Condominium Owners Policy

AVP580

Allstate Vehicle and Property Insurance Company
The Company Named in the Policy Declarations
A Stock Company---Home Office: Northbrook, Illinois 60062

Table of Contents

GENERAL

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:

(a) An aircraft, hovercraft or watercraft by any person; or

(b) A **motor vehicle** by an **insured**;

(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, except model or hobby watercraft not used or designed to carry people or cargo; and

(4) Motor vehicle means a **motor vehicle** as defined in **11.** 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;

b. **Home-sharing host activities**;

c. The leasing of the mineral rights of an **insured location**; or

d. 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 $5,000 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. **Cannabis** means:

a. Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

b. Paragraph **4.a.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:

(1) Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or

(2) Any compound, by-product, extract, derivative, mixture or combination, such as:

(a) Resin, oil or wax;

(b) Hash or hemp; or

(c) Infused liquid or edible **cannabis**;

whether or not derived from any plant or part of any plant set forth in Paragraph **4.b.(1)** above.

c. Paragraph **4.a.** above includes, but is not limited to, marijuana.

5. **Employee** means an employee of an **insured**, or an employee leased to an **insured** by a labor leasing firm under an agreement between an **insured** and the labor leasing firm, whose duties are other than those performed by a **residence employee**.

6. **Home-sharing host activities** means:
   - **a.** The:
     - **(1)** Rental or holding for rental; or
     - **(2)** Mutual exchange of services;

     of the **residence premises**, in whole or in part, by an **insured** to a **home-sharing occupant** through the use of a **home-sharing network platform**; and
   - **b.** Any other related property or services made available by an **insured** for use during such:
     - **(1)** Rental; or
     - **(2)** Mutual exchange of services;

     except those property or services provided by another party.

7. **Home-sharing network platform** means an online-enabled application, web site or digital network that:
   - **a.** Is used for the purpose of facilitating, for money, mutual exchange of services or other compensation, the rental of a dwelling or other structure, in whole or in part; and
   - **b.** Allows for the agreement and compensation with respect to such rental to be transacted through such online-enabled application, web site or digital network.

8. **Home-sharing occupant** means a person, other than an **insured**, who:
   - **a.** Has entered into an agreement or arranged compensation with an **insured** through the use of a **home-sharing network platform** for **home-sharing host activities**; or
   - **b.** Is accompanying or staying with a person described in Paragraph **8.a.** above under such **home-sharing host activities**.

9. **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 **9.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 **9.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**.

10. **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.

11. Motor vehicle means:
  a. A land or amphibious vehicle that is self-propelled or capable of being self-propelled; or
  b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **11.a.** above.

12. 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.

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

14. 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.

15. Residence premises means the unit where **you** reside shown as the **residence premises** in the Declarations.

C. In this Policy, the terms:
  1. Roomer;
  2. Boarder;
  3. Tenant; or
  4. Guest;

do not include a **home-sharing occupant**.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling
  1. We cover:
    a. The alterations, appliances, fixtures and improvements which are part of the building contained within the **residence premises**;
    b. Items of real property which pertain exclusively to the **residence premises**;
    c. Property which is **your** insurance responsibility under a corporation or association of property owners agreement; or
    d. Structures owned solely by **you**, other than the **residence premises**, at the location of the **residence premises**.
  2. We do not cover:
    a. Land, including land on which the **residence premises**, real property or structures are located;
    b. Structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
    c. Structures from which any **business** is conducted; or
    d. 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.

B. 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 $1,500, whichever is greater. However, this limitation does not apply to personal property:
      (1) Moved from the **residence premises** because it is:
        (a) Being remodeled, renovated or repaired; 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 $1,500, whichever is greater. However, this limitation does not apply to personal property:
      (1) Moved from the **residence premises** because it is:

(a) Being remodeled, renovated or repaired; 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. $300 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. $2,000 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. $2,000 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.

d. $2,000 on trailers or semitrailers not used with watercraft of all types.

e. $2,000 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.

f. $3,000 for loss by theft of firearms and related equipment.

g. $3,000 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. $3,000 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. $2,000 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. $300 on 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**.

l. $2,000 on model or hobby aircraft not used or designed to carry people or cargo.

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, that are in or upon the **motor vehicle**.

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:
(1) A **home-sharing occupant**;

(2) Any other person occupying the **residence premises** as a result of any **home-sharing host activities**; and

(3) Roomers, boarders and other tenants, except property of roomers and boarders related to an **insured**;

g. Property in:
(1) A space while rented or primarily held for rental to a **home-sharing occupant**; or

(2) Subject to Paragraph **g.(1)**, an apartment regularly rented or held for rental to others by an **insured**;

h. Property used primarily for **home-sharing host activities**;

i. Property rented or held for rental to others off the **residence premises**;

j. **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;

k. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds;

l. Water or steam;

m. Virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency; or

n. Any:
(1) Controlled Substances, other than **cannabis**, as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812; and

(2) **Cannabis** regardless of whether such **cannabis** is considered a Controlled Substance.

Controlled Substances include but are not limited to cocaine, LSD and all narcotic drugs.

However, this Paragraph **4.n.** does not apply to:
(3) Prescription drugs obtained following the lawful orders of a licensed health care professional; or

(4) Goods or products containing or derived from hemp, including, but not limited to:

(a) Seeds;

(b) Food;

(c) Clothing;

(d) Lotions, oils or extracts;

(e) Building materials; or

(f) Paper.

However, this Paragraph **4.n.(4)** does not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.

C. 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 by a Peril Insured Against under this Policy to covered property or the building containing the property makes the **residence premises** not fit to live in, **we** cover any necessary increase in living expenses incurred by **you** and residents of **your** household who are:
a. **Your** relatives; or

b. Other persons under the age of 21 and in **your** care or the care of a resident of **your** household who is **your** relative;

so that **your** household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damaged property or, if **your** household permanently relocates, 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.

However, **we** do not cover any fair rental value arising out of or in connection with **home-sharing host activities**.

Payment will be for the shortest time required to repair or replace the damaged property.

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.

D. 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 $3,000, for the removal from the **residence premises** of:

(1) Trees **you** solely own 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 damage a covered structure.

The $3,000 limit is the most **we** will pay in any one loss, regardless of the number of fallen trees. No more than $1,500 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.3.** under Section **I** – Conditions.

3. Trees, Shrubs And Other Plants
We cover trees, shrubs, plants or lawns, **you** solely own at the location of 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 10% of the limit of liability that applies to Coverage **C** for all trees, shrubs, plants or lawns. No more than $1,500 of this limit will be paid for any one tree, shrub or plant. **We** do not cover:

h. Property, other than **cannabis**, grown for **business** purposes; or

i. **Cannabis**, whether or not 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 increase the limit of liability that applies to the property being removed.

6. Loss Assessment

a. **We** will pay up to $2,000 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 $2,000 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.

7. 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.

8. Glass Or Safety Glazing Material

a. **We** cover:

(1) The breakage of glass or safety glazing material which is part of a building, storm door or storm window and covered under Coverage **A**;

(2) The breakage of glass or safety glazing material which is part of a building, storm door or storm window and covered under Coverage **A** 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) To the **residence premises** if the building containing the **residence premises** 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 building being constructed, remodeled, renovated or repaired is not considered vacant.

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

9. Ordinance Or Law

a. We will pay 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 property covered under Coverage **A** damaged by a Peril Insured Against;

(2) The demolition and reconstruction of the undamaged part of property covered under Coverage **A**, when that property must be totally demolished because of damage by a Peril Insured Against to another part of that property covered under Coverage **A**; or

(3) The remodeling, removal or replacement of the portion of the undamaged part of property covered under Coverage **A** necessary to complete the remodeling, repair or replacement of that part of the property covered under Coverage **A** 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 property covered under Coverage **A** 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 property covered under Coverage **A**.

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.

10. Grave Markers

We will pay up to $5,000 for grave markers, including mausoleums, away from the **residence premises** for loss caused by a Peril Insured Against.

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

SECTION I – PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverages **A** and **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 inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail 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

This peril does not include loss to a fence, driveway or walk caused by a vehicle owned or operated by a resident of the **residence premises**.

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

This peril does not include loss to property which pertains to the **residence premises**, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if:

a. The loss arises out of or results from **home-sharing host activities**; or

b. The building containing the **residence premises** has been vacant for more than 60 consecutive days immediately before the loss. A building being constructed, remodeled, renovated or repaired is not considered vacant.

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 **residence premises** under construction, or of materials and supplies for use in the construction until the **residence premises** is finished and occupied;
  - **(3)** From that part of a **residence premises** rented by an **insured** to someone other than another **insured**;
  - **(4)** That occurs away from the **residence premises** or the location of 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; or
  - **(5)** If such loss arises out of or results from **home-sharing host activities.**

10. Falling Objects
This peril does not include loss to the inside of a building or property contained in the 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 a building or property contained in a building.

This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock.

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. **We** also pay to tear out and replace any part of a building or other structure owned solely by **you** which is covered under Coverage **A** and at the location of the **residence premises**, but only when necessary to repair the system or appliance from which the water or steam escaped.

  However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building owned solely by **you** at the location of the **residence premises**.
- **b.** This peril does not include loss:
  - **(1)** To or within the **residence premises**, if the building containing the **residence premises** has been vacant for more than 60 consecutive days immediately before the loss. A building being constructed, remodeled, renovated or repaired is not considered vacant;
  - **(2)** To the system or appliance from which the water or steam escaped;
  - **(3)** Caused by or resulting from freezing except as provided in Peril Insured Against **14.** Freezing;
  - **(4)** To or within the **residence premises** caused by accidental discharge or overflow which occurs away from the building where the **residence premises** is located; or
  - **(5)** 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 **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.

This peril does not include loss caused by or resulting from freezing except as provided in Peril Insured Against **14.** Freezing below.

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 **residence premises** 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

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 **1.a.** does not apply to the amount of coverage that may be provided for in **D.9.** 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 **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 **2.** applies regardless of whether any of the above, in **2.a.** through **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 **2.a.** through **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 **3.a.** through **3.c.** of this exclusion.

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

This Exclusion **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 **3.a.** through **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 **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** 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.

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, 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. 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;
4. Cooperate with **us** in the investigation of a claim;
5. 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;
6. 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;
7. 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 **5.** above; and
   - **g.** Receipts for additional living expenses incurred and records that support the fair rental value loss.

D. Loss Settlement
Covered property losses are settled as follows:

1. Personal property and 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. Coverage **A** – Dwelling:
   a. If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
   b. If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

   In this provision, the terms "repaired" or "replaced" 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 **D.9.** Ordinance Or Law under Section **I** – Property Coverages.

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

1. If a loss covered by this Policy is also covered by:
   a. Other insurance, except insurance in the name of a corporation or association of property owners, **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
   b. A service agreement, except a service agreement in the name of a corporation or association of property owners, this insurance is excess over any amounts payable under any such agreement.
2. Subject to Paragraph **G.1.**, if, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this Policy, this insurance is:
   a. Excess over the amount due under such other insurance or service agreement, whether the corporation or association of property owners has collected that amount or not; and
   b. Primary with respect to any amount of the loss covered by this Policy and not due under such other insurance or service agreement because of the application of a deductible.
3. As used in this Paragraph **G.**, a 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** 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. A riding lawn mower that, at the time of the **occurrence**, is being used to mow a lawn;

d. 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**;

e. 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.10.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;

f. 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 an **insured**; or

c. Is not a sailing vessel and is powered by one or more engines or motors, including those that power a water jet pump, totaling:

(1) 25 horsepower or less; or

(2) More than 25 horsepower; and

(a) Not owned by an **insured**; or

(b) Are outboard engines or motors owned by an **insured** who acquired such engines or motors:

(i) During the policy period; or

(ii) Before the policy period, but only if **you** declare them at policy inception or **your** intent to insure them is reported to **us** in writing within 45 days after **you** acquire them.

The coverages in **(b)** 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. With respect to other than **home-sharing host activities**, 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. A Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812; or

b. Any **cannabis** regardless of whether such **cannabis** is considered a Controlled Substance.

Controlled Substances include but are not limited to cocaine, LSD 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 **9.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:

a. A **home-sharing occupant**; or

b. 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 $5,000 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 $2,000 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 $2,000 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 or organization. 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.