other Insurance And Service Agreement**

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

1. 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; or

2. 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.

**G. Suit Against Us**

No action can be brought against "us" unless there has been full compliance with all of the terms under **SECTIONS 2** through **6** of this policy and the action is started within one year after the date of "occurrence".

**H. Our Option**

"We" may repair or replace any part of the property damaged or stolen with similar property. "We" may take all or any part of the property at the agreed or appraised value.

**I. 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. Payment will be made 60 days after "we" receive "your" properly executed proof of loss and "you" have complied with all the policy conditions, and:

1. "We" reach an agreement with "you";
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with "us".

**J. Abandonment Of Property**

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

**K. 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.

**L. Nuclear Hazard Clause**

1. 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.
2. 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.



3. This policy does not apply under **SECTIONS 2 through 6** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

**M. Recovered Property**

If “you” or “we” recover any property for which “we” have made payment under this policy, “you” or “we” will notify the other of the recovery. At “your” option, the property will be returned to or retained by “you” or it will become “our” property. If the recovered property is returned to or retained by “you”, the loss payment will be adjusted based on the amount “you” received for the recovered property.

**N. Volcanic Eruption Period**

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

**O. Concealment Or Fraud**

“We” do not provide coverage when any “insured”, whether before or after a loss, has:

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

**P. Builders Risk Clause**

This policy may, if listed in the Declarations, cover a dwelling under construction. If so, until the dwelling is completed and occupied, the limit of liability in force shall be the amount necessary to replace the dwelling at the time of loss, but not greater than the corresponding DWELLING, SEC 2 COV C limit shown in the Declarations.

**Conditions - Additional Interests (Includes Limitations)**

**A. Additional Insured**

Whenever the word “insured” is used in this policy, the term also includes the person or organization named in the Declarations as additional insured. This definition is limited to the following:

1. Under **SECTION 1** of this policy this definition of additional insured applies only to the ownership, maintenance, and use of the “insured location”. Coverage does not apply to “bodily injury” to a “residence employee” arising out of or in the course of the “resi-

dence employee’s” employment by the additional insured.

2. Under **SECTIONS 2 through 6** of this policy this definition of additional insured applies only to **Dwelling, Coverage C and Auxiliary Private Structures, Coverage F**. Losses will be paid to “you” and the additional insured according to the respective financial interests.

**B. Standard Mortgage Clause**

The word mortgagee includes trustee.

1. If a mortgagee is named in this policy, any loss payable under **Dwelling, Coverage C or Auxiliary Private Structures, Coverage F** will be paid to the mortgagee and “you”, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If “we” deny “your” claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
  - a. Notifies “us” of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
  - b. Pays any premium due under this policy on demand if “you” have neglected to pay the premium; and
  - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from “us” of “your” failure to do so. Paragraphs **E. Appraisal, G. Suit Against Us and I. Loss Payment under Conditions – SECTIONS 2 through 6** also apply to the mortgagee.
3. 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 non-renewal takes effect.
4. 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.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.
6. Nothing in this **B. Standard Mortgage Clause** changes the perils insured against or the property covered.

**C. Loss Payable Clause**

If the Declarations shows a loss payee payable for certain listed insured personal property, under **SECTIONS 2** through **6**, the definition of "insured" is changed to include that loss payee with respect to that property. If "we" decide to cancel or not renew this policy, that loss payee will be notified in writing.

**D. Certificate of Insurance**

Coverage provided by this policy when described in a certificate of insurance is not amended, altered, or extended by that certificate.

If this policy, when described in a certificate of insurance, is canceled during its term, "we" will provide not less than ten days notice to the certificateholder. Notice by regular mail to the last known address will be sufficient compliance with this provision.

**General Policy Conditions  
(Includes Limitations)**

**A. Policy Period**

Policy period means the policy term shown in the Declarations, commencing on the policy period beginning date shown in the Declarations.

Under **SECTION 1**, this policy applies only to "bodily injury" or "property damage" that occurs during the policy period.

Under **SECTIONS 2** through **6**, this policy applies to loss that occurs during the policy period.

**B. Liberalization Clause**

If "we" revise this policy to provide more coverage without charging additional premium, "your" policy will automatically provide the additional coverage the day the revision is effective in "your" state.

**C. 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.

**D. Cancellation**

1. "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.
2. "We" may cancel this policy only for the reasons stated below 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.
  - a. When "you" have not paid the premium, "we" may cancel at any time by letting "you" know at least 10 days before the date cancellation takes effect.
  - b. When this policy has been in effect for less than 60 days and is not a renewal with "us", "we" may cancel for any reason by letting "you" know at least 10 days before the date cancellation takes effect.
  - c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with "us", "we" may cancel:
    - (1) If there has been a material misrepresentation of fact which if known to "us" would have caused "us" not to issue the policy; or
    - (2) If the risk has changed substantially since the policy was issued.  
This can be done by letting "you" know at least 30 days before the date cancellation takes effect.
  - d. When this policy is written for a period of more than one year, "we" may cancel for any reason at anniversary by letting "you" know at least 30 days before the date cancellation takes effect.
3. When this policy is canceled, the paid premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
4. 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 a reasonable time after the date cancellation takes effect.

**E. Continuous Renewal Provision**

Subject to “our” consent and subject to “our” premiums, rules, and forms then in effect, this policy may be continued in force for each successive policy term. When “we” consent to renew this policy, the renewal premium must be paid by the due date. If the renewal premium is not paid, coverage will cease on the coverage termination date. Payment received after the due date will be considered a nonbinding application to reinstate the lapsed policy.

**F. Nonrenewal**

“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 at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

**G. Inspections And Surveys**

“We” will be permitted to inspect “your” premises and property any time during the policy period. “We” are not obligated to make inspections or surveys for “your” benefit. Any inspections or surveys “we” do perform are for “our” underwriting and rating purposes. “We” do not provide services relating to “your” health or safety, or the health and safety of workers or the public.

**H. Assignment**

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

**I. Subrogation**

An “insured” may waive in writing before a loss all rights of recovery against any person. If not waived, “we” may require an assignment of rights of recovery for a loss to the extent that payment is made by “us”.

If an assignment is sought, an “insured” must sign and deliver all related papers and cooperate with “us”.

Subrogation does not apply to **C. Damage To Property Of Others** under **Additional Coverages - SECTION 1**.

**J. Conformity To State Statutes**

Any terms of this policy which are in conflict with the statutes of the state in which this policy is issued are amended to conform to such statutes.

**K. Death**

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

1. “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; and

2. “Insured” includes:

a. An “insured” who is a member of “your” household at the time of “your” death, but only while a resident of the “residence premises”; and

b. With respect to “your” property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

**L. No Action Against Related Entities**

Nothing in this policy gives any person, organization, corporation or other entity any rights or causes of action against any parent corporation, affiliate or subsidiary of the company issuing this policy. No rights are created or implied against any parent corporation, affiliate, or subsidiary of the company described in the Declarations.

**M. Mutuality Of Policy**

By accepting this policy the policyholder becomes a member of COUNTRY Mutual Insurance Company with all the rights and privileges of a member. These rights and privileges are as provided in the COUNTRY Mutual By-Laws in force at the time this policy takes effect, or that may become effective during the continuance of this policy. When this policy is either lapsed or terminated, the policyholder will cease to be a member of COUNTRY Mutual and the policyholder’s rights and interests in COUNTRY Mutual will end. All “insureds” must cooperate with “us” by doing all that is possible to prevent losses. The purpose is to reduce the cost of insurance to the lowest point consistent with solvency and sound insurance protection.

**N. Policy Non-Assessable**

This policy will be without contingent liability and is non-assessable.

**O. Participation In Savings And Earnings**

This policy is on the mutual or participating plan. This means that during the continuance of this policy the member will be entitled to participate in COUNTRY Mutual's savings and earnings as determined by the Board of Directors.

**P. Annual Meetings**

The annual meeting of the members will be held at the principal location of COUNTRY Mutual

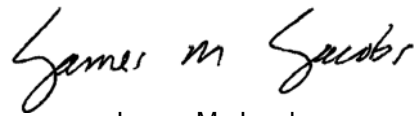
unless a different place is fixed by the Board of Directors. The annual meeting will be held each year on a day and hour set by the Board of Directors. The notice of any meeting of members will fix the hour, day and place of that meeting.

This policy is signed by the President and Secretary of the company, at Bloomington, Illinois and countersigned in the Declarations by an authorized representative of the company.



Philip Nelson  
President

COUNTRY Mutual Insurance Company



James M. Jacobs  
Secretary

COUNTRY Mutual Insurance Company  
A Mutual Company