

House & Home Policy

AVP218



Table of Contents

Agreements We Make With You.....	3	How We Pay For A Loss	12
General	3	Our Settlement Of Loss.....	13
Definitions Used In This Policy.....	3	Appraisal.....	13
Insuring Agreement	3	Abandoned Property.....	13
Conformity To State Statutes.....	4	Permission Granted To You	13
Coverage Changes	4	Our Rights To Recover Payment.....	13
Policy Transfer.....	4	Our Rights To Obtain Salvage	14
Continued Coverage After Your Death	4	Action Against Us.....	14
Cancellation.....	4	Loss To A Pair Or Set	14
Concealment Or Fraud	5	Glass Replacement	14
Action Against Us.....	5	No Benefit To Bailee	14
Arbitration	5	Other Insurance.....	14
Section I—Your Property	5	Property Insurance Adjustment	14
Dwelling Protection—Coverage A	5	Mortgagee.....	14
Property We Cover Under Coverage A	5	Section II—Family Liability And Guest Medical Protection	15
Property We Do Not Cover Under Coverage A	5	Family Liability Protection—Coverage X	15
Other Structures Protection—Coverage B	5	Losses We Cover Under Coverage X.....	15
Property We Cover Under Coverage B.....	5	Losses We Do Not Cover Under Coverage X.....	15
Property We Do Not Cover Under Coverage B	5	Guest Medical Protection—Coverage Y	16
Losses We Cover Under Coverages A and B.....	5	Losses We Cover Under Coverage Y	16
Losses We Do Not Cover Under Coverages A and B	5	Losses We Do Not Cover Under Coverage Y	16
Personal Property Protection—Coverage C	7	Section II Additional Protection	17
Property We Cover Under Coverage C.....	7	Claim Expenses.....	17
Limitations On Certain Personal Property	7	Emergency First Aid.....	17
Property We Do Not Cover Under Coverage C	7	Damage To Property Of Others	17
Losses We Cover Under Coverage C.....	8	Section II Conditions	18
Losses We Do Not Cover Under Coverage C	9	What You Must Do After A Loss	18
Section I Additional Protection	10	What An Injured Person Must Do—	
Additional Living Expense	10	Guest Medical Protection—Coverage Y	18
Civil, Governmental And Military Authorities	10	Our Payment Of Loss—Guest Medical Protection—Coverage Y.....	18
Debris Removal	10	Our Limits Of Liability.....	18
Emergency Removal Of Property	10	Bankruptcy	18
Fire Department Charges.....	10	Our Rights To Recover Payment—	
Temporary Repairs After A Loss.....	11	Family Liability Protection—Coverage X.....	18
Trees, Shrubs, Plants And Lawns.....	11	Action Against Us.....	18
Power Interruption	11	Other Insurance—Family Liability Protection—Coverage X.....	18
Arson Reward	11	Section III—Optional Protection	18
Land.....	11	Optional Coverages	18
Lock Replacement	11	Building Codes—Coverage BC.....	19
Section I Conditions	11	Increased Coverage On Business Property—Coverage BP	19
Deductible	11	Fire Department Charges—Coverage F	19
Insurable Interest And Our Liability.....	11	Loss Assessments—Coverage G	19
What You Must Do After A Loss	11	Extended Coverage On Jewelry, Watches And Furs—Coverage J	19
Our Settlement Options.....	12		

Agreements We Make With You

We make the following agreements with you:

General

Definitions Used In This Policy

Throughout this policy, when the following words appear in bold type, they are defined as follows:

1. **Bodily injury**—means physical harm to the body, including sickness or disease, care, loss of services and resulting death.
2. **Building structure**—means a structure with walls and a roof.
3. **Business**—means:
 - a) any trade, profession or occupation including farming, this includes the use of any part of any premises for such purposes.
 - b) the rental or holding for rental of property by an **insured person**.

If the **dwelling** on the **residence premises** is a single-family **building structure**, rental of **your residence premises** is not considered a **business** when:

- 1) the **residence premises** is rented occasionally for residential purposes;
- 2) a portion is rented to roomers or boarders, provided not more than two roomers or boarders reside on the **residence premises** at any one time; or
- 3) a portion is rented as a private garage, office, school or studio.

If the **dwelling** on the **residence premises** is a two-, three-, or four-family **building structure**, rental of the **residence premises** is not considered a **business** when:

- 1) the **residence premises** is rented occasionally for residential purposes;
- 2) a portion of the unit where **you** reside is rented to roomers or boarders, provided not more than two roomers or boarders reside in that portion at any one time;
- 3) the rental unit(s) is/are rented to tenants as a private residence; or
- 4) a portion is rented to a tenant as a private garage office, school or studio.

4. **Dwelling**—means a one-, two-, three- or four family **building structure**, identified as the insured property on the Policy Declarations, where **you** reside and which is principally used as a private residence.
5. **Insured person(s)**—means **you** and, if a resident of **your** household:
 - a) any relative; and
 - b) any person under the age of 21 in **your** care.

Under **Family Liability Protection—Coverage X** and **Guest Medical Protection—Coverage Y**, “**insured person**” also means:

- a) any person or organization legally responsible for loss caused by animals or watercraft covered by this policy which are owned by an

insured person. We do not cover any person or organization using or having custody of animals or watercraft in any **business**, or without permission of the owner.

- b) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **insured person**.
6. **Insured premises**—means:
 - a) the **residence premises**; and
 - b) under **Section II** only:
 - 1) the part of any other premises, other structures and grounds used by **you** as a residence. This includes premises, structures and grounds **you** acquire for **your** use as a private residence while this policy is in effect;
 - 2) any part of a premises not owned by an **insured person** but where an **insured person** is temporarily living;
 - 3) cemetery plots or burial vaults owned by an **insured person**;
 - 4) vacant land, other than farmland owned by or rented to an **insured person**;
 - 5) land owned by or rented to an **insured person** where a one-, two-, three- or four- family **dwelling** is being built as that person's residence;
 - 6) any premises used by an **insured person** in connection with the **residence premises**; and
 - 7) any part of a premises occasionally rented to an **insured person** for other than **business** purposes.
 7. **Occurrence**—means an accident, including continuous or repeated exposure to substantially the same general harmful conditions during the policy period, resulting in **bodily injury** or **property damage**.
 8. **Property damage**—means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.
 9. **Residence employee**—means an employee of an **insured person** while performing duties arising out of and in the course of employment in connection with the maintenance or use of **your residence premises**. This includes similar duties performed elsewhere for an **insured person**, not in connection with the **business** of an **insured person**.
 10. **Residence premises**—means the **dwelling**, other structures and land located at the address stated on the Policy Declarations.
 11. **We, us, or our**—means the company named on the Policy Declarations.
 12. **Windstorm**—means wind with or without precipitation.
 13. **You or your**—means the person listed under Named Insured(s) on the Policy Declarations as the insured and that person's resident spouse.

Insuring Agreement

In reliance on the information **you** have given **us**, **we** agree to provide the coverages indicated on the Policy Declarations. In return, **you** must pay the premium when due and comply with the policy terms and conditions.

Subject to the terms of this policy, the Policy Declarations shows the location of the **residence premises**, applicable coverages, limits of liability and premiums. The policy applies only to losses or **occurrences** that take place during the policy period. The Policy Period is shown on the Policy Declarations. This policy is not complete without the Policy Declarations.

This policy imposes joint obligations on the Named Insured(s) listed on the Policy Declarations and on that person's resident spouse. These persons are defined as **you** or **your**. This means that the responsibilities, acts and omissions of a person defined as **you** or **your** will be binding upon any other person defined as **you** or **your**.

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

Conformity To State Statutes

When the policy provisions conflict with the statutes of the state in which the **residence premises** is located, the provisions are amended to conform to such statutes.

Coverage Changes

When **we** broaden coverage during the policy period without charge, **you** have the new features if **you** have the coverage to which they apply, as of the effective date of the revision. Otherwise, the policy can be changed only by endorsement.

The coverage provided and the premium for the policy are based on information **you** have given **us**. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that if this information changes, or if this information is incorrect or incomplete, **we** may adjust **your** premium accordingly during the policy period.

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for **our** use in **your** state. The rates in effect at the beginning of **your** current policy period will be used to calculate any change in **your** premium.

Policy Transfer

You may not transfer this policy to another person without **our** written consent.

Continued Coverage After Your Death

If the deceased named insured listed on the Policy Declarations dies, the definition of "**you** or **your**" is replaced by the following:

1. the spouse of the deceased named insured listed on the Policy Declarations if the spouse was a resident of the deceased named insured's household on the date of the named insured's death.
2. **your** legal representative while acting as such, but only with respect to the **residence premises** and property covered under this policy on the date of the deceased named insured's death.

Additionally, if the named insured listed on the Policy Declarations dies, an "**insured person**" includes any member of the deceased named insured's household who was covered under this policy on the date of the named insured's death, but only while a resident of the deceased named insured's household, and any person having proper temporary custody of the deceased named insured's property until a legal representative is appointed and qualified.

Cancellation

Your Right to Cancel:

You may cancel this policy by notifying **us** that **you** wish to stop coverage.

Our Right to Cancel:

We may cancel this policy by mailing notice to **you** at the mailing address shown on the Policy Declarations. When this policy has been in effect for less than 90 days, and it is not a renewal with **us**, **we** may cancel this policy for any reason by giving **you** at least 10 days notice before the cancellation takes effect.

When the policy has been in effect for 90 days or more, or if it is a renewal with **us**, **we** may cancel this policy for one or more of the following reasons:

1. nonpayment of premium;
2. discovery of fraud or material misrepresentation;
3. willful or reckless acts or omissions increasing the probability that a peril insured against will occur as determined from a physical inspection of the **insured premises**;
4. physical changes in the covered property which result in a covered property becoming uninsurable as determined from a physical inspection of the **insured premises**; or
5. conviction of a crime arising out of acts increasing the probability that a peril insured against will occur.

If the cancellation is for nonpayment of premium, **we** will mail **you** notice at least 15 days before the cancellation effective date. If the cancellation is for any of the other reasons, **we** will mail **you** notice at least 30 days prior to the cancellation effective date.

Proof of mailing the notice of cancellation to **you** will be deemed proof of notice. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. **Your** return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

Our Right Not to Renew or Continue:

We have the right not to renew or continue the policy beyond the current policy period. If **we** do not intend to continue or renew the policy, **we** will mail **you** notice at least 30 days before the end of the policy period. Proof of mailing the notice of nonrenewal to **you** will be deemed proof of notice.

If **your** policy is issued for less than one year, **we** will not refuse to renew except as of the expiration of a policy period which coincides with the end of an annual period commencing with the original effective date of **your** policy.

Concealment Or Fraud

We may void this policy if it was obtained by material misrepresentation, fraud or concealment of material facts. If **we** determine that this policy is void, all premiums paid will be returned to **you** since there has been no coverage under this policy.

We do not cover any loss or **occurrence** in which any **insured person** has concealed or misrepresented any material fact or circumstance.

Action Against Us

No one may bring an action against **us** unless there has been full compliance with all policy terms.

Any action against **us** to which neither the **Action Against Us** provision located in **Section I Conditions** nor the **Action Against Us** provision located in **Section II Conditions** applies must be commenced within two years of the date the cause of action accrues.

If an action is brought asserting claims relating to the existence or amount of coverage, or the amount of loss for which coverage is sought, under different coverages of this policy, the claims relating to each coverage shall be treated as if they were separate actions for the purpose of the time limit to commence action.

Arbitration

Any claim or dispute in any way related to this policy, by an **insured person** against **us** or **us** against an **insured person**, may be resolved by arbitration only upon mutual consent of the parties. Arbitration pursuant to this provision shall be subject to the following:

1. no arbitrator shall have the authority to award punitive damages or attorney's fees;
2. neither of the parties shall be entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class; and
3. no arbitrator shall have the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

Any decision agreed to by the arbitrator will not be binding.

Section I—Your Property

Dwelling Protection—Coverage A

Property We Cover Under Coverage A:

1. **Your dwelling**, including attached structures. Structures connected to **your dwelling** by only a fence, utility line, or similar connection are not considered attached structures.
2. Construction materials and supplies at the address of, or adjacent to, **your residence premises** for use in connection with **your dwelling**.
3. Wall-to-wall carpeting fastened to **your dwelling**.

Property We Do Not Cover Under Coverage A:

1. Any structure, including fences, or other property covered under **Other Structures Protection—Coverage B**.
2. Land.

Other Structures Protection—Coverage B

Property We Cover Under Coverage B:

1. Structures at the address shown on the Policy Declarations separated from **your dwelling** by clear space.
2. Structures at the address shown on the Policy Declarations connected to **your dwelling** by only a fence, utility line, or similar connection.
3. Construction materials and supplies at the address of, or adjacent to, the **residence premises** for use in connection with structures other than **your dwelling**.
4. Wall-to-wall carpeting fastened to **building structures**, other than **your dwelling**, at the address shown on the Policy Declarations.

Property We Do Not Cover Under Coverage B:

1. Structures used in whole or in part for **business** purposes.
2. Any structure or other property covered under **Dwelling Protection—Coverage A**.
3. Land, no matter where located, or the replacement, rebuilding, restoration, stabilization or value of any such land.
4. Construction materials and supplies at the address of, or adjacent to, **your residence premises** for use in connection with **your dwelling**.

Losses We Cover Under Coverages A and B:

We will cover direct physical loss to property described in **Dwelling Protection—Coverage A** and **Other Structures Protection—Coverage B** except as limited or excluded in this policy.

Losses We Do Not Cover Under Coverages A and B:

- A. Under **Dwelling Protection—Coverage A** and **Other Structures Protection—Coverage B** of this policy, **we** do not cover loss caused directly or indirectly by any of the following, regardless of any other cause or event contributing concurrently or in any sequence to the loss.
 1. Flood, including, but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
 2. Water that backs up through sewers or drains.
 3. Water that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.
 4. Water below the surface of the ground. This includes water which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover direct physical loss caused by fire, explosion or theft resulting from items 1 through 4 listed above.

5. Earth movement of any type, including, but not limited to, earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover sudden and accidental direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

6. Actions taken by civil, governmental or military authorities to enforce any building codes, ordinances or laws regulating or requiring the construction, reconstruction, maintenance, replacement, repair, placement or demolition of any **building structure**, other structure or land at the **residence premises**. This provision does not apply to the replacement of damaged glass which constitutes a part of the covered **dwelling** with safety glazing material where required.

We will cover direct physical loss caused by actions of civil, governmental or military authority to prevent the spread of fire.

7. Nuclear hazard, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss which consists of nuclear hazard is not considered loss by fire, explosion or smoke.

We do cover direct physical loss by fire resulting from nuclear hazard.

8.
 - a) War, whether declared or undeclared;
 - b) warlike acts;
 - c) invasion;
 - d) insurrection;
 - e) rebellion;
 - f) revolution;
 - g) civil war;
 - h) usurped power;
 - i) destruction for a military purpose; or
 - j) action taken by civil, governmental or military authority to hinder or defend against an actual or impending enemy act.
9. The failure by any **insured person** to take all reasonable steps to save and preserve property when the property is endangered by a cause of loss **we** cover.
10. Intentional acts of or at the direction of any **insured person**, if the loss that occurs:
 - a) may be reasonably expected to result from such acts; or
 - b) is the intended result of such acts.

This exclusion does not apply to an innocent co-insured having an interest in the covered property.

- B. In addition, under **Dwelling Protection–Coverage A** and **Other Structures Protection–Coverage B** of this policy, **we** do not cover loss caused by any of the following. However, any ensuing loss to property described in **Dwelling Protection–Coverage A** and **Other Structures Protection–Coverage B** not excluded or excepted in this policy is covered:

1.
 - a) Wear and tear, marring, scratching, deterioration, inherent vice, or latent defect;
 - b) mechanical breakdown;
 - c) rust, mold, wet or dry rot;
 - d) contamination;
 - e) smog, smoke from agricultural smudging and industrial operations;
 - f) settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
 - g) insects, rodents, birds or domestic animals. **We** do cover the breakage of glass or safety glazing materials caused by birds; or
 - h) seizure, confiscation or quarantine by civil, governmental or military authority.

We will cover any loss that follows caused by fire, smoke that is not from agricultural smudging or industrial operations, explosion, collapse of a building, glass breakage, or water damage not specifically excluded by this policy.

If any of a) through g) causes the sudden and accidental escape of water or steam from a plumbing, heating or air conditioning system, a household appliance or an automatic fire protective sprinkler system within **your dwelling**, **we** cover the direct physical damage caused by the water or steam.

If loss to covered property is caused by water or steam not otherwise excluded, **we** will cover the cost of tearing out and replacing any part of **your dwelling** necessary to repair the system or appliance. This does not include damage to the defective system or appliance from which the water or steam escaped.

2. Freezing of:
 - a) plumbing, automatic fire protective sprinkler systems, heating or air conditioning systems;
 - b) household appliances; or
 - c) swimming pools, hot tubs or spas located within a heated portion of the **dwelling**, or their filtration and circulation systems located within a heated portion of the **dwelling**;

or discharge, leakage or overflow from within a), b) or c) above, caused by freezing, while the **building structure** is vacant, unoccupied or being constructed, unless **you** have used reasonable care to maintain heat in the **building structure**. If the **building structure** is not equipped with an automatic fire protective sprinkler system, **you** may elect to shut off the water supply and drain the water from the systems, appliances, swimming pools, hot

- tubs, spas and their filtration and circulation systems instead of maintaining heat in the **building structure**.
3. Freezing, thawing, pressure or weight of water, snow or ice, whether or not driven by wind. This exclusion applies to fences, pavements, patios, foundations, retaining walls, bulkheads, piers, wharves and docks. This exclusion also applies to swimming pools, hot tubs, spas, and their filtration and circulation systems, which are not located within a heated portion of the **dwelling**.
 4. Seepage, meaning continuous or repeated seepage or leakage over a period of weeks, months, or years, of water or steam:
 - a) from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a domestic appliance; or
 - b) from, within or around any plumbing fixtures, including, but not limited to, shower stalls, shower baths, tub installations, sinks or other fixtures designed for the use of water or steam.
 5. Theft at the address of, or adjacent to, **your residence premises** while **your dwelling** is under construction, or of materials and supplies for use in construction, until **your dwelling** is completed and occupied.
 6. Vandalism or malicious mischief if **your dwelling** is vacant for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant.
 7. Weather Conditions that contribute in any way with a cause of loss excluded under **Losses We Do Not Cover Under Coverages A and B** to produce a loss.
 8. Planning, Construction or Maintenance, meaning 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 property whether on or off the **residence premises** by any person or organization.
2. At **your** option:
 - a) personal property owned by a guest while the property is in a residence **you** are occupying; or
 - b) personal property owned by a **residence employee** while the property is:
 - 1) in a residence **you** occupy; or
 - 2) in the physical custody of that **residence employee**, engaged in the service of an **insured person**.

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under **Personal Property Protection-Coverage C**. The total amount of coverage for each group in any one loss is as follows:

1. \$ 100 — Money, bullion, platinum other than platinumware, bank notes, gold other than goldware or gold-plated ware, silver other than silverware or silver-plated ware, coins and other numismatic property.
2. \$ 200 — **Business** property while the **business** property is at the **residence premises**.
3. \$ 1,500 — Theft of jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, and furs, including any item containing fur which represents its principal value.
4. \$ 1,000 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets and stamps, including philatelic property regardless of the media on which the material exists.
5. \$ 1,000 — Manuscripts, including documents stored on electronic media.
6. \$ 1,000 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
7. \$ 1,000 — Trailers not used with watercraft.
8. \$ 2,000 — Theft of firearms, their related equipment, and accessories.

Personal Property Protection-Coverage C

Property We Cover Under Coverage C:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located at a residence owned by **you**, other than the **residence premises**, coverage is limited to 10% of **Personal Property Protection-Coverage C**, or \$1,000, whichever is greater. This limitation does not apply to personal property in a newly acquired principal residence for the 30 days immediately after **you** begin to move property there or to personal property in student dormitory, fraternity or sorority housing.

Property We Do Not Cover Under Coverage C:

1. Personal property specifically described and insured by this or any other insurance.
2. Animals.
3. Motorized land vehicles, including, but not limited to, any land vehicle powered or assisted by a motor or engine. **We** do not cover any motorized land vehicle parts, equipment or accessories attached to or located in or upon any motorized land vehicle. **We** do cover motorized land vehicles designed for assisting the disabled, or used solely for the

service of the **insured premises**, and not licensed for use on public roads.

4. Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
5. Property of roomers, boarders or tenants not related to **you**.
However, at **your** option, **we** cover personal property of a roomer, boarder or tenant not related to **you** who is a **resident employee** while the property is:
 - 1) in a residence **you** occupy; or
 - 2) in the physical custody of that **resident employee**, engaged in the service of an **insured person**.
6. Property located away from the **residence premises** and rented or held for rental to others.
7. **Business** property, including property held as samples or for sale or delivery after sale, while the property is away from the residence premises.
8. **Business** property in storage, or held as samples, or for sale, or delivery after sale, while the property is on the **residence premises**.

Losses We Cover Under Coverage C:

We will cover direct physical loss to the property described in **Personal Property Protection-Coverage C** caused by the following, except as limited or excluded in this policy:

1. Fire or lightning.
2. **Windstorm** or hail.
We do not cover:
 - a) loss to covered property inside a **building structure**, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind forces rain, snow, sleet, sand or dust through the damaged roof or wall;
 - b) loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed **building structure**. However, **we** do cover canoes and rowboats on the **residence premises**.
3. Explosion.
4. Riot or civil commotion, including pillage and looting during, and at the site of, the riot or civil commotion.
5. Aircraft, including self-propelled missiles and spacecraft.
6. Vehicles.
7. Smoke, meaning sudden and accidental damage from smoke.

We do not cover loss caused by smoke, agricultural smudging or industrial operations.

8. Vandalism and malicious mischief.
9. Falling objects.

We do not cover loss to personal property inside a **building structure** unless the falling object first damages the exterior walls or roof of the **building structure**.

10. Weight of ice, snow or sleet which causes damage to personal property in a **building structure**, but only if the **building structure** is damaged due to the weight of ice, snow or sleet.
11. Sudden and accidental damage resulting from artificially generated electrical current to electronics, electrical appliances, fixtures and wiring.
This peril does not include loss to tubes, transistors or similar electronic components.
12. Sudden and accidental damage resulting from bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protective sprinkler system or an appliance for heating water.
13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protective sprinkler system, or from a household appliance due to accidental discharge or overflow.

We do not cover loss to the system or appliance from which the water or steam escapes, or loss from water which backs up through sewers or drains or overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

14. Freezing of a plumbing, heating or air conditioning system, an automatic fire protective sprinkler system or a household appliance.
We do not cover loss at the **residence premises** under items 12, 13, and 14, immediately above, which is caused by freezing while the **building structure** is vacant, unoccupied or under construction, or when freezing results from a lack of utility services at the **residence premises** to which item A.10 in **Losses We Do Not Cover Under Coverage C** applies, unless **you** have used reasonable care to maintain heat in the **building structure**. If the **building structure** is not equipped with an automatic fire protective sprinkler system, **you** may elect to shut off the water supply and drain the water from the systems and appliances instead of maintaining heat in the **building structure**.
15. Theft, or attempted theft, including disappearance of property from a known place when it is likely that a theft has occurred. Any theft must be promptly reported to the police.

We do not cover:

- a) theft or attempted theft committed by an **insured person**;
- b) theft in or from the **residence premises** while under construction or of materials and supplies for use in construction, until the **dwelling** is completed and occupied;

- c) theft of any property while at any other residence owned, rented to or occupied by an **insured person** unless the **insured person** is temporarily residing there.

However, **we** do cover property of a student who is an **insured person**, while at a residence away from home, if the student has been at that residence at any time during the 45 days immediately before the loss;

- d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the **residence premises**; or
- e) theft from that part of the **residence premises** rented by **you** to other than an **insured person**.
- 1) of money, bullion, bank notes, gold and silver coins, and other numismatic property,;
 - 2) of manuscripts, including documents stored on electronic media, accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets, stamps, including philatelic property regardless of the media on which the material exists;
 - 3) theft of jewelry, watches, necklaces, bracelets, gems, gold, goldware, silver, silver ware, silver platedware, pewterware, platinum and coins, precious and semi-precious stones, and furs, including any item containing fur which represents its principle value.
 - 4) caused by a tenant, the tenant's employees, or members of the tenant's household while renting the portion of the described **dwelling** customarily occupied exclusively by an insured.
- f) theft of property while unattended in or upon a motor vehicle or trailer, other than a public conveyance, unless there is visible evidence of forcible entry upon the exterior of the vehicle. All doors and windows of the vehicle must be closed and locked. This provision does not apply if **you** have given the keys to **your** vehicle to a garage or parking attendant or the loss is the result of the theft of the vehicle which is not recovered within 30 days.

16. Breakage of glass, meaning damage to covered personal property caused by breakage of glass constituting a part of any **building structure** on the **residence premises**. This does not include damage to the glass.

17. Collapse

We will cover direct physical loss to covered personal property caused by collapse of a **building structure** or any part of a **building structure**. Collapse does not include setting, cracking, shrinking, bulging or expansion.

Losses We Do Not Cover Under Coverage C:

- A. Under **Personal Property Protection-Coverage C** of this policy, **we** do not cover loss caused directly or indirectly by, any of the following, regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Flood, including, but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
2. Water that backs up through sewers or drains.
3. Water that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.
4. Water below the surface of the ground. This includes water which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover direct physical loss caused by fire, explosion or theft resulting from items 1 through 4 listed above.

5. Earth movement of any type, including, but not limited to, earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

6. Actions taken by civil, governmental or military authorities to enforce any building codes, ordinances or laws regulating or requiring the construction, reconstruction, maintenance, replacement, repair, placement or demolition of any **building structure**, other structure or land at the **residence premises**. This provision does not apply to the replacement of damaged glass which constitutes a part of the covered **dwelling** with safety glazing material where required.

We will cover direct physical loss caused by actions of civil, governmental or military authority to prevent the spread of fire.

7. Nuclear hazard, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss which consists of the nuclear hazard is not considered loss by fire, explosion or smoke.
8.
 - a) War, whether declared or undeclared;
 - b) warlike acts;
 - c) invasion;
 - d) insurrection;
 - e) rebellion;
 - f) revolution;
 - g) civil war;
 - h) usurped power;
 - i) destruction for a military purpose; or
 - j) action taken by civil, governmental or military authority to hinder or defend against an actual or impending enemy act.

9. The failure by any **insured person** to take all reasonable steps to save and preserve property when the property is endangered by a cause of loss **we** cover.
10. Intentional acts of or at the direction of any **insured person**, if the loss that occurs:
 - a) may be reasonably expected to result from such acts; or
 - b) is the intended result of such acts.

This exclusion does not apply to an innocent co-insured having an interest in the covered property.

- B. **We** do not cover loss to the property described in **Personal Property Protection–Coverage C** caused by any of the following. However, any ensuing loss to property described in **Personal Property Protection–Coverage C** not excluded or excepted in this policy is covered.
1. Weather Conditions that contribute in any way with an event, peril or condition excluded under **Losses We Do Not Cover Under Coverage C** to produce a loss.
 2. Planning, Construction or Maintenance, meaning 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 property whether on or off the **residence premises** by any person or organization.

Section I Additional Protection

1. Additional Living Expense

- A. **We** will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living when a direct physical loss **we** cover under **Dwelling Protection–Coverage A, Other Structures Protection–Coverage B** or **Personal Property Protection–Coverage C** makes **your residence premises** uninhabitable.

Payment for additional living expense as a result of a covered loss under **Dwelling Protection–Coverage A, Other Structures Protection–Coverage B** or **Personal Property Protection–Coverage C** will be limited to the least of the following:

- a) the time period required to repair or replace the property **we** cover, using due diligence and dispatch; or
 - b) if **you** permanently relocate, the shortest time for **your** household to settle elsewhere.
- B. **We** will pay **your** lost fair rental income resulting from a covered loss under **Dwelling Protection–Coverage A, Other Structures Protection–Coverage B** or **Personal Property Protection–Coverage C**, less charges and expenses which do not continue, when a loss **we** cover under **Dwelling Protection–Coverage A, Other Structures Protection–Coverage B** or **Personal Property**

Protection–Coverage C makes the part of the **residence premises you** rent to others, or hold for rental, uninhabitable. **We** will pay for lost fair rental income for the shortest time required to repair or replace the part rented or held for rental.

These periods of time are not limited by the termination of this policy.

In no event shall **our** payment for additional living expenses, including lost fair rental income, exceed the Limit Of Liability shown on **your** Policy Declarations for Additional Living Expense.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

2. Civil, Governmental And Military Authorities

We will pay the reasonable and necessary increase in living expenses and **your** lost fair rental income, less charges and expenses which do not continue, for up to two weeks should civil, governmental or military authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by an event, peril or condition **we** insure against under **Dwelling Protection–Coverage A, Other Structures Protection–Coverage B** or **Personal Property Protection–Coverage C**.

The two-week period of time referenced above is not limited by the termination of this policy.

No deductible applies to this protection.

3. Debris Removal

We will pay reasonable expenses **you** incur to remove debris of covered property damaged by a loss **we** cover. **We** will also pay the reasonable expense for removal of fallen trees which cause direct physical loss to covered property. If the loss to the covered property and the cost of debris removal are more than the Limit Of Liability shown on the Policy Declarations for the covered property, **we** will pay up to an additional 5% of that limit for debris removal.

4. Emergency Removal Of Property

We will pay for direct physical loss to covered property from any cause while removed from a premises because of danger from a loss **we** cover. Protection is limited to a 30-day period from date of removal. This protection does not increase the limit of liability that applies to the covered property.

5. Fire Department Charges

We will pay up to \$500 for service charges made by fire departments, that are not volunteer fire departments, called to protect **your** property from a loss **we** cover at the **residence premises**.

Additionally, **we** will pay up to \$250 for service charges made by volunteer fire departments called to protect **your** property from a loss **we** cover at the **residence premises**.

No deductible applies to this protection.

6. **Temporary Repairs After A Loss**

We will reimburse **you** for the reasonable and necessary cost **you** incur for temporary repairs to protect covered property from further imminent covered loss following a loss **we** cover. This coverage does not increase the limit of liability applying to the property being repaired.

7. **Trees, Shrubs, Plants And Lawns**

We will pay up to 5% of the Limit Of Liability shown on the Policy Declarations under **Dwelling Protection–Coverage A** for loss to trees, shrubs, plants and lawns at the address of the **residence premises**.

We will not pay more than \$500 for any one tree, shrub, or plant. This coverage applies only to direct physical loss caused by fire or lightning, explosion, riot or civil commotion, aircraft, vehicles not owned by an occupant of the **residence premises**, vandalism or malicious mischief or theft.

We do not cover trees, shrubs, plants, or lawns grown for **business** purposes.

8. **Power Interruption**

We will pay up to \$500 for loss to the contents of freezers and refrigerated units on the **residence premises** caused by the interruption of power which occurs off the **residence premises**. If a power interruption is known to an **insured person**, all reasonable means must be used to protect the contents of freezers and refrigerated units.

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

9. **Arson Reward**

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered under **Section I** of this policy. The \$5,000 limit applies regardless of the number of persons providing information.

10. **Land**

If a direct physical loss results in both a covered loss to the **dwelling**, other than the breakage of glass or safety glazing material, and a loss of land stability, **we** will pay up to \$10,000 as an additional amount of insurance for repair costs associated with the land. This includes the costs required to replace, rebuild, stabilize or otherwise restore the land necessary to support that part of the **dwelling** sustaining the covered loss.

The **Section I, Losses We Do Not Cover Under Coverages A and B** reference to earth movement does not apply to the loss of land stability provided under this additional protection.

11. **Lock Replacement**

When a key to a lock is stolen as part of a covered theft loss, **we** will pay, under **Dwelling Protection–Coverage A** or **Other Structures Protection–Coverage B**, as applicable, up to \$500 for the reasonable expenses **you** incur to replace or re-key exterior door locks at the **residence premises** with locks or cylinders of like kind and quality.

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

Section I Conditions

1. **Deductible**

We will pay when a covered loss exceeds the applicable deductible shown on the Policy Declarations. **We** will then pay only the excess amount, unless **we** have indicated otherwise in this policy.

2. **Insurable Interest And Our Liability**

In the event of a covered loss, **we** will not pay for more than an **insured person's** insurable interest in the property covered, nor more than the amount of coverage afforded by this policy.

3. **What You Must Do After A Loss**

In the event of a loss to any property that may be covered by this policy, **you** must:

- a) immediately give **us** or **our** agent notice. Report any theft to the police as soon as possible.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give **us** a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give **us** all accounting records, bills, invoices and other vouchers, or certified copies, which **we** may reasonably request to examine and permit **us** to make copies.
- e) produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records supporting any claim for loss of rental income.
- f) as often as **we** reasonably require:
 - 1) show **us** the damaged property. **We** have a right to reasonable and safe opportunities to view and inspect the loss as often as necessary, unimpeded by actions of **you** or others, including, but not limited to, civil, governmental or military authorities, that prevent **us** from viewing and inspecting the loss. **We** may require **you** to accompany **us** when **we** conduct these activities.
 - 2) at **our** request, submit to examinations under oath sign a transcript of the same.
 - 3) produce representatives, employees, members of the **insured person's** household or others to the extent it is within the **insured person's** power to do so; and
- g) within 60 days after the loss, give **us** a signed, sworn proof of the loss. This statement must include the following information:
 - 1) the date, time, location and cause of loss;
 - 2) the interest **insured persons** and others have in the property, including any encumbrances;
 - 3) the actual cash value and amount of loss for each item damaged, destroyed or stolen;
 - 4) any other insurance that may cover the loss;

- 5) any changes in title, use, occupancy or possession of the property that have occurred during the policy period; and
- 6) at **our** request, the specifications of any damaged **building structure** or other structure.

4. **Our Settlement Options**

In the event of a covered loss, **we** have the option to:

- a) repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- b) pay for all or any part of the damaged, destroyed or stolen property as described in Condition 5, "How We Pay For A Loss."

Within 30 days after **we** receive **your** signed, sworn proof of loss, **we** will notify **you** of the option or options **we** intend to exercise.

5. **How We Pay For A Loss**

Under **Dwelling Protection–Coverage A, Other Structures Protection–Coverage B** and **Personal Property Protection–Coverage C**, payment for covered loss will be by one or more of the following methods:

- a) Special Payment.
 - 1. Under **Dwelling Protection–Coverage A** and **Other Structures Protection–Coverage B**, at **our** option, **we** will make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen structure or **building structure** covered under **Dwelling Protection–Coverage A** and **Other Structures Protection–Coverage B**, without deduction for depreciation, if the amount of loss for the structure or **building structure** covered under **Dwelling Protection–Coverage A** and **Other Structures Protection–Coverage B** is:
 - i) less than 5% of the limit of liability for the structure or **building structure**, and
 - ii) less than \$2,500; and the property is not excluded from the Building Structure Replacement Cost provision.
 - 2) Under **Personal Property Protection–Coverage C**, at **our** option, **we** will make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen property if the whole amount of loss for property covered under **Personal Property Protection–Coverage C**, without deduction for depreciation, is less than \$1,000, and the property is not excluded from the Personal Property Reimbursement provision.
- b) Actual Cash Value.

If **you** do not repair or replace the damaged, destroyed or stolen property, payment will be on an actual cash value basis. This means there may be a deduction for depreciation. Payment will not exceed the Limit Of Liability shown on the Policy Declarations for the coverage that applies to the damaged, destroyed or stolen property, regardless of the number of items involved in the loss.

You may disregard the Building Structure Replacement Cost and Personal Property Reimbursement provisions and make an initial claim under this policy for loss or damage to covered property on an actual cash value basis. If **you** intend to repair or replace the property, **you** may then make claim, in accordance with the provisions Condition 5, "**How We Pay For A Loss**", for the difference between the actual cash value and the full replacement cost of the buildings within 6 months or the later of:

- i) the last date on which **you** received actual cash value payment for the same covered property; or
 - ii) the date of entry of a final order of a court of competent jurisdiction declaring **your** right to full replacement cost.
- c) Building Structure Replacement Cost. Other than losses subject to Special Payment provision a)1) under **Dwelling Protection–Coverage A** and **Other Structures Protection–Coverage B**, **we** will make payment for **building structures** covered under **Dwelling Protection–Coverage A** or **Other Structures Protection–Coverage B** at replacement cost, without deduction for depreciation, subject to the following:

Building Structure Replacement Cost will not exceed the smallest of the following amounts:

- 1) the replacement cost of the part(s) of the **building structure(s)** for like construction for similar use on the same **residence premises**;
- 2) the amount actually and necessarily spent to repair or replace the damaged **building structure(s)** with like construction for similar use on the same **residence premises**; or
- 3) the Limit Of Liability applicable to the **building structure(s)** as shown on the Policy Declarations for **Dwelling Protection–Coverage A** or **Other Structures Protection–Coverage B**, regardless of the number of **building structures** and structures other than **building structures** involved in the loss.

Building Structure Replacement Cost payment will be limited to the difference between any actual cash value payment made for the covered loss to **building structures** and the smallest of 1), 2) or 3) above.

This additional payment includes the reasonable and necessary expense for treatment or removal and disposal of contaminants, toxins or pollutants as required to complete repair or replacement of that part of a **building structure** damaged by a covered loss.

If **you** replace the damaged **building structure(s)** at an address other than shown on the Policy Declarations through construction of a new structure or purchase of an existing structure, such replacement will not increase the amount payable under Building Structure Replacement Cost described above. The amount payable under Building Structure Replacement Cost described above does not include the value of any land associated with the replacement structure(s).

Building Structure Replacement Cost will not apply to:

- 1) property covered under **Personal Property Protection-Coverage C**;
- 2) property covered under **Other Structures Protection-Coverage B** that is not a **building structure**;
- 3) wall-to-wall carpeting, built-in household appliances, awnings and outdoor antennas, whether or not fastened to a **building structure**; or
- 4) land.

Payment under a), b) or c) above will not include any increased cost due to the enforcement of building codes, ordinances or laws regulating or requiring the construction, reconstruction, maintenance, replacement, repair, relocation or demolition of **building structures** or other structures.

- d) **Personal Property Reimbursement.** Under **Personal Property Protection-Coverage C**, **we** will make additional payment to **you**, on a replacement cost basis, for cost in excess of actual cash value if **you** intend to repair, restore or replace the damaged, destroyed or stolen covered personal property. **You** may make claim for additional payment for property covered under **Personal Property Protection-Coverage C**, within six months of the later of:
 - i) the last date on which **you** received actual cash value payment for the same covered property; or
 - ii) the date of entry of a final order of a court of competent jurisdiction declaring **your** right to full replacement cost.

Personal Property Reimbursement payment will not exceed the smallest of the following amounts:

- 1) the amount actually and necessarily spent to repair or replace the property with similar property of like kind and quality;
- 2) the cost of repair or restoration; or
- 3) the Limit Of Liability shown on the Policy Declarations for **Personal Property Protection-Coverage C**, or any special limit of liability described in the policy, regardless of the number of items of personal property involved in the loss.

Personal Property Reimbursement will be limited to the difference between any actual cash value payment made for the covered loss to personal property and the smallest of 1), 2) or 3) above.

Personal Property Reimbursement will not apply to:

- 1) property insured under **Dwelling Protection-Coverage A** and **Other Structures Protection-Coverage B**, except wall-to-wall carpeting;
- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced;
- 3) articles whose age or history contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs and collector's items;
- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss; or

- 5) motorized land vehicles used solely for the service of the **insured premises** and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled and not licensed for use on public roads.

6. **Our Settlement Of Loss**

We will settle any covered loss with **you** unless some other person or entity is named in the policy. Losses will be payable within 30 days after the amount of loss is finally determined. This amount may be determined by an agreement between **you** and **us**, an appraisal award or a court judgment.

7. **Appraisal**

If **you** and **we** fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand, each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to **you** and to **us**, the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award agreed upon by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses; however, if **we** make the written demand, then **you** shall be reimbursed for the reasonable cost of **your** appraiser and **your** portion of the cost of the umpire.

8. **Abandoned Property**

We are not obligated to accept any property or responsibility for any property abandoned by an **insured person**.

9. **Permission Granted To You**

- a) The **residence premises** may be vacant or unoccupied for any length of time, except where a time limit is indicated in this policy. A **building structure** under construction is not considered vacant.
- b) **You** may make alterations, additions or repairs, and **you** may complete structures under construction.

10. **Our Rights To Recover Payment**

When **we** pay for any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them. **You** may waive **your** rights to recover against another person for loss involving the property covered by this policy. This waiver must be in writing prior to the date of loss.

11. **Our Rights To Obtain Salvage**

We have the option to take all or any part of the damaged or destroyed covered property upon replacement by **us** or payment of the agreed or appraised value.

We will notify **you** of **our** intent to exercise this option within 30 days after **we** receive **your** signed, sworn proof of loss. If no signed, sworn proof of loss is requested by **us**, **we** will notify **you** of **our** intent to exercise this option within 30 days after the date **you** report the loss to **us**.

When **we** settle any loss caused by theft or disappearance, **we** have the right to obtain all or part of any property which may be recovered. An **insured person** must protect this right and inform **us** of any property recovered. **We** will inform **you** of **our** intent to exercise this right within 10 days of **your** notice of recovery to **us**. If no signed, sworn proof of loss is requested by **us**, **we** will notify **you** of **our** intent to exercise this option within 30 days after the date **you** report the loss to **us**.

12. **Action Against Us**

No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under a coverage to which **Section I Conditions** applies, unless:

- a) there has been full compliance with all policy terms; and
- b) the action is commenced within two years after the inception of loss or damage.

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

If there is a covered loss to a pair or set, **we** may:

- a) repair or replace any part of the pair or set to restore it to its actual cash value before the loss; or
- b) pay the difference between the actual cash value of the pair or set before and after the loss.

14. **Glass Replacement**

Payment for loss to covered glass includes the cost of using safety glazing materials when required by law.

15. **No Benefit To Bailee**

This insurance will not benefit any person or organization that may be caring for or handling **your** property for a fee.

16. **Other Insurance**

If both this insurance and other insurance apply to a loss, **we** will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance.

17. **Property Insurance Adjustment**

At each policy renewal, **we** may increase the Limit Of Liability shown on the Policy Declarations for **Dwelling Protection–Coverage A** to reflect the minimum amount of insurance coverage **we** are willing to issue for the succeeding policy period under **Dwelling Protection–Coverage A** for **your dwelling** and other property **we** cover under **Dwelling Protection–Coverage A**.

Any adjustment in the limit of liability for **Dwelling Protection–Coverage A** will result in an adjustment in the limit of liability for **Other Structures Protection–Coverage B** and **Personal Property Protection–Coverage C** in accordance with **our** manual of Rules and Rates.

Any adjustment in premium resulting from the application of this condition will be made based on premium rates in use by **us** at the time a change in limits is made.

We will not reduce the Limit Of Liability shown on the Policy Declarations without **your** consent. **You** agree that it is **your** responsibility to ensure that each of the Limits Of Liability shown on the Policy Declarations are appropriate for **your** insurance needs. If **you** want to increase or decrease any of the Limits Of Liability shown on the Policy Declarations, **you** must contact **us** to request such a change.

18. **Mortgagee**

A covered loss will be payable to the mortgagee(s) named on the Policy Declarations, to the extent of their interest and in the order of precedence. All provisions of **Section I** of this policy apply to these mortgagees.

We will:

- a) protect the mortgagee's interest in a covered **building structure** in the event of an increase in hazard, intentional acts of, or directed by, an **insured person**, failure by any **insured person** to take all reasonable steps to save and preserve property after a loss, a change in ownership, or foreclosure if the mortgagee has no knowledge of these conditions; and
- b) give the mortgagee at least 15 days notice if **we** cancel or non-renew this policy.

The mortgagee will:

- a) furnish proof of loss within 60 days after notice of the loss if an **insured person** fails to do so;
- b) pay upon demand any premium due if an **insured person** fails to do so;
- c) notify **us** of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- d) give **us** the mortgagee's right of recovery against any party liable for loss; and
- e) after a loss, and at **our** option, permit **us** to satisfy the mortgage requirements and receive full transfer of the mortgage.

Our right to subrogation will not affect the mortgagees right to recover the full amount of the mortgagee's claim.

This mortgagee interest provision shall apply to any trustee or loss payee or other secured party.

Section II—Family Liability And Guest Medical Protection

Family Liability Protection—Coverage X

Losses We Cover Under Coverage X:

Subject to the terms, conditions and limitations of this policy, **we** will pay damages which an **insured person** becomes legally obligated to pay because of **bodily injury** or **property damage** arising from an **occurrence** to which this policy applies, and is covered by this part of the policy.

We may investigate or settle any claim or suit for covered damages against an **insured person**. If an **insured person** is sued for these damages, **we** will provide a defense, at **our** expense, with counsel of **our** choice, even if the allegations are groundless, false or fraudulent. **We** are not obligated to pay any claim or judgment after **we** have exhausted **our** limit of liability by payment of claims or judgments.

Losses We Do Not Cover Under Coverage X:

1. **We** do not provide coverage for an **insured person** for intentional acts of, or at the direction of, an **insured**, if the loss that occurs results in **bodily injury** or **property damage** and:
 - a) may be reasonably expected to result from such acts; or
 - b) is the intended result of such acts.
2. **We** do not cover **bodily injury** to an **insured person** or **property damage** to property owned by an **insured person** whenever any benefit of this coverage would accrue directly or indirectly to an **insured person**.
3. **We** do not cover **bodily injury** to any person eligible to receive any benefits required to be provided, or voluntarily provided, by an **insured person** under any workers' compensation, non-occupational disability or occupational disease law.
4. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading or unloading of aircraft. An aircraft as used in this provision does not include model aircraft.

This provision does not apply to an **insured person** as a passenger on a commercial airline.

We will not apply this exclusion to **bodily injury** to a **residence employee**.

5. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, entrusting, loading or unloading of any motor vehicle or trailer that is owned or operated by, rented or loaned to, any **insured person**.

Additionally **we** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, entrusting, loading or unloading of any recreational vehicle that is designed principally for recreational use off public roads, and is owned by any **insured person**, if **bodily injury** or **property damage** occurs away from the **residence premises**.

However, **we** will not apply this exclusion to:

- a) a motor vehicle in dead storage;
- b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by any **insured** and is being used away from an **insured premises**;
- c) a motorized wheelchair;
- d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
- e) a golf cart owned by an **insured person** when used for golfing purposes;
- f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
- g) lawn or garden implements; or
- h) **bodily injury** to a **residence employee**.

However, this provision does not apply to the operation or maintenance of any aircraft by a **residence employee**.

6. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, entrusting, loading or unloading of watercraft that is owned by, or rented to, any **insured person** while that watercraft is away from an **insured premises** if the watercraft:
 - a) has inboard or inboard-outboard motor power of more than 50 horsepower;
 - b) is a sailing vessel 26 feet or more in length; or
 - c) is powered by one or more outboard motors with more than 25 total horsepower.

We will not apply this exclusion to:

- a) **bodily injury** or **property damage** occurring at the **residence premises**; or
- b) **bodily injury** to a **residence employee** arising out of and in the course of his employment by an **insured person**.

7. **We** do not cover **bodily injury** or **property damage** arising out of:
 - a) the negligent supervision by an **insured person** of any person; or
 - b) any liability statutorily imposed on any **insured person**;

arising from the ownership, maintenance, use, entrusting, loading or unloading of any aircraft, watercraft, motorized land vehicle or trailer which is not covered under **Section II** of this policy.

8. **We** do not cover **bodily injury** or **property damage** arising out of the rendering of, or failure to render, professional services by an **insured person**.
9. **We** do not cover **bodily injury** or **property damage** arising out of **business** pursuits of any **insured person**. This does not apply to activities which are ordinarily incidental to non-**business** pursuits. Coverage is provided for incidental business activities of any **insured person** for babysitting, caddying, lawn care, newspaper delivery and other similar activities.

10. **We** do not cover **bodily injury** or **property damage** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. **We** will not apply this exclusion to **bodily injury** to a **residence employee**.
11. **We** do not cover **property damage** to property rented to, occupied or used by, or in the care of, an **insured person**. **We** will not apply this exclusion if the **property damage** is caused by fire, explosion, smoke or smudge.
12. **We** do not cover any liability an **insured person** assumes arising out of any oral contract or agreement or any contract or agreement in connection with a **business** activity.
13. **We** do not cover **bodily injury** or **property damage** caused by:
 - a) war, whether declared or undeclared;
 - b) warlike acts;
 - c) invasion;
 - d) insurrection;
 - e) rebellion;
 - f) revolution;
 - g) civil war;
 - h) usurped power;
 - i) destruction for a military purpose; or
 - j) action taken by civil, governmental or military authority to hinder or defend against an actual or impending enemy act.
14. **We** do not cover **bodily injury** consisting of or caused by the transmission of any communicable disease by an **insured person**, including any resulting symptom, effect, condition, disease or illness related to the communicable disease.

Guest Medical Protection–Coverage Y

Losses We Cover Under Coverage Y:

We will pay the reasonable expenses incurred for necessary medical, surgical, X-ray and dental services, ambulance, hospital, licensed nursing and funeral services, and prosthetic devices, eye glasses, hearing aids, and pharmaceuticals. These expenses must be incurred and the services performed within three years from the date of an **occurrence** causing **bodily injury** to which this policy applies, and is covered by this part of the policy.

Each person who sustains **bodily injury** is entitled to this protection when that person is:

1. on the **insured premises** with the permission of an **insured person**; or
2. off the **insured premises**, if the **bodily injury**:
 - a) arises out of a condition on the **insured premises** or immediately adjoining ways;
 - b) is caused by the activities of an **insured person** or a **residence employee**;
 - c) is caused by an animal owned by or in the care of an **insured person**; or
 - d) is sustained by a **residence employee**.

Losses We Do Not Cover Under Coverage Y:

1. **We** do not provide coverage for an **insured person** for intentional acts of, or at the direction of, an **insured**, if the loss that occurs results in **bodily injury** or **property damage** and:
 - a) may be reasonably expected to result from such acts; or
 - b) is intended result of such acts.
2. **We** do not cover **bodily injury** to any **insured person** or regular resident of the **insured premises**. **We** will not apply this exclusion to a **residence employee**.
3. **We** do not cover **bodily injury** to any person eligible to receive any benefits required to be provided, or voluntarily provided, under any workers' compensation, non-occupational disability or occupational disease law.
4. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, loading or unloading of aircraft. An aircraft as used in this provision does not include model aircraft.

This provision does not apply to an **insured person** as a passenger on a commercial airline.

We will not apply this exclusion to **bodily injury** to a **residence employee**.

5. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, entrusting, loading or unloading of any motor vehicle or trailer that is owned or operated by, rented or loaned to, any **insured person**. Additionally **we** do not cover **bodily injury** arising out of the ownership, maintenance, use, entrusting, loading or unloading of any recreational vehicle that is designed principally for recreational use off public roads, and is owned by any **insured person**, if **bodily injury** occurs away from the **residence premises**.

However, **we** will not apply this exclusion to:

- a) a motor vehicle in dead storage;
- b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by any **insured** and is being used away from an **insured premises**;
- c) a motorized wheelchair;
- d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
- e) a golf cart owned by an **insured person** when used for golfing purposes;
- f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
- g) lawn or garden implements; or
- h) **bodily injury** to a **residence employee**.

However, this provision does not apply to the operation or maintenance of any aircraft by a **residence employee**.

6. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, entrusting, loading or unloading of watercraft that is

owned by, or rented to, any **insured person** while that watercraft is away from an **insured premises** if the watercraft:

- a) has inboard or inboard-outboard motor power of more than 50 horsepower;
- b) is a sailing vessel 26 feet or more in length; or
- c) is powered by one or more outboard motors with more than 25 total horsepower.

We will not apply this exclusion to:

- a) **bodily injury** occurring on the **residence premises**; or
- b) **bodily injury** to any **residence employee** arising out of and in the course of his employment by any **insured person**.

7. **We** do not cover **bodily injury** arising out of:

- a) the negligent supervision by any **insured person** of any person; or
- b) any liability statutorily imposed on any **insured person**;

arising from the ownership, maintenance, use, entrusting, loading or unloading of any aircraft, watercraft, motorized land vehicle or trailer which is not covered under **Section II** of this policy.

8. **We** do not cover **bodily injury** arising out of the rendering of, or failure to render, professional services by an **insured person**.

9. **We** do not cover **bodily injury** arising out of the **business** pursuits of any **insured person**. This does not apply to activities which are ordinarily incidental to non-**business** pursuits. Coverage is provided for incidental **business** activities of any **insured person** for babysitting, caddying, lawn care, newspaper delivery and other similar activities.

10. **We** do not cover **bodily injury** to any person on the **insured premises** because of a **business** activity or professional service conducted there.

11. **We** do not cover **bodily injury** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. **We** will not apply this exclusion to **bodily injury** to a **residence employee**.

12. **We** do not cover **bodily injury** caused by:

- a) war, whether declared or undeclared;
- b) warlike acts;
- c) invasion;
- d) insurrection;
- e) rebellion;
- f) revolution;
- g) civil war;
- h) usurped power;
- i) destruction for a military purpose; or
- j) action taken by civil, governmental or military authority to hinder or defend against an actual or impending enemy act.

13. **We** do not cover **bodily injury** consisting of or caused by the transmission of any communicable disease by an **insured person**, including any resulting symptom, effect, condition, disease or illness related to the communicable disease.

Section II Additional Protection

We will pay, in addition to the limits of liability:

1. **Claim Expenses**

We will pay:

- a) all costs **we** incur in the settlement of any claim or the defense of any suit against an **insured person**;
- b) interest accruing on damages awarded until such time as **we** have paid, formally offered, or deposited in court the amount for which **we** are liable under this policy; interest will be paid only on damages which do not exceed **our** limits of liability;
- c) premiums on bonds required in any suit **we** defend; **we** will not pay bond premiums in an amount that is more than **our** limit of liability; **we** have no obligation to apply for or furnish bonds;
- d) up to \$150 per day for reasonable expenses including actual loss of wages, salary (but not loss of other income) vacation time or other benefit loss, when **we** ask **you** to attend trials and hearings;
- e) the cost of bail bonds required of an **insured person** because of an accident arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, **we** are not obligated to apply for or furnish any such bond; or
- f) any other reasonable expenses incurred by an **insured person** at **our** request.

2. **Emergency First Aid**

We will pay expenses incurred by an **insured person** for first aid to other persons at the time of an accident involving **bodily injury** covered under this policy.

3. **Damage To Property Of Others**

At **your** request, **we** will pay up to \$1,000 each time an **insured person** causes **property damage** to someone else's property. At **our** option, **we** will pay the cost to either repair or replace the property damaged by an **insured person**, without deduction for depreciation.

We will not pay for **property damage**:

- a) to property covered under **Section I** of this policy;
- b) to property intentionally damaged by an **insured person** who has attained the age of 13;
- c) to property owned by or rented to an **insured person**, any tenant of an **insured person**, or any resident in **your** household; or
- d) arising out of:
 - 1) past or present **business** activities;
 - 2) any act or omission in connection with a premises, other than an **insured premises**, owned, rented or controlled by an **insured person**; or
 - 3) the ownership or use of a motorized land vehicle, trailer, aircraft or watercraft. This exclusion does not apply to a golf cart, snowmobile, or any motorized land vehicle designed principally for recreational use off public roads, not subject to motor vehicle registration and not owned by an **insured person**.

Section II Conditions

1. What You Must Do After A Loss

In the event of **bodily injury** or **property damage**, you must do the following:

- a) Promptly notify **us** or **our** agent stating:
 - 1) **your** name and policy number;
 - 2) the date, the place and the circumstances of the loss;
 - 3) the name and address of anyone who might have a claim against an **insured person**;
 - 4) the names and addresses of any witnesses.
- b) Promptly send **us** any legal papers relating to the accident.
- c) At **our** request, an **insured person** will:
 - 1) cooperate with **us** and assist **us** in any matter concerning a claim or suit;
 - 2) help **us** enforce any right of recovery against any person or organization who may be liable to an **insured person**;
 - 3) attend any hearing or trial;
 - 4) help **us** by collecting and giving evidence and by obtaining the attendance of witnesses.
- d) Under the **Damage To Property Of Others** protection, give **us** a sworn statement of the loss. This must be made within 60 days after the date of loss. Also, an **insured person** must be prepared to show **us** any damaged property under that person's control.

The **insured person**, except at the **insured person's** own expense, will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others at the time of the loss as provided for in this policy.

2. What An Injured Person Must Do—Guest Medical Protection—Coverage Y

If someone is injured, that person, or someone acting for that person, must do the following:

- a) Promptly give **us** written proof of the loss. If **we** request, this must be done under oath.
- b) Give **us** written authorization to obtain copies of all medical records and reports.
- c) Permit doctors **we** select to examine the injured person as often as **we** may reasonably require.

3. Our Payment Of Loss—Guest Medical Protection—Coverage Y

We may pay the injured person or the provider of the medical services. Payment under this coverage is not an admission of liability by **us** or an **insured person**.

4. Our Limits Of Liability

Regardless of the number of **insured persons**, injured persons, claims, claimants or policies involved, **our** total liability under **Family Liability Protection—Coverage X** for damages resulting from one **occurrence** will not exceed the Limit Of Liability shown on the Policy Declarations. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to the same general conditions is considered the result of one **occurrence**.

Our total liability under **Guest Medical Protection—Coverage Y** for all medical expenses payable for **bodily injury**, to any one person, shall not exceed the "each person" Limit Of Liability shown on the Policy Declarations.

5. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person** or insolvency of an **insured person's** estate.

6. Our Rights To Recover Payment—Family Liability Protection—Coverage X

When **we** pay any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them. An **insured person** 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**.

7. Action Against Us

- a) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, unless there has been full compliance with all policy terms.
- b) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Family Liability Protection—Coverage X**, unless the obligation of an **insured person** to pay has been finally determined either by judgment against the **insured person**, injured person and **us**. Any person or organization or their legal representative who has secured such judgment or written agreement shall be entitled to recovery, subject to the Limit Of Liability stated on the Policy Declarations.
- c) No one shall have any right to make **us** a party to an action to determine the liability of an **insured person**.

8. Other Insurance—Family Liability Protection—Coverage X

If both this and other insurance applies to a covered loss, **we** will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance.

However, this insurance is excess over any other valid and collectible insurance available to **you** with respect to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of any motorized land vehicle or watercraft to which this policy applies.

Section III—Optional Protection

Optional Coverages

The following Optional Coverages may supplement coverages found in **Section I** or **Section II** and apply only when they are indicated on the Policy

Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms of the specific Optional Coverage.

1. **Building Codes–Coverage BC**

We will pay up to the Limit Of Liability shown on the Policy Declarations for Building Codes coverage to comply with local building codes after covered loss to the **dwelling** or when repair or replacement results in increased cost due to the enforcement of any building codes, ordinances or laws regulating or requiring the construction, reconstruction, maintenance, replacement, repair, placement or demolition of the **dwelling**.

2. **Increased Coverage On Business Property–Coverage BP**

The limitation on **business** property used in a business conducted at the **residence premises**, under **Personal Property Protection–Coverage C**, is increased to the amount shown on the Policy Declarations. This increased coverage includes property held as samples or for sale or delivery after sale, while the property is at the **residence premises**.

3. **Fire Department Charges–Coverage F**

The \$500 limit applying to the fire department service charges under **Additional Protection** is increased to the amount shown on the Policy Declarations.

4. **Loss Assessments–Coverage G**

If **your** ownership of **your dwelling** requires that **you** be a member of, and subject to the rules of, an association governing areas held in common by all building owners as members of the association, **we** will pay **your** share of any special assessment charged against all building owners by the association up to the Limit Of Liability shown on the Policy Declarations, when the assessment is made as a result of:

- a) direct physical loss to the property held in common by all building owners caused by a loss **we** cover under **Section I** of this policy; or
- b) **bodily injury** or **property damage** covered under **Section II** of this policy.

However, this optional coverage shall apply only to special assessments made as a result of covered losses occurring while this optional coverage is in force.

Any reduction or elimination of payments for losses because of any deductible applying to the insurance coverage of the association of building owners collectively is not covered under this protection.

We will pay only when the assessment levied against the **insured person**, as a result of any one loss, for **bodily injury** or **property damage** exceeds \$500 and then only for the amount of such excess. This coverage is not subject to any deductible applying to **Section I** of this policy.

In the event of an assessment, this coverage is subject to all the exclusions applicable to **Sections I** and **II** of this policy and the **Section I** and **II Conditions**, except as otherwise noted.

This coverage is excess over any insurance collectible under any policy or policies covering the association of building owners.

5. **Extended Coverage On Jewelry, Watches And Furs–Coverage J**

Personal Property Protection–Coverage C is extended to pay for direct physical loss to the following property, subject to the provisions in this coverage:

- a) jewelry, watches, gems, precious and semi-precious stones, gold, platinum; and
- b) furs, including any item containing fur which represents its principal value.

The total amount of coverage and per item limit is shown on the Policy Declarations. This amount is not in addition to the amount of insurance applying to **Personal Property Protection–Coverage C**. However, in no event will coverage be less than would have applied in the absence of **Coverage J**.

The following exclusions contained in **Losses We Do Not Cover Under Coverage C** apply to the coverage afforded under this **Coverage J**: items A.7, A.8, A.9 and A.10. In addition, **we** do not cover any loss consisting of or caused by:

- a) wear and tear;
- b) gradual deterioration;
- c) inherent vice; or
- d) insects or vermin.

Any deductible shown on the Policy Declarations applicable to **Personal Property Protection–Coverage C**, also applies to a loss under this coverage.