



P.O. Box 5300
Binghamton, NY 13902-9953

Progressive Home Advantage

Underwritten by:
HOMESITE INSURANCE COMPANY OF THE MIDWEST

Tel: 1-866-960-8609 Fax: 1-877-273-2984

***New Business For Policy Number
37790995***

Mukesh Verma
3358 MARINA COVE CIR
ELK GROVE, CA 95758-4676

January 30, 2021

Dear Mukesh Verma,

Welcome to the Progressive Home Advantage. We appreciate your business and are pleased to issue your homeowners insurance policy, which is underwritten by HOMESITE INSURANCE COMPANY OF THE MIDWEST.

In this Welcome Package, you'll find the following materials:

- Your policy declarations page, which outlines the coverage limits, endorsements and special features of your policy

We relied on the information you provided to underwrite and issue your insurance policy. Making sure the information we have about you is correct and up-to-date will ensure your home is adequately protected. Please review your "New Business Declarations" page and check the description of your dwelling, occupancy, deductibles, coverages, and contracts and amendments. If any of this information needs to be corrected, you must advise us within 30 days of receipt.

If you have any questions, please call us at 1-866-960-8609, from 8 a.m. - 9 p.m. EST Monday - Friday and from 9 a.m. - 6 p.m. EST Saturday.

Thanks,

Customer Care Department
Progressive Home Advantage

Progressive is not affiliated with Homesite. Insurance policies purchased through Progressive Home Advantage are underwritten by member companies of the Homesite Group Incorporated, a leading provider of homeowners, renters and condominium insurance. Homesite provides the coverage for, and pays the claims associated with, these insurance policies. Progressive is not responsible for the insurance claims or any other obligations of Homesite. Certain Progressive companies may be compensated as licensed agencies for performing services on behalf of Homesite.

Policies are underwritten and issued by member companies of the Homesite Insurance Group. Member companies include: Homesite Insurance Company of California (CA Certificate of Authority #4620-1), Homesite Indemnity Company, Homesite Insurance Company of Illinois, Homesite Insurance Company of Florida, Homesite Insurance Company of the Midwest (CA Certificate of Authority #5045-0), Homesite Insurance Company of New York, Homesite Insurance Company of Georgia, Homesite Lloyd's of Texas, and Homesite Insurance Company.

Changes to your Dwelling Coverage Limits

Please review changes to your Property Coverages which can be found on your New Business Declarations summary under Section I - Property. Each year we evaluate your property's current replacement cost which is listed under Coverage A - Dwelling. Replacement Cost is generally defined as "the cost to replace a structure with materials of like kind and quality without deduction for depreciation". Replacement cost simply reflects the cost to rebuild your home in the event of a total loss. Your home is broken down into components (framing, roofing, etc.) and valued at the cost to reconstruct each component in today's economy taking into consideration materials, labor rates and local building codes. It is also a good idea to re-evaluate your home's replacement cost after you have completed any remodels, upgrades or modifications to your home. If you have made any alteration to your home or believe the dwelling coverage limit to be inappropriate you may contact us at any time during the policy term so that we can update our information and re-evaluate your coverages.

The Coverage A amount listed on your Declarations page, (Limit of Liability) is based on an estimate of the cost to rebuild your home, including the cost of labor and materials in your area, and specific information you have provided about your home. We take care in providing these estimates; however, the costs associated with rebuilding your home are subject to the market environment at the time of loss. While we can assist you in calculating the Coverage A amount, it is your responsibility to make sure that we have the most up to date information about your home and the amount of coverage is sufficient to rebuild your home. If your policy does not currently have one of our Replacement Cost endorsements listed in the Optional Endorsements section of this packet, we urge you to call us today and speak to one of our licensed representatives about adding these coverages.

Progressive is not affiliated with Homesite. Insurance policies purchased through Progressive Home Advantage are underwritten by member companies of the Homesite Group Incorporated, a leading provider of homeowners, renters and condominium insurance. Homesite provides the coverage for, and pays the claims associated with, these insurance policies. Progressive is not responsible for the insurance claims or any other obligations of Homesite. Certain Progressive companies may be compensated as licensed agencies for performing services on behalf of Homesite.

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Tel. (866) 960-8609 Fax (877) 273-2984

New Business Declarations For Policy Number 37790995

Policy Period This policy covers the listed
location(s)
From 12:01 AM January 27, 2021
Through 12:01 AM January 27, 2022 (local time)

Mukesh Verma
3358 MARINA COVE CIR
ELK GROVE, CA 95758-4676

**Issued by HOMESITE INSURANCE
COMPANY OF THE MIDWEST**

Insured Location

3358 MARINA COVE CIR ELK GROVE CA 95758-4676
Location ID: 002322187

Description of Dwelling

1999 Stucco on frame, Single family home, Primary residence

Deductible – Other Covered Perils \$5000
Wind/Hail Deductible \$5000

In case of loss under Section I, we cover only that
part of the loss over the deductible stated.

Coverage	Limit	Premium
Section I - Property		
Coverage A - Dwelling	\$670,000	\$2,386.00
Coverage B - Other Structures	\$67,000	Included
Coverage C - Personal Property	\$335,000	Included
Coverage D - Loss of Use	\$201,000	Included
Section II - Liability		
Coverage E - Personal Liability	\$100,000	\$41.00
Coverage F - Medical Payments to Others	\$1,000	\$2.00
Coverage Modifications		
See Coverage Modifications on reverse side for details		-\$413.00
Surcharges		
See Surcharges on reverse side for details		\$0.00
Discounts		
See Discounts on reverse side for details		-\$202.00
Total		\$1,814.00

Authorized Representative



Coverage Modifications **-\$413.00**

		Additional Limit	Premium
HD 80 06 1214	Wind / Hail Flat Dollar Deductible		-\$33.00
HD-017 1298	Deductible		-\$380.00

Surcharges **\$0.00**

		Limit	Premium
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Discounts **-\$202.00**

		Limit	Premium
HD-063 1101	Drive Home Discount		-\$202.00

Contracts and Amendments

- HO 00 03 0511 Special Form (HO 00 03 0511)**
- HA 01 04 0720 Special Provisions - California
- HA 80 66 0814 Diminishing Deductible Credit
- HA 90 06 0617 Animal Liability Exclusion Endorsement
- HA 90 10 0817 Pool Liability Exclusion Endorsement
- HO 04 27 0511 Limited Fungi, Wet or Dry Rot, or Bacteria Coverage
- HO 24 90 0801 Workers' Compensation and Employers' Liability

Mortgagees

BANK OF AMERICA N.A. ITS SUCCESSORS
AND/
OR ASSIGNS ATIMA
PO BOX 961291
FORT WORTH, CA 76161
0243702898

Important Messages

Member companies of the Homesite Insurance Group include the following: Homesite Insurance Company, Homesite Indemnity Company, Homesite Insurance Company of California, Homesite Insurance Company of Florida, Homesite Insurance Company of Illinois, Homesite Insurance Company of the Midwest, Homesite Insurance Company of New York, Homesite Insurance Company of Georgia, and Homesite Lloyd's of Texas.

These Declarations are not the entire insurance policy. All information contained in the Declarations regarding the insured, covered property, coverage limits, deductibles, and premium charges is subject to the specific terms and conditions of the policy contract. Please read your policy contract and amendments carefully.

We relied on the information you provided to underwrite and issue your insurance policy. Making sure the information we have about you is correct and up-to-date will ensure your home is adequately protected. Please review your "Declarations" page and check the description of your dwelling, occupancy, deductibles, coverages, and contracts and amendments. If any of this information needs to be corrected, you must advise us within 30 days of receipt.

You stated that:

- you occupy the insured property and do not rent out to more than two (2) roomers/boarders
- no commercial or retail farming is conducted on the premises
- you do not have a dog

As an Auto policyholder of one of our affinity partners, you are eligible for a discount on the base premium of your Homeowners policy. This discount is shown in the Discounts section of our declaration pages as Drive Home Discount. You are entitled to this discount as long as you remain with your current Auto Insurance carrier. If at any time that policy is cancelled and you no longer have auto insurance with this affinity partner, you will no longer be eligible for this discount.

This policy includes building code upgrade coverage ("Ordinance or Law") up to 10% of the limit shown for Coverage A in these declarations. This coverage does not apply to any loss in value to a covered structure, or to costs related to pollutants affecting any covered structure. Please review your policy carefully.

It is your responsibility to ensure the amount of Coverage A (Limit of Liability for this structure) is sufficient to rebuild your home. Any coverage recommendation you may have received is based in part on an estimate of the Replacement Cost of your home. Replacement Cost is generally defined as "the cost to replace a structure with materials of like kind and quality without deduction for depreciation". It is a good idea to reevaluate your home's replacement cost after you have completed any remodels, upgrades or modifications to your home. If you have made any alteration to your home, please contact us.

You have the right to designate a person to receive notice of lapse, termination, expiration, nonrenewal, or cancellation for nonpayment of premium. In order to designate a person you may contact us at

1-866-960-8609 for more information.

In the event we fail to give you an offer of renewal as required by law, the existing policy, with no change in its terms and conditions, shall remain in effect for 45 days from the date that the offer to renew is mailed to the named insured. In the event we fail to give you a notice of nonrenewal as required by law, the existing policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is mailed to the named insured.

The limit of liability for this structure (Coverage A) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home.

Important Notice about Dwelling Coverage Limits

Dwelling Coverage Limits (Coverage A)

The Dwelling Coverage Limit of Liability ("Coverage A" amount) of your policy is provided on your declarations summary. This Coverage A is based on an estimate of the Replacement Cost of your home, which has been calculated from the information you provided during the application process. This is the minimum amount of Coverage A we recommend.

We take care in providing these recommendations; however, the actual costs associated with rebuilding your home are subject to the market environment at the time of loss. While we can assist you in your selection of the Coverage A amount, we rely upon you to:

- Verify that we have the most up to date information about your home
- Ensure that the total amount of coverage is sufficient to rebuild your home

Please review the information below closely and contact us if any of the information reflected should be updated or revised. Further, if you feel that the amount of Coverage A should be increased, please contact us to discuss options.

The estimate of replacement cost includes the following expenses:

(1) Cost of construction labor, building materials and supplies	\$498464
(2) Contractor overhead and profit	\$114369
(3) Cost of permits and architect's plans	\$56963
Subtotal	\$669796
(4) Cost of demolition and debris removal*	\$33,500

* Note that your policy covers up to \$33,500 for cost of demolition and debris removal in case the Dwelling Coverage (Coverage A) limit is exhausted. (The Coverage A limit of your policy is \$670,000.)

The following information was provided during the application process and has been used to estimate the Replacement Cost of your home:

(A) Foundation type	Slab
(B) Type of frame/style	Colonial
(C) Roof	
a. Material	Asphalt shingles
b. Shape	Gable
(D) Siding	Stucco on frame
(E) Slope	No
(F) Square footage	4,090
(G) Location of property	3358 MARINA COVE CIR ELK GROVE, CA 95758-4676
(H) Number of stories	2
(I) Average wall height	8 ft.
(J) Number of units	1
(K) Special features	
a. Heating type	GAS HOT AIR
b. Central air	Yes
c. Interior wall type	Drywall/Veneer Plaster 100%
d. Floor covering	Laminate Wood 100%
e. Rooms with cathedral or vaulted ceilings	0
f. Rooms with crown molding	0

g. Fireplaces	
i. Number of	
ii. Type(s)	Masonry 1
h. Kitchen countertop material	Plastic Laminate (Formica™)
i. Bathrooms	
i. Full baths	2
ii. Half baths	0
j. Finished basement square footage	
(M) Year built	1999
(N) Garage	
a. Type	Attached
b. Size (number of cars)	3



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BILLING STATEMENT

Policy Number: 37790995
Policy Term: January 27, 2021 – January 27, 2022
Payment Plan: Full Pay

Mukesh Verma
3358 MARINA COVE CIR
ELK GROVE, CA 95758-4676

If you have any questions, please call us at 1-866-960-8609
8 a.m. - 9 p.m. EST Monday - Friday and from 9 a.m. - 6 p.m. EST
Saturday.

Property Address: 3358 MARINA COVE CIR
ELK GROVE, CA 95758-4676
See reverse for other important information.

Billing Summary (reflects activity this billing period)

NEW POLICY PREMIUM	01-27-2021	\$1,814.00
NEW BALANCE	01-26-2021	\$1,814.00

Minimum Amount Due: \$1,814.00

Important Note: We have billed the following mortgage company for the total amount due shown above.

BANK OF AMERICA N.A. ITS SUCCESSORS AND/
OR ASSIGNS ATIMA
PO BOX 961291
FORT WORTH, CA 76161
Loan Number: 0243702898

For your convenience and installment fee savings, please consider paying via automated recurring deductions from your checking account. For fee details, please see page 2.

Access your policy online and Go Paperless at www.homesite.com/mypolicy.

PROGRESSIVE HOME ADVANTAGE
PO BOX 5300
BINGHAMTON, NY 13902-9953

Billing Statement (P.2)

Important Information

Payment Plan Options

Plan	Amount Due	Details
One Payment	\$1814.00	The full policy premium is due on the effective date. No service fee applies.
Ten Payment(Monthly)*	\$453.50	25% of policy premium is due on the effective date. Remaining balance will be billed in 9 monthly installments. An installment fee will be applied to each installment after the first bill.
Four Payment (Quarterly)*	\$725.60	40% of policy premium is due on the effective date. Remaining balance will be billed in 3 quarterly installments. An installment fee will be applied after the first bill.

*Installment fee is \$5.00 . EFT fee is \$3.00

Service Charges: You may be charged a \$15.00 service fee if we issue you a legal notice of cancellation for non-payment of premium.

Recurring Payments: To eliminate check writing, sign up for payment deductions from your checking account. Your premium due will be paid automatically. For enrollment details, contact Customer Service at the phone number shown on the front side.

Menu of Optional Endorsements

A complete list of your policy's coverage limits can be found on your declarations summary. In addition to these coverages, we offer a wide range of optional endorsements that can be added to your policy to enhance the protection of your home and personal property, as well as extend additional protections for liability and related risks. We also have a number of discounts and credits that may reduce your premium.

We urge you to review these coverage and premium options. Please note, if coverages do not appear on your declarations summary, they are not included in your policy. If there are other coverages that you would like to add, or if you have any questions, you can check out more information online at www.homesite.com or you can contact Customer Service at 1-866-960-8609 to discuss any changes to your policy.

Optional Endorsements and Coverages

Below we have outlined a list of our most common endorsements as well as a few more ways Homesite can help protect your home and your peace of mind.

Dwelling Coverages

Extended Replacement Cost on Dwelling

Description of Coverage

This endorsement provides additional coverage of up to 25% or 50% of your Dwelling Coverage if the amount to replace your home exceeds the amount of coverage provided by your policy.

Increased Limits on Other Structures

To protect structures other than your home you can purchase this endorsement. It provides an additional limit for specified structures on the residence premises covered under Coverage B.

Personal Property Coverages

Replacement Cost on Personal Property

When you purchase this endorsement, you can replace stolen or destroyed personal property with items of like kind and quality without deduction for depreciation.

Increased Limits on Personal Property

This endorsement offers you the ability to increase certain personal property coverages from the standard homeowner's limit. For example, the base homeowner's policy covers the theft of valuable silverware for up to \$2,500. With this endorsement you can choose to increase that coverage to \$10,000.

Increased Limits on Business Property

For an additional premium, this endorsement increases your coverage for "business" property on and off the "residence premises".

Scheduled Personal Property

This endorsement allows us to offer open perils coverage for your valuable items such as jewelry, furs, cameras, musical instruments, silverware, fine arts, and golfer's equipment. Losses on scheduled items are not subject to a deductible and these items would be covered up to their insured value.

Special Computer Coverage

We know your computers are important, that's why we offer this endorsement. It broadens the coverage for your computer due to direct physical loss. For example, if you accidentally spill a glass of water on the computer, the resulting damage would be covered.

Identity Theft

Recovering from identity theft can be time-consuming and costly. In the event your identity is stolen, this endorsement covers up to \$15,000 of expenses you incur as a direct result of identity theft. This coverage is only subject to a deductible ranging from \$250-\$500.

Liability Coverages

Loss Assessment Coverage

This endorsement provides additional protection for assessments made by your homeowners or condominium owners association resulting from loss to association property or from a claim for bodily injury or property damage arising out of the property.

Personal Injury

With this endorsement, you can extend the limit of Personal Liability on your homeowner's policy to cover you against libel, slander, and invasion of privacy.

Other Coverage Options

Earthquake

You may add this endorsement to cover your property against loss caused by an earthquake. This coverage is subject to a separate deductible. In California, this coverage is offered through the California Earthquake Authority (CEA).

Water Back up and Sump Overflow

Provides coverage for direct physical loss due to water backing up through sewers or drains and water that overflows from a sump. This is not flood coverage, which requires a separate policy.

Discounts and Credits

Check out our discounts and other ways to save.

Discounts

Welcome Home / Home Purchase Discount

As our way of congratulating you on your new home purchase, you could receive a discount when you buy a new home.

Moving In Discount

Moving from an apartment or condo into a new home? Congratulations! You could receive a discount just for staying with Homesite. We appreciate your continued business and will always be there for you as your needs change.

Drive Home / Affinity Discount

We're happy to help with all of your insurance needs. If you bundle your home and auto policies together, you could receive a 10% discount.

Roof it Over / Age of Roof Discount

When your roof is less than 10 years old or you decide to purchase a new roof make sure to let us know, you may qualify for a discount on your homeowners insurance premium.

New Construction / Age of Home Discount

New homes have the benefit of advances in building technology and are less likely to have a claim. We understand this and offer a discount based on the age of your home.

Safety First / Premises Alarm or Fire Protection System Discount

We like that you value home safety as much as we do. If you have either central monitored or direct-line fire or burglar alarms, or if you have sprinklers in every room of your home, you could receive a discount.

Better Together

Now you can save on those endorsements that you would have purchased anyway. Homesite offers two endorsement package options that cost less than if you bought the endorsements by themselves.

Gets Better with Age / Retired Occupant Discount

If you're above a certain age or retired, you could receive a discount. Eligibility may vary depending on your area and availability. Check with us to see if you qualify.

Other Ways to Save

Increased Deductibles

By increasing your deductible(s) you can lower the cost of your annual insurance premium. For instance, increasing your regular deductible to \$2,500 may decrease your premium significantly.

*****Availability and eligibility requirements vary by state, policy type, policy terms and underwriting company. Discounts will be automatically applied based on your eligibility.*****
Additional endorsements and credits are subject to availability and qualification.***

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Mukesh Verma
3358 MARINA COVE CIR
ELK GROVE, CA 95758-4676

CALIFORNIA DEPARTMENT OF INSURANCE RACE, NATIONAL ORIGIN & GENDER FORM

Policy Number: 37790995 (New Business Only)

This information is requested by the **State of California** in order to monitor the insurer's compliance with the law. All policyholders are requested to voluntarily provide the following information:

This form will be separated from the application prior to the insurer processing the application. No such information shall be used for purposes of underwriting or rating any applicant or policyholder.

Applicant's Name and Address (to be provided in order to refer back to the applicant)

Name: Mukesh Verma
Street 3358 MARINA COVE CIR
City ELK GROVE State: CA Zip Code: 95758-4676

Application Type: **Homeowners**

Please check here if policyholder does not wish to provide the Department of Insurance with this information

Check the Race or National Origin as it applies to the Applicant:

	Applicant			Co-Applicant		
	Male	Female	Nonbinary	Male	Female	Nonbinary
African-American	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
American Indian or Alaskan Native	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asian/Pacific Islander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Latino	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

After completion, please return to:

Homesite Insurance
P O Box 5300
Binghamton NY 13902-9953

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California Residential Property Insurance Bill of Rights

The largest single investment most consumers make is their home and related property. In order to best protect these assets, it is wise for consumers to understand the residential property insurance market. Consumers should consider the following:

Read your policy carefully and understand the coverage and limits provided. Residential property insurance policies contain sublimits for various coverages such as personal property, debris removal, additional living expense, detached fences, garages, etc.

Keep accurate records of renovations and improvements to the structures of your home, as it could affect your need to increase your coverage.

Maintaining a list of all personal property, pictures, and video equipment may help in the case of a loss. The list should be stored away from your home.

Comparison shop for insurance, as not all policies are the same and coverage prices vary.

Take time to determine the cost to rebuild or replace your property in today's market. You can seek an independent evaluation of this cost.

You may select a licensed contractor or vendor to repair, replace, or rebuild damaged property covered by the insurance policy.

An agent or insurance company may help you establish policy limits that are adequate to rebuild your home.

Once the policy is in force, contact your agent or insurance company immediately if you believe your policy limits may be inadequate.

A consumer is entitled to receive information regarding residential property insurance. The following is a limited overview of information that your insurance company can provide:

The California Residential Property Insurance Disclosure.

An explanation of how your policy limits were established.

The insurance company's customer service telephone number for underwriting, rating, and claims inquires.

A written explanation for any cancellation or nonrenewal of your policy.

A copy of the insurance policy.

In the event of a claim, an itemized, written scope of loss report prepared by the insurer or its adjuster within a reasonable time period.

In the event of a claim, notification of a consumer's rights with respect to the appraisal process for resolving claims disputes.

In the event of a claim, a copy of the Unfair Practices Act and a copy of the Fair Claims Practices Regulations.

An offer of coverage and premium quote for earthquake coverage, if eligible

A consumer is also entitled to select a licensed contractor or vendor to repair, replace or rebuild damaged property covered by the policy.

This insurer reports claim information to one or more claims information databases. The claim information is used to furnish loss history reports to insurers. If you are interested in obtaining a report from a claims information database, you may do so by contacting:

A-PLUS Consumer Inquiry Center
545 Washington Boulevard Loc. 226
Jersey City, NJ 07302
Telephone: 1-800-709-8842

The information provided herein is not all inclusive and does not negate or preempt existing California law. If you have any concerns or questions, contact your agent, broker, insurance company or the California Department of Insurance consumer information line at 1-800-927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

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Flood Coverage Disclosure Notice

All homeowner insurance policyholders are cautioned that:

Your policy excludes coverage for damage caused by flooding of all types. This exclusion may exclude any and all damages resulting from storm surge from a hurricane, surface water, flash floods, waves, tidal water, tidal waves, wind driven rain or water, or any other overflow of water, and spray from any of these events. For further details, please see the language of your policy. The language of your policy will control the obligations of the parties.

You are further advised that to be covered for such a loss, you will have to obtain a separate flood insurance policy through the National Flood Insurance Program (NFIP). If available in your location, the NFIP can provide both structure and contents coverage.

You can contact the National Flood Insurance Program at:

National Flood Insurance Program

P.O. Box 619

Lanham, MD 20706

(800) 427-4661

(888) 379-9531

www.floodsmart.gov

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P.O. Box 5300
Binghamton, NY 13902-9953
Tel. (800) 466-3748 Fax (877) 273-2984

Notice of Insurance Information Practices

***Issued by HOMESITE
INSURANCE COMPANY OF THE
MIDWEST***

The Homesite Insurance Companies ("Homesite") use information from many sources. This assists us to fairly determine eligibility for our programs and ensure accurate rates for all policies. Using this information also speeds the application process.

How we may collect, use and disclose this information is regulated by law, and we would like you to be aware of our practices and how they may affect your privacy.

Following is a description of the kinds of information we may collect, how we may collect it, and what is done with the information once it has been collected. We also describe how you can find out what information we have about you in our records or files, and how you can correct inaccurate information. We follow these practices with your information whether you are a policyholder, claimant, former policyholder, or just an inquiring consumer.

What kind of information do we collect about you?

We collect some information from you when you call us, complete an application, make a policy change or report a claim. This information includes identifying information such as name, address, date of birth, and social security number, as well as information regarding your home, business, and/or claims history.

We may also obtain information such as credit reports, claims history, and investigative reports from other sources including an inspection of your property. The information we obtain about you may come from other insurance companies, insurance support organizations, credit bureaus, property data collection services, or other sources.

What do we do with the information collected about you?

We may, as permitted by law, disclose your identifying information in our records or files such as name, address, type of house, and claims history. Without your prior permission, we may disclose this information to certain persons or organizations including:

- * Other insurance institutions, financial institutions, agents, or insurance support organizations.
- * Persons who perform a business, professional, or insurance function for us.
- * Businesses that conduct actuarial or research studies.
- * Insurance regulatory authorities.
- * Law enforcement or other governmental authorities.
- * Our affiliated companies who assist our insurance business activities.

Contd.

Your information may be provided to others in the following circumstances, as permitted by law, for them to:

- * Perform a business, professional, or insurance function for us.
- * Provide information to us in order to
 - a. Determine your eligibility for an insurance benefit or payment, or
 - b. Detect or prevent criminal activity, fraud, material misrepresentation or material nondisclosure in connection with an insurance transaction.
- * Perform a function in connection with an insurance transaction involving you.
- * Conduct an audit of our operations or services.
- * Conduct a joint marketing program with Homesite pursuant to a joint marketing agreement.

The information we obtain about you from a report prepared by an insurance support organization may be retained by the insurance support organization and disclosed to other sources.

We may consider your claims history and future losses in determining whether to decline, cancel, nonrenew, or surcharge your policy. Claims incurred will also be reported to an insurance support organization.

How confidential and secure is the information we have about you?

Homesite protects the confidentiality of the information that we have about you by restricting access to those employees who need to know that information to provide our products and services to you. We maintain physical electronic and procedural safeguards that comply with federal and state regulations to guard your information.

How can you find out what information we have about you?

You have the right to know what information we have about you in our insurance records or files. To obtain this information, provide to us in writing an identification of yourself and a reasonable explanation of the information you desire. If the information can be reasonably located and obtained, we will inform you of its nature and substance within thirty (30) business days from the day we receive the request. You may personally see and obtain the information, or if you prefer, we will mail the information to you. We will also inform you who has received this information within the last two (2) years, or, if not recorded, to whom such information is normally disclosed.

What can you do if you disagree with the information we have about you?

You have the right to make a written request that we correct, delete, or change any recorded information we have about you in our records or files.

If we agree to comply with your request, we will notify you within thirty (30) business days of receiving your request. We will then furnish the amended information to any person you designate, who may have received the information within the past two (2) years, as well as to any person or organization who either supplied us with the information or to whom we disclosed it.

If we are unable to comply with your request, we will notify you within thirty (30) business days of receiving your written request with the reasons for our decision. If you disagree with the reasons for our decision, you have the right to file a concise statement of what you think is correct, relevant or fair information. Your statement will be filed with the disputed information and will be furnished to any person, insurance institution, agent or insurance support organization who either supplied us with information or to whom we disclosed it. Your statement will also be furnished to anyone reviewing the disputed information.

Your California Privacy Rights

Effective January 1, 2020, the California Consumer Privacy Act grants California residents (consumers) various rights with respect to personal information relating to that consumer that is held by a business. These rights include:

- * The right to request the deletion of personal information about the consumer that has been collected from the consumer.
- * The right to request a company's disclosures about the collection of personal information.
- * The right to request that a business that collects personal information disclose the following to a consumer:
 - * The categories of personal information that it has collected about the customer;
 - * The categories of sources from which the personal information is collected;
 - * The business or commercial purpose for collecting or selling personal information;
 - * The categories of third parties with whom the business shares personal information; and
 - * The specific pieces of personal information it has collected about the consumer.
- * The right not to face discrimination for exercising any rights under the California Consumer Privacy Act
- * The right to opt out of the sale of personal information.
- * The right to opt-in to the sale of personal information for consumers under 16 years of age.

California consumers may submit a request for disclosure or deletion of personal information by completing the request form found go.homesite.com/privacy-policy-cpa or by calling us toll-free at 1-800-466-3748. You will be required to verify your identity and status as a California resident. Upon verification, we will process your request within 45 days.

Categories of Personal Information that we may have collected in the preceding 12 months, as of January 1, 2020:

- * Identifying Information - name, address, date of birth, email address, phone numbers, bank account number, credit/debit card number
- * Consumer report information, including claims history
- * Names of family members or other residents of your household
- * Information you provide about your dwelling as part of an application for insurance
- * Information that you may have provided during the resolution of an insurance claim

We do not "sell" the personal information of our applicants, insureds, employees, or other individuals whose personal information we have obtained. We do disclose personal information to third parties and service providers, including:

- * Other insurance institutions, financial institutions, agents, or insurance support organizations.
- * Persons who perform a business, professional, or insurance function for us.
- * Businesses that conduct actuarial or research studies.
- * Insurance regulatory authorities.
- * Law enforcement or other governmental authorities.
- * Our affiliated companies who assist our insurance business activities.

Progressive Home Advantage

Underwritten by HOMESITE INSURANCE COMPANY OF THE MIDWEST
P.O. Box 5300
Binghamton, NY 13902-9953
Tel. (866) 960-8609 Fax (877) 273-2984

Property Loss Report

Customers with prior property claims may have an increased premium. **HOMESITE INSURANCE COMPANY OF THE MIDWEST** uses company records as well as data obtained from A-PLUS to determine claims history.

To determine if your claims history has impacted your premium, please call:

Progressive Home Advantage Customer Service
Telephone: **1-866-960-8609**

Under Section 612 of the Fair Credit Reporting Act you have the right to obtain a free copy of your property loss report within 60 days by request to:

A-PLUS Consumer Inquiry Center
545 Washington Boulevard 22nd Floor
Jersey City, NJ 07310 - 1686
Telephone: 800-709-8842

Under Section 611 of the Fair Credit Reporting Act you also have the right to dispute the accuracy or completeness of any information A-PLUS furnished in this report, by notifying them directly of the dispute.

Please note that A-PLUS does not participate in determining your premium, and cannot give the specific information on our rates.

Property Inspection

As a reminder, a contracted property inspector may be out to complete an inspection of the property. If an appointment is necessary due to an interior inspection or woodstove supplement, our inspection company will contact you prior to an inspection.

This insurance policy may be cancelled within 60 days of the effective date for any reason that is not unfairly discriminatory or prohibited by law, if the property is determined to be an unacceptable risk to the insurer.

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Consumer Contacts - California

Progressive Home Advantage's insurance specialists will be glad to assist you with policy changes or questions, at **1-866-960-8609**.

Our Customer Affairs and Information Department also responds to questions and complaints. Please send correspondence to:

Homesite Insurance
P.O. Box 5300
Binghamton, NY 13902-9953
Attention: Consumer Affairs

Or call **617-832-1300** (collect calls accepted). If you call, we may request that you also send a letter to document your inquiry.

The California Department of Insurance Consumer Services Division (CSD) responds to questions and complaints about insurance matters from California residents.

The CSD requests that you discuss any concerns with us or your agent or broker first and only contact them if we are unable to resolve the issue to your satisfaction.

California Department of Insurance
Consumer Services Division
300 S. Spring St., South Tower
Los Angeles, CA 90013

(800) 927HELP (4357)

(213) 897-8921
(Los Angeles and out of state)

TDD: (800) 4824TDD (4833)

Internet Web site: www.insurance.ca.gov

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NOTICE TO CONSUMERS – CALIFORNIA RESIDENTIAL INSURANCE DISCLOSURE

This disclosure is required by Section 10102 of the California Insurance Code. This form provides general information related to residential property insurance and is not part of your residential property insurance policy. Only the specific provisions of your policy will determine whether a particular loss is covered and the amount payable. The information provided does not preempt existing California law.

PRIMARY FORMS OF RESIDENTIAL DWELLING COVERAGE

You have purchased the coverage(s) checked below. NOTE: Actual Cash Value Coverage is the most limited level of coverage listed. Guaranteed Replacement Cost is the broadest level of coverage.

_____ **ACTUAL CASH VALUE COVERAGE** for either a total or partial loss to the structure or its contents pays the amount it would cost you to repair, rebuild, or replace the thing lost or injured, less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less. A deduction for physical depreciation applies only to components of a structure that are normally subject to repair and replacement during the useful life of that structure.

X* _____ **REPLACEMENT COST COVERAGE** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling, without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Coverage only pays for replacement costs up to the limits specified in your policy.

_____ **EXTENDED REPLACEMENT COST COVERAGE** is intended to provide for the cost to repair or replace the damaged or destroyed dwelling without a deduction for physical depreciation. Many policies pay only the dwelling's actual cash value until the insured has actually begun or completed repairs or reconstruction on the dwelling. Extended Replacement Cost provides additional coverage above the dwelling limits up to a stated percentage or specific dollar amount. See your policy for the additional coverage that applies.

_____ **GUARANTEED REPLACEMENT COST COVERAGE** covers the full cost to repair or replace the damaged or destroyed dwelling for a covered peril regardless of the dwelling limits shown on the policy declarations page.

X _____ **BUILDING CODE UPGRADE COVERAGE**, also called Ordinance and Law coverage, covers additional costs to repair or replace a dwelling to comply with the building codes and zoning laws in effect at the time of loss or rebuilding. These costs may otherwise be excluded by your policy. Meeting current building code requirements can add significant costs to rebuilding your home. Refer to your policy or endorsement for the specific coverage provided and coverage limits that apply.

READ YOUR POLICY AND POLICY DECLARATIONS PAGE CAREFULLY: The policy declarations page shows the specific coverage limits you have purchased for your dwelling, personal property, separate structures such as detached garages, and additional living expenses. The actual policy and endorsements provide the details on extensions of coverage, limitations of coverage, and coverage conditions and exclusions. The amount of any claim payment made to you will be reduced by any applicable deductibles shown on your policy declarations page. It is important to take the time to consider whether the limits and limitations of your policy meet your needs. Contact your agent, broker, or insurance company if you have questions about what is covered or if you want to discuss your coverage options.

INFORMATION YOU SHOULD KNOW ABOUT RESIDENTIAL DWELLING INSURANCE

AVOID BEING UNDERINSURED: Insuring your home for less than its replacement cost may result in your having to pay thousands of dollars out of your own pocket to rebuild your home if it is completely destroyed. Contact your agent, broker, or insurance company immediately if you believe your policy limits may be inadequate.

THE RESIDENTIAL DWELLING COVERAGE LIMIT: The coverage limit on the dwelling structure should be high enough so you can rebuild your home if it is completely destroyed. Please note:

- The cost to rebuild your home is almost always different from the market value.
- Dwelling coverage limits do not cover the value of your land.
- The estimate to rebuild your home should be based on construction costs in your area and should be adjusted to account for the features of your home. These features include but are not limited to the square footage, type of foundation, number of stories, and the quality of the materials used for items such as flooring, countertops, windows, cabinetry, lighting and plumbing.
- The cost to rebuild your home should be adjusted each year to account for inflation.
- Coverage limits for contents, separate structures, additional living expenses and debris removal are usually based on a percentage of the limit for the dwelling. If your dwelling limit is too low, these coverage limits may also be too low.

You are encouraged to obtain a current estimate of the cost to rebuild your home from your insurance agent, broker, or insurance company or an independent appraisal from a local contractor, architect, or real estate appraiser. If you do obtain an estimate of replacement value, and wish to change your policy limits, contact your insurance company. While not a guarantee, a current estimate can help protect you against being underinsured.

DEMAND SURGE: After a widespread disaster, the cost of construction can increase dramatically as a result of the unusually high demand for contractors, building supplies and construction labor. This effect is known as demand surge. Demand surge can increase the cost of rebuilding your home. Consider increasing your coverage limits or purchasing Extended Replacement Cost coverage to prepare for this possibility.

CHANGES TO PROPERTY: Changes to your property may increase its replacement cost. These changes may include the building of additions, customizing your kitchen or bathrooms, or otherwise remodeling your home. Failure to advise your insurance company of any significant changes to your property may result in your home being underinsured.

EXCLUSIONS: Not all causes of damage are covered by common homeowners or residential fire policies. You need to read your policy to see what causes of loss or perils are not covered. Coverage for landslide is typically excluded. Some excluded perils such as earthquake or flood can be purchased as an endorsement to your policy or as a separate policy. Contact your agent, broker, or insurance company if you have a concern about any of the exclusions in your policy.

CONTENTS (PERSONAL PROPERTY) COVERAGE DISCLOSURE:

This disclosure form does not explain the types of contents coverage provided by your policy for items such as your furniture or clothing. Contents may be covered on either an actual cash value or replacement cost basis depending on the contract. Almost all policies include specific dollar limitations on certain property that is particularly valuable such as jewelry, art, or silverware. Contact your agent, broker or insurance company if you have any questions about your contents coverage. You should create a list of all personal property in and around your home. Pictures and video recordings also help you document your property. The list, photos, and video should be stored away from your home.

FIRE SAFETY DISCOUNTS:

Homesite offers a "Safety First Discount" for certain approved and properly maintained installations of fire protective devices. Please contact us at 1-866-960-8609 to see if you're eligible.

CONSUMER ASSISTANCE

If you have any concerns or questions, contact your agent, broker, or insurance company. You are also encouraged to contact the California Department of Insurance consumer information line at (800) 927-HELP (4357) or at www.insurance.ca.gov for free insurance assistance.

*Some endorsements revise your loss settlement provisions and provide Actual Cash Value for certain building structures and only for certain perils. Please refer to your declarations page and endorsements for the coverage provided.

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Policy Contract Pack

Important Information about your Progressive Home Advantage policy

**Thank you for choosing
Progressive Home
Advantage**

You have selected Homeowners Special Form.

**The following State Amendatory Endorsements may modify your contract.
Please review the information in this package carefully.**

**If you have any questions regarding the information contained in this package, please
call us at 1-866-960-8609.**

HOMEOWNERS 3 – SPECIAL FORM

AGREEMENT

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

DEFINITIONS

A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

B. In addition, certain words and phrases are defined as follows:

1. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean 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 of any person involving such vehicle or craft by an "insured"; or
- (5)** Vicarious liability, whether or not imposed by law, for the actions of a child or 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, flarecraft and air cushion vehicles;
- (3)** Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and

(4) Motor vehicle means a "motor vehicle" as defined in **7.** below.

2. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.

3. "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 money or other compensation, except the following:

(1) One or more activities, not described in **(2)** through **(4)** below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;

(2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

(3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

(4) The rendering of home day care services to a relative of an "insured".

4. "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".

5. "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 your care or the care of a resident of your household who is your relative;

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 resident of your household who is your relative; or

c. Under Section II:

- (1)** With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person described in **5.a.** or **b.** "Insured" does not mean a person or organization using or having custody of these animals or watercraft 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)** Persons while engaged in your employ or that of any person described in **5.a.** or **b.**; or
 - (b)** Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

6. "Insured location" means:

- a.** The "residence premises";
- b.** The part of other premises, other structures and grounds used by you as a residence; and
 - (1)** Which is shown in the Declarations; or
 - (2)** Which is acquired by you during the policy period for your use as a residence;
- c.** Any premises used by you in connection with a premises described in **a.** and **b.** above;
- d.** Any part of a premises:
 - (1)** Not owned by an "insured"; and
 - (2)** Where an "insured" is temporarily residing;
- e.** Vacant land, other than farm land, owned by or rented to an "insured";

f. Land owned by or rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured";

- g.** Individual or family cemetery plots or burial vaults of an "insured"; or
- h.** Any part of a premises occasionally rented to an "insured" for other than "business" use.

7. "Motor vehicle" means:

- a.** A self-propelled land or amphibious vehicle; or
- b.** Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.

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

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

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

10. "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 similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

11. "Residence premises" means:

- a.** The one-family dwelling where you reside;
- b.** The two-, three- or four-family dwelling where you reside in at least one of the family units; or
- c.** That part of any other building where you reside;

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

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

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:
 - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
 - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

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 land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures from which any "business" is conducted; or
 - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage **A**. Use of this coverage does not reduce the Coverage **A** limit of liability.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property owned 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:

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

2. Limit For Property At Other Locations

a. 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 Coverage **C**, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
 - (a) Being repaired, renovated or rebuilt; and
 - (b) Not fit to live in or store property in; or
- (2) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility is 10% of the limit of liability for Coverage **C**, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
 - (a) Being repaired, renovated or rebuilt; and
 - (b) Not fit to live in or store property in; or
- (2) Usually located in an "insured's" residence, other than the "residence premises".

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 Coverage C limit of liability.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, 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, personal 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.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of 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.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- j. \$1,500 on portable electronic equipment that:
 - (1) Reproduces, receives or transmits audio, visual or data signals;

- (2) Is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and

- (3) Is in or upon a "motor vehicle".

- k. \$250 for antennas, tapes, wires, records, disks or other media that are:

- (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and

- (2) In or upon a "motor vehicle".

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".

This includes a "motor vehicle's" equipment and parts. However, this Paragraph 4.c. does not apply to:

- (1) Portable electronic equipment that:

- (a) Reproduces, receives or transmits audio, visual or data signals; and

- (b) Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.

- (2) "Motor vehicles" not required to be registered for use on public roads or property which are:

- (a) Used solely to service a residence; or

- (b) Designed to assist the handicapped;

- d. 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;

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

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

- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in **E.10. Landlord's Furnishings** under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;
- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages; or
- k. Water or steam.

D. Coverage D – Loss Of Use

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

1. Additional Living Expense

If a loss covered under Section I 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 the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under Section I 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 for the shortest time required to repair or replace such premises.

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, 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** above are not limited by expiration of this policy.

E. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of:

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

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

b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

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

provided the trees:

- (3) Damage a covered structure; or
- (4) Do not damage a covered structure, but:
 - (a) Block a driveway on the "residence premises" which prevents a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or

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

The \$1,000 limit is the most we will pay in any one loss, regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- 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 **C.4.** under Section I – Conditions.

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- 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 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

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

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

5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

- a. We will pay up to \$500 for:
 - (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
 - (2) Loss resulting from theft or unauthorized use of 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.

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

- 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 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 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.

7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage **A**, other than:
 - (1) Earthquake; or
 - (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph **Q.** Policy Period under Section **I** – Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- c. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by one or more of the following:
 - (1) The Perils Insured Against named under Coverage **C**;
 - (2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
 - (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or

(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- e. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **d.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

9. Glass Or Safety Glazing Material

a. We cover:

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

b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 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 vacant.

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

10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage **C**, other than Theft.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

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

11. Ordinance Or Law

a. You may use up to 10% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

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

b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from 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 building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

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

This coverage is additional insurance.

12. Grave Markers

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Peril Insured Against under Coverage C.

This coverage does not increase the limits of liability that apply to the damaged covered property.

SECTION I – PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures

1. We insure against direct physical loss to property described in Coverages A and B.
2. We do not insure, however, for loss:
 - a. Excluded under Section I – Exclusions;
 - b. Involving collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;

except as provided in E.8. Collapse under Section I – Property Coverages; or

c. Caused by:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This 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;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) 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; or
 - (d) Pier, wharf or dock;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) 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 vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
 - (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or
 - (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

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; or

(6) 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, or dry rot;
- (d)** Smoke from agricultural smudging or industrial operations;
- (e)** Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage **C**.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (f)** Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
- (g)** Birds, rodents or insects;
- (h)** Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or
- (i)** Animals owned or kept by an "insured".

Exception To c.(6)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage **A** or **B** resulting from an accidental discharge or overflow of water or steam from within a:

- (i)** Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

- (ii)** Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

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

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.

Section I – Exclusion A.3. Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under **c.(5)** and **(6)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in Coverage **C** caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

1. Fire Or Lightning

2. Windstorm Or Hail

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

This peril does not include loss to the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

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

8. Vandalism Or Malicious Mischief

9. 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) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling 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, semitrailers and campers;
 - (b) Watercraft of all types, and their furnishings, equipment and outboard 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 90 days immediately before the loss.

10. 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.

11. Weight Of Ice, Snow Or Sleet

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

12. Accidental Discharge Or Overflow Of Water Or Steam

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 Peril Insured Against **14. Freezing**;
- (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
- (4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

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.

d. Section **I – Exclusion A.3. Water**, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

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.

14. Freezing

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of 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.

15. 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.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

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.

1. Ordinance Or Law

Ordinance Or Law 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 **E.11. Ordinance Or Law** under Section I – Property 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.

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

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

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting.

This Exclusion **A.2.** applies regardless of whether any of the above, in **A.2.a.** through **A.2.d.**, is caused by an act of nature or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.2.a.** through **A.2.d.**, is covered.

3. Water

This means:

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

This Exclusion **A.3.** applies regardless of whether any of the above, in **A.3.a.** through **A.3.d.**, is caused by an act of nature or is otherwise caused.

This Exclusion **A.3.** applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.3.a.** through **A.3.d.**, is covered.

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 loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

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.

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 **N.** Nuclear Hazard Clause under Section **I – Conditions.**

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.

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 described in Coverage **A,** **B** or **C** 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.

B. We do not insure for loss to property described in Coverages **A** and **B** caused by any of the following. However, any ensuing loss to property described in Coverages **A** and **B** not 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, siting;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation or remodeling; or
 - d. Maintenance;of part or all of any property whether on or off the "residence premises".

SECTION I – CONDITIONS

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 loss:

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. Deductible

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

With respect to any one loss:

1. Subject to the applicable limit of liability, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.
2. If two or more deductibles under this policy apply to the loss, only the highest deductible amount will apply.

C. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is 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 in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under **Section I – Property Coverages**;
4. Protect the property from further damage. If repairs to the property are required, you must:
 - a. Make reasonable and necessary repairs to protect the property; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. 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 examination under oath, while not in the presence of another "insured", and sign the same;
8. 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 personal property described in **6.** above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under **Section I – Property Coverages**, stating the amount and cause of loss.

D. Loss Settlement

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.11. Ordinance Or Law** under **Section I – Property Coverages**. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in **(2)** above is limited to the cost which would have been incurred if the building had been built at the original premises.

b. If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (1)** The actual cash value of that part of the building damaged; or
- (2)** That proportion of the cost to repair or replace, without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1)** Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2)** Those supports described in **(1)** above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3)** Underground flues, pipes, wiring and drains.

d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **2.a.** and **b.** above.

However, if the cost to repair or replace the damage is both:

- (1)** Less than 5% of the amount of insurance in this policy on the building; and
- (2)** Less than \$2,500;

we will settle the loss as noted in **2.a.** and **b.** above whether or not actual repair or replacement is complete.

e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition **D. Loss Settlement**, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

E. Loss To A Pair Or Set

In case of 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.

F. 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. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

G. 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.

H. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within two years after the date of loss.

I. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. 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.

K. Abandonment Of Property

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

L. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage **A** or **B** 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 **F.** Appraisal, **H.** Suit Against Us and **J.** Loss Payment under Section **I** – Conditions 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 nonrenewal 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.

M. 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.

N. 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 Section **I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

O. 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.

P. Volcanic Eruption Period

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

Q. Policy Period

This policy applies only to loss which occurs during the policy period.

R. Concealment Or Fraud

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" 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.

S. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, 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.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

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

1. Pay up to our limit of liability for the damages for which 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 and settle any claim or suit that 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.

B. Coverage F – Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or

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

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages **E** and **F** 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"; or
 - 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; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
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 a residence;
 - 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. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or

- (2) Owned by an "insured" provided the "occurrence" takes place:
 - (a) On an "insured location" as defined in Definition **B.6.a., b., d., e. or h.**; or
 - (b) Off an "insured location" and the "motor vehicle" is:
 - (i) Designed as a toy vehicle for use by children under seven years of age;
 - (ii) Powered by one or more batteries; and
 - (iii) Not built or modified after manufacture to exceed a speed of five miles per hour on level ground;
- e. A motorized golf cart that is owned by an "insured", designed to carry up to four 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:
 - (1) A golfing facility and 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; or
 - (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

1. Coverages **E** and **F** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or

d. Used for any "business" purpose.

2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:

- a. Is stored;
- b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
- c. Is not a sailing vessel and is powered by:
 - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
 - (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or
 - (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - (i) You declare them at policy inception; or
 - (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in **(c)** and **(d)** above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Coverages **E** and **F** do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by 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 or property than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" or "property damage" 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 or holding for rental of an "insured location";
 - (a) On an occasional basis if used only as a residence;
 - (b) In part for use only as a residence, unless a single-family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or
 - (c) In part, as an office, school, studio or private garage; and
 - (2) 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;

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" which arises out of the transmission of a communicable disease by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or

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. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional.

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. Coverage E – Personal Liability

Coverage E does not apply to:

1. Liability:
 - a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D. Loss Assessment under Section II – Additional Coverages**;
 - b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence";
unless excluded in a. above or elsewhere in this policy;
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" for which an "insured" under this policy:
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada;or any of their successors; or

b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or

6. "Bodily injury" to you or an "insured" as defined under Definition 5.a. or b.

This exclusion also applies to any claim made or suit brought against you or an "insured" to:

a. Repay; or

b. Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

Coverage F 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", regularly residing on any part of the "insured location".

SECTION II – ADDITIONAL COVERAGES

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

A. Claim Expenses

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

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".
2. We will not pay for "property damage":
 - a. To the extent of any amount recoverable under Section I;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;
 - c. To property owned by an "insured";
 - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, 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 designed for recreational use off public roads;
 - (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.

D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
 - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II – CONDITIONS

A. Limit Of Liability

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

Our total liability under Coverage F for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage F Limit Of Liability shown in the Declarations.

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".

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 your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown 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 in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - 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. With respect to C. Damage To Property Of Others under Section II – Additional Coverages, submit to us within 60 days after the loss a sworn statement of loss and show the damaged property, if in an "insured's" control;
6. No "insured" shall, 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 – Coverage F – Medical Payments To Others

1. The injured person or someone acting for the injured person will:
 - a. Give us written proof of claim, under oath if required, as soon as is practical; and
 - b. Authorize us to obtain copies of medical reports and records.
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 – Coverage F – Medical Payments To Others

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

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. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

We do not provide coverage to an "insured" who, 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.

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this policy; or
2. An amendatory endorsement.

B. 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.

C. 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 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.

D. 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.

E. Assignment

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

F. 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 Coverage F or Paragraph C. Damage To Property Of Others under Section II – Additional Coverages.

G. 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – CALIFORNIA

NOTICES

Throughout this policy, the term spouse includes an individual registered under California Law as a domestic partner with the "named insured" shown in the Declarations.

The following is added to any provision which uses the term actual cash value:

Actual cash value for a partial loss to a building or structure covered under Coverage **A** or **B**, or a total or partial loss to contents covered under Coverage **C**, is calculated as the lesser of the policy limit or the amount it would cost to repair or replace covered property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for depreciation. Depreciation is applicable to the cost of labor unless specifically prohibited by law.

In the event of a total loss to a building or structure covered under Coverage **A** or **B**, actual cash value is calculated as the lesser of the following:

1. The policy limit applicable to that building or structure; or
2. The fair market value of the building or structure.

AGREEMENT is replaced by the following:

In reliance on the information you have given us, we agree to provide the insurance coverages indicated on the policy Declarations. In return, you must pay the premium when due and comply with the policy terms and conditions and immediately inform us of any change of title, use or occupancy of the "residence premises." It is a condition of this policy that you must occupy the "residence premises" within 60 days of the inception date of the policy.

If your initial premium payment is by check, draft, electronic funds transfer, or similar form of remittance, coverage under this policy is conditioned on payment to us by the financial institution. If the financial institution upon presentment does not honor the check, draft, electronic funds transfer, or similar form of remittance, this policy may, at our option, be deemed void from its inception. This means we will not be liable under this policy for any claims or damages that would otherwise be covered if the check, draft, electronic funds transfer, or similar form of remittance had been honored by the financial institution. Any action by us to present the remittance for payment more than once shall not affect our right to void this policy.

DEFINITIONS

Paragraph **B.3.** "Business" is replaced by the following:

3. "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 money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4) The rendering of home day care services to a relative of an "insured";
- c. The lease of land, buildings, structures or personal property; or
- d. Any activity or process involving the extraction of gas, oil, minerals or any other substance from the land.

The following definition is added:

"Wildfire" means a fire predominately fueled by timber, scrub, brush, grass, or any other type of vegetation. **SECTION I – PROPERTY COVERAGES**

A. COVERAGE A – DWELLING

In Form **HO 00 03**, the following is added:

3. If a state of emergency under California Law is declared, you may combine the policy limits for Coverage **A** and Coverage **B**, for any of the covered expenses reasonably necessary to rebuild or replace the damaged or destroyed dwelling, if the Coverage **A** policy limits to rebuild or replace the dwelling are insufficient. This provision does not increase the limit of liability that applies to Coverage **B**. Claims payments for other structures in excess of the amount applied towards the necessary cost to rebuild or replace the damaged or destroyed dwelling shall be paid according to the terms of the Policy.

D. Coverage D – Loss Of Use

1. Additional Living Expense

The following paragraph is added:

However, if a state of emergency under California Law is declared, payment will be for a period no less than:

- a. The time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere; or
- b. 24 months from the date of loss; whichever is shorter.

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the home or residence that are beyond your control, we shall provide an additional extension of 12 months. Circumstances beyond your control include, but are not limited to:

- a. Unavoidable construction permit delays;
- b. The lack of necessary construction materials; or
- c. The unavailability of contractors to perform the necessary work.

We shall provide one or more additional extensions of six months for good cause.

(This is Paragraph **B.1.** in Form **HO 00 04** and Paragraph **C.1.** in Form **HO 00 06.**)

E. Additional Coverages

11. Ordinance Or Law

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, the following provision is added to Paragraph **a.**:

If a total loss has occurred and:

- (1) The dwelling or other structure is rebuilt at a new premises; or
- (2) You purchase an existing dwelling or other structure at a new premises;

we will pay the increased costs, subject to the limit in **a.** above, you would have incurred due to the enforcement of any ordinance or law had you repaired, rebuilt or replaced the dwelling or other structure at the original premises.

SECTION I – PERILS INSURED AGAINST

Exception to c.(6) is replaced by the following:

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from an accidental discharge or overflow of water or steam from within a:

- (i) Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

- (ii) Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises". We do not cover loss to the system or appliance from which this water or steam escaped.

If the damage is a result of constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor, over a period of 14 or more days, from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance, we will not pay for any damages sustained starting from the first day the constant or repeated seepage or leakage of water or steam or the presence or condensation of humidity, moisture or vapor began unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

SECTION I – EXCLUSIONS

8. Intentional Loss

The following paragraph is added:

This exclusion does not apply, with respect to loss to covered property caused by fire, to an "insured" who does not commit or conspire to commit any act that results in loss by fire. We cover such "insured" only to the extent of that "insured's" legal interest, but not exceeding the applicable limit of liability.

We may apply reasonable standards of proof to claims for such loss.

(This is Exclusion **A.8.** in Forms **HO 00 03** and **HO 00 05.**)

The following exclusions are added to paragraph **A.** of Section **I** – Exclusions.

10. "Wildfire" meaning loss occurring within 72 hours of the inception of this policy which is caused directly or indirectly by "wildfire" if the "wildfire" started prior to the inception of this policy.

This includes, but is not limited to, damage from ensuing smoke or the discharge of fire-protective sprinklers, which results from a "wildfire".

This exclusion does not apply if:

- a. you had another policy that expired immediately before the start of this policy and there was no break or change in the level or type of coverage; or
- b. you were scheduled to move into or take ownership of the premises, due to a signed purchase or lease agreement for the premises, on the same day this policy with us started.

SECTION I – CONDITIONS

C. Duties After Loss

Paragraph 1. Is replaced by the following:

Give prompt notice to us or our agent of any loss without unnecessary delay, except that a loss must be reported to us or our agent within 365 days of the occurrence of the loss.

D. Loss Settlement

Paragraph 2.a. is replaced by the following:

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**,

Paragraph 2.a. is replaced by the following:

- a. If, at the time of loss, the amount of insurance in this Policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this Policy that applies to the building;
- (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
- (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred, including any increased costs you would have incurred due to the enforcement of any ordinance or law, if the building had been built at the original premises.

Paragraph 2.e. is replaced by the following:

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, Paragraph 2.e. is replaced by the following:

- e. We must be notified that you intend to repair or replace the damaged property within:
- (1) 36 months after our payment for actual cash value if the loss or damage relates to a state of emergency under California Law; or
 - (2) 12 months after our payment for actual cash value in all other cases;

If you, acting in good faith and with reasonable diligence, encounter a delay or delays in approval for, or reconstruction of, the home or residence that are beyond your control, we shall provide one or more additional extensions of six months for good cause. Circumstances beyond your control include, but are not limited to:

- (1) Unavoidable construction permit delays;
- (2) The lack of necessary construction materials; or
- (3) The unavailability of contractors to perform the necessary work.

In Form **HO 00 08**, Paragraph 2.a. is replaced by the following:

- a. If you repair or replace the loss to restore the building structure for the same occupancy and use at the same site within:

- (1) 36 months of the date of the loss if the loss or damage relates to a state of emergency under California Law; or
- (2) 12 months of the date of the loss in all other cases;

we will pay the lesser of the following amounts:

- (3) The limit of liability that applies to the damaged or destroyed building structure; or
- (4) The necessary amount actually spent to repair or replace the loss to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.

Paragraph **F. Appraisal** is replaced by the following:

F. Appraisal

If you and we fail to agree on the actual cash value or the amount of loss, then either party may make a written request for an appraisal. However, in the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled. In this event, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. Where the request is accepted, the two appraisers will select a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will appraise the loss, stating separately the actual cash value and loss to each item. If they fail to agree, they will submit their differences to the umpire. An award in writing, agreed to by any two, will set the amount of actual cash value and loss.

Each party will:

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

Paragraph **H. Suit Against Us** is replaced by the following:

H. Suit Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Section **I** of this policy and the action is started within one year after the date of loss.

In the event the loss or damage relates to a state of emergency under California law, no action can be brought against us unless there has been full compliance with all of the terms under Section **I** of this policy and the action is started within two years after the date of loss.

Paragraph **J. Loss Payment** is replaced by the following:

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

1. 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.

Paragraph **R. Concealment Or Fraud** is replaced by the following:

R. Concealment Or Fraud

1. With respect to loss caused by fire, we do not provide coverage to the "insured" who has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements; relating to this insurance.
2. With respect to loss caused by a peril other than fire, we provide coverage to no "insureds" under this policy, if, whether before or after a loss, an "insured" has:
 - a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements; relating to this insurance.

(This is Condition **Q.** in Form **HO 00 04.**)

SECTION II – EXCLUSIONS

Paragraphs **E.9. Criminal Acts** and **E.10. Intentional and Malicious Acts** are added:

9. Criminal Acts

"Bodily injury" or "property damage" arising out of or in connection with a criminal act of any "insured".

10. Intentional and Malicious Acts

"Bodily injury" or "property damage" arising out an intentional and malicious act by or at the direction of any "insured".

F. Coverage E – Personal Liability

Paragraph **F.1.c.** is added:

- c. Arising out of any written or oral statement made by you or others on your behalf which is material to the sale of any property.

SECTIONS I AND II – CONDITIONS

Paragraph **C. Cancellation** is replaced by the following:

C. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing or verbally 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, except as provided below, by letting you know at least 20 days before the date cancellation takes effect.

We may not cancel this policy solely because:

- (1) You accepted an offer of earthquake coverage;
- (2) Corrosive soil conditions exist on the "residence premises". This Provision (2) applies only if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:
 - (a) Homeowners 3 – Special Form;
 - (b) Homeowners 5 – Comprehensive Form;
 - (c) Special Personal Property Coverage Endorsement;

(d) Unit-owners Coverage A
Endorsement; or

(e) Unit-owners Coverage C
Endorsement; or

- (3) You cancelled or did not renew an earthquake policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we may cancel this policy if you have accepted a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA; or

- (4) The property is located in any ZIP Code within or adjacent to a fire perimeter, where a wildfire has occurred, for one year, beginning from the date a state of emergency is declared as defined in Section 8558 of the Government Code.

However, in the event of a total loss to the "residence premises", we will not cancel while any structure at that location is being rebuilt except for the reasons stated in Paragraphs 2.a. and 2.c. of this Condition C. Cancellation.

- 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 only cancel for one or more of the following reasons:

(1) Conviction of the named insured of a crime having as one of its necessary elements an act increasing any hazard insured against;

(2) Discovery of fraud or material misrepresentation by:

(a) Any "insured" or his or her representative in obtaining this insurance; or

(b) The named "insured" or his or her representative in pursuing a claim under this policy;

(3) Discovery of grossly negligent acts or omissions by any "insured" or his or her representative substantially increasing any of the hazards insured against;

(4) Physical changes in the property insured against which result in the property becoming uninsurable; or

(5) Nonpayment of premium, including nonpayment of any additional premiums, calculated in accordance with the current rating manual of the insurer, justified by a physical change in the insured property or a change in its occupancy or use.

However, we may not cancel this policy solely because:

(a) Physical changes occur due to a total loss; or

(b) Corrosive soil conditions exist on the "residence premises" if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:

(i) Homeowners 3 – Special Form;

(ii) Homeowners 5 – Comprehensive Form;

(iii) Special Personal Property Coverage Endorsement;

(iv) Unit-owners Coverage A Endorsement; or

(v) Unit-owners Coverage C Endorsement; or

- (5) Acceptance of a new or renewal policy issued by the CEA that included an earthquake policy premium surcharge, but you failed to pay the earthquake policy premium surcharge authorized by the CEA.

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

- d. When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 45 days before the date cancellation takes effect.

3. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata. However, the return premium may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.

4. If, when we cancel this policy, the return premium is not refunded with the notice of cancellation, we will refund it within 25 days after we send the cancellation notice to you. If, when you cancel this policy, the return premium is not refunded when this policy is returned to us, we will refund it within 25 days of the date when we receive your notice of cancellation.

Paragraph D. Nonrenewal is replaced by the following:

D. Nonrenewal

1. We may elect not to renew this policy, subject to the provisions of 2. below. We may do so by delivering to you, at your mailing address shown in the Declarations, written notice at least 75 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

If we fail to give you notice of nonrenewal at least 75 days prior to the policy expiration, as required in the paragraph above, this Policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to you. A notice to this effect shall be provided by us to you with the notice of nonrenewal.

2. We will not refuse to renew this policy:
 - a. Solely because you accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew this policy after you have accepted an offer of earthquake coverage if one or more of the following reasons apply:

 - (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
 - (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or
 - (3) We have:
 - (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
 - (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; andthe Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.
 - b. Solely because you cancelled or did not renew an earthquake policy, issued by the CEA, that included an earthquake policy premium surcharge;

- c. Solely because corrosive soil conditions exist on the "residence premises". This Provision c. applies only if this policy includes one or more of the following, which exclude loss caused by corrosive soil conditions:
 - (1) Homeowners 3 – Special Form;
 - (2) Homeowners 5 – Comprehensive Form;
 - (3) Special Personal Property Coverage Endorsement;
 - (4) Unit-owners Coverage A Endorsement; or
 - (5) Unit-owners Coverage C Endorsement; or
- d. Solely on the grounds that a claim is pending under the policy unless such claim is made under coverage for loss caused by an earthquake; or
- e. Solely on the basis of an "insured's" age; or
- f. Solely because the property is located in any ZIP Code within or adjacent to a fire perimeter, where a wildfire has occurred, for one year, beginning from the date a state of emergency is declared as defined in Section 8558 of the Government Code.

3. If this policy is written for a period of less than one year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.
4. If a state of emergency under California Law is declared and the dwelling or other structure is located in any ZIP Code within or adjacent to the fire perimeter, as determined by California Law, we may not nonrenew this Policy for one year, beginning from the date the state of emergency is declared, solely because the dwelling or other structure is located in an area in which a wildfire has occurred.

However, we may nonrenew:

- a. If willful or grossly negligent acts or omissions by the named insured, or his or her representatives, are discovered that materially increase any of the risks insured against;
- b. If losses unrelated to the post-disaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal; or
- c. If there are physical changes in the property insured against, beyond the catastrophe-damaged condition of the structures and surface landscape, which result in the property becoming uninsurable.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DIMINISHING DEDUCTIBLE CREDIT

SECTION I - CONDITIONS

B. Deductible

The following provision is added to the policy:

You will receive a credit of \$300 that will be applied to reduce any applicable deductible for a covered loss if:

- a. you have been continuously insured with us under the homeowners policy number listed above for the three consecutive 12-month policy periods immediately preceding the policy effective date stated in the most recent renewal Declarations;
- b. you have not had any paid losses during the three consecutive 12-month policy periods immediately preceding the policy effective date stated in the most recent renewal Declarations; and

- c. you have remained continuously insured with us and have not had any paid losses since the policy effective date stated in the most recent renewal Declarations.

The deductible credit will increase to \$400 after your fourth consecutive policy period without a paid loss, and to \$500 after your fifth consecutive policy period without a paid loss. The deductible credit will not exceed \$500.

The time period required to qualify for the Deductible Credit starts over when a loss is covered under this policy.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ANIMAL LIABILITY EXCLUSION ENDORSEMENT

SECTION II – LIABILITY COVERAGES

B. Coverage F – Medical Payments To Others

Paragraph 2.d. is deleted:

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

The following exclusion is added:

Coverages **E** and **F** do not apply to the following:

Animal Liability

"Bodily injury" or "property damage" caused directly or indirectly, whether in whole or in part, by any animal, regardless of whether the injury or damage occurs on or off the "residence premises" or any other location.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POOL LIABILITY EXCLUSION ENDORSEMENT

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

The following exclusion is added:

Coverage **E** and **F** do not apply to the following:

Pool Liability

“Bodily injury” or “property damage” arising out of the ownership, rental or use of any pool of any size or capacity, whether on or off the “residence premises” or any other location.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

SCHEDULE

These limits of liability apply to the total of all loss or costs payable under this endorsement, regardless of the number of "occurrences", the number of claims made, or the number of locations insured under this endorsement and listed in this Schedule.		
1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$2,500
2.	Section II – Coverage E Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria	\$25,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

DEFINITIONS

The following definition is added:

"Fungi"

- a. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

Paragraph **10.k.(2)(d)** is deleted in Form **HO 00 05** only.

The following Additional Coverage is added:

13. "Fungi", Wet Or Dry Rot, Or Bacteria

- a. The amount shown in the Schedule above is the most we will pay for:
 - (1) The total of all loss payable under Section I – Property Coverages caused by "fungi", wet or dry rot, or bacteria;
 - (2) The cost to remove "fungi", wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
 - (3) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", wet or dry rot, or bacteria; and

- (4) The cost of testing of air or property to confirm the absence, presence or level of "fungi", wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of "fungi", wet or dry rot, or bacteria.

- b. The coverage described in **13.a.** only applies when such loss or costs are a result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at and after the time the Peril Insured Against occurred.
- c. The amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage regardless of the:
 - (1) Number of locations insured under this endorsement; or
 - (2) Number of claims made.
- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

SECTION I – PERILS INSURED AGAINST

In Form **HO 00 03**:

A. Coverage A – Dwelling And Coverage B – Other Structures

Paragraph **2.c.(5)** is replaced by the following:

- (5) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

Paragraph **2.c.(6)(c)** is replaced by the following:

- (c) Smog, rust or other corrosion;

B. Coverage C – Personal Property

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph **b.(4)** is replaced by the following:

- (4) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

In Form **HO 00 05**:

A. Under Coverages A, B and C:

Paragraph **2.d.** is replaced by the following:

- d. Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

Paragraph **2.e.(3)** is replaced by the following:

- (3) Smog, rust or other corrosion;

SECTION I – EXCLUSIONS

Exclusion **A.10.** is added:

10. "Fungi", Wet Or Dry Rot, Or Bacteria

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria.

This exclusion does not apply:

- When "fungi", wet or dry rot, or bacteria results from fire or lightning; or
- To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

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

SECTION I – CONDITIONS

Condition **Q. Policy Period** is replaced by the following:

Q. Policy Period

This policy applies to loss or costs which occur during the policy period.

SECTION II – CONDITIONS

Condition **A. Limit Of Liability** is replaced by the following:

A. Limit Of Liability

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

Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** Limit Of Liability shown in the Declarations.

However, our total liability under Coverage **E** for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section **II** – Coverage **E** Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria. That sublimit is the amount shown in the Schedule. This is the most we will pay regardless of the:

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

This sublimit is within, but does not increase, the Coverage **E** limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

With respect to damages arising out of "fungi", wet or dry rot, or bacteria described in Condition **A. Limit Of Liability** of this endorsement, Condition **B. Severability Of Insurance** is replaced by the following:

B. Severability Of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section **II** – Conditions, **A. Limit Of Liability**. This condition will not increase the limit of liability for this coverage.

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WORKERS COMPENSATION RESIDENCE EMPLOYEES – CALIFORNIA

A. Agreement

We agree, with respect to "residence employees":

UNDER COVERAGE I

To pay when due all benefits required of an "insured" by the California Workers' Compensation Law; and

UNDER COVERAGE II

To pay on behalf of an "insured" all damages for which the "insured" is legally liable because of "bodily injury" sustained by a "residence employee". The "bodily injury" must be caused by accident or disease and arise out of and in the course of employment by the "insured" while:

1. In the United States of America, its territories or possessions, or Canada, or
2. Temporarily elsewhere if the "residence employee" is a citizen or resident of the United States or Canada.

Coverage II does not apply to any suit brought in or judgment rendered by any court outside the United States of America, its territories and possessions, or Canada, or to any action on such judgment.

B. Who Is Covered

A "residence employee" is covered if during the 90 calendar days immediately before the date of injury the employee has:

- a. Actually been engaged in such employment by the "insured" for no less than 52 hours, and
- b. Earned no less than one hundred dollars (\$100) in wages.

C. Application Of Coverage

This insurance applies only to "bodily injury" which occurs during the policy period. If the "bodily injury" is a disease, it must be caused or aggravated by the conditions of the "residence employee's" employment by the "insured".

D. Policy Provisions

This insurance is subject to all the provisions of this endorsement and the following provisions of this policy:

1. Under Sections I and II – Conditions:

- B. Waiver Or Change Of Policy Provisions
- C. Cancellation
- E. Assignment
- F. Subrogation

2. Under Section II – Conditions:

- C. Duties After "Occurrence"
- F. Suit Against Us

3. Under Section II – Liability Coverages, our agreement to defend an "insured" as provided under A. Coverage E – Personal Liability.

4. Under Section II – Additional Coverages:

- A. Claim Expenses.
- B. First Aid Expenses.

5. The definitions of "bodily injury", "business", "insured" and "residence employee".

E. Additional Provisions Applicable To Coverage I

The following provisions are applicable to Coverage I:

1. We shall be directly and primarily liable to any "residence employee" of an "insured" entitled to the benefits of the California Workers' Compensation Law.
2. As between the "residence employee" and us, notice to or knowledge of the "occurrence" of the injury on the part of an "insured" will be deemed notice or knowledge on our part.
3. The jurisdiction of an "insured" will, for the purpose of the law imposing liability for compensation, be our jurisdiction.

4. We will be subject to the orders, findings, decisions or awards rendered against an "insured", under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of this policy. This policy shall govern as between an "insured" and us as to payments by either in discharge or an "insured's" liability for compensation.
5. The "residence employee" has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the "residence employee", we will pay it directly to the "residence employee". Your obligation to the "residence employee" will be discharged to the extent of such payment.

F. Limits Of Liability Coverage II

Our total limit of liability will not exceed \$100,000 for all damages because of "bodily injury":

1. Sustained by one or more "residence employees" in any one accident; or
2. Caused by disease and sustained by a "residence employee".

Our total limit of liability will not exceed \$500,000 for all damages arising out of "bodily injury" by disease regardless of the number of "residence employees" who sustain "bodily injury" by disease.

G. Other Insurance

This insurance does not apply to any loss to which other valid and collectible Workers' Compensation or Employers' Liability Insurance applies.

H. Conformity To Statute

Terms of this insurance which are in conflict with the California Workers' Compensation Law are amended to conform to that law.

I. Exclusions

This policy does not apply:

1. To liability for additional compensation imposed on an "insured" under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of the serious and willful misconduct of an "insured", or because of "bodily injury" to an employee under 16 years of age and illegally employed at the time of injury;
2. To liability for "bodily injury" arising out of "business" pursuits of an "insured".
3. Under Coverage II:
 - a. To liability assumed by the "insured" under any contract or agreement.
 - b. To "bodily injury" by disease unless a written claim is made or suit brought against the "insured" within 36 months after the end of the policy period.
 - c. To any obligation under a workers' compensation, unemployment or disability benefits law or any similar law.