

Manufactured Home Policy

AS161

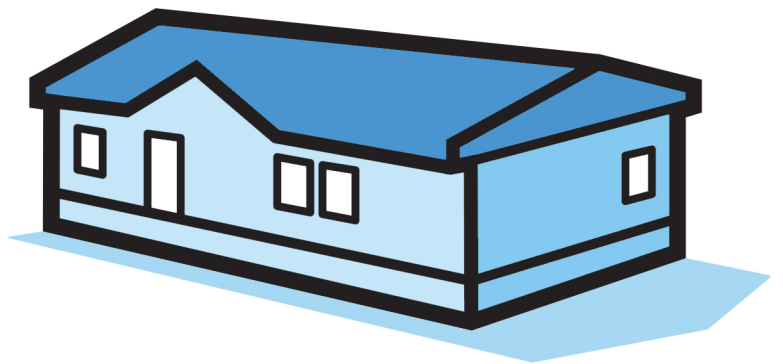


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General

Definitions Used In This Policy

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

1. **"You" or "Your"**—means the person listed under Named Insured(s) on the Policy Declarations as the insured and that person's resident spouse.
2. **"We," "us," or "our"**—means the company named on the Policy Declarations.
3. **"Insured person(s)"**—means **you** and, if a resident of **your** household:
 - a) any relative; and
 - b) any dependent person in **your** care.

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

- c) 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.
 - d) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **insured person**.
4. **"Bodily injury"**—means physical harm to the body, including sickness or disease, care, loss of services and resulting death, except that **bodily injury** does not include:
 - a) any venereal disease;
 - b) herpes;
 - c) Acquired Immune Deficiency Syndrome (AIDS);
 - d) AIDS Related Complex (ARC);
 - e) Human Immunodeficiency Virus (HIV);
 or any resulting symptom, effect, condition, disease or illness related to a) through e) listed above.

In addition, **bodily injury** does not include any symptom, effect, condition, disease or illness resulting in any manner from:

- a) lead in any form;
 - b) asbestos in any form;
 - c) radon in any form; or
 - d) oil, fuel oil, kerosene, liquid propane or gasoline intended for, or from, a storage tank located at the **residence premises**.
5. **"Building structure"**—means a structure with walls and a roof.
 6. **"Business"**—means:
 - a) any full- or part-time activity of any kind engaged in for economic gain including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is also a **business**.

However, the mutual exchange of home day care services is not considered a **business**;

- b) the rental or holding for rental of property by an **insured person**. Rental of **your residence premises** is not considered a **business** when:
 - 1) it is rented occasionally for residential purposes;
 - 2) a portion is rented to not more than two 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.
7. **"Residence premises"**—means the **dwelling**, separate structures and owned or rented grounds, where **you** reside as shown on the Policy Declarations.
 8. **"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 single-family dwelling is being built as that person's residence;
 - 6) any premises used by an **insured person** in connection with the **residence premises**;
 - 7) any part of a premises occasionally rented to an **insured person** for other than **business** purposes.
 9. **"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**.
 10. **"Property damage"**—means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.
 11. **"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**.
 12. **"Dwelling"**—means a manufactured home identified as the insured property on the Policy Declarations, where **you** reside and which is principally used as a private residence.

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, and inform **us** of any change in title, use or occupancy of the **residence premises**.

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.

The terms of this policy impose joint obligations on the person named on the Policy Declarations as the insured 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**.

Agreements We Make With You

We make the following agreements with **you**:

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 premium period without charge, **you** have the new features if **you** have the coverage to which they apply. Otherwise, the policy can be changed only by endorsement.

The coverage provided and the premium for the policy is 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, is incorrect or incomplete, **we** may adjust **your** coverage and 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 premium 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 **you** die, coverage will continue until the end of the premium period for:

- 1) **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 **your** death.
- 2) an **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.

Cancellation

Your Right to Cancel:

You may cancel this policy by notifying **us** of the future date **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) Non-payment of premium;
- 2) Conviction of an **insured person** of a crime involving acts causing an increase in hazard at the **insured premises**;
- 3) Misrepresentation, fraud or withholding of material facts when obtaining the policy or when submitting a claim;
- 4) Willful or reckless acts or omissions increasing the hazard insured against as determined from a physical inspection of the insured premises;
- 5) Physical changes in the covered property which increase the hazards in the risk we originally agreed to insure.

If the cancellation is for non-payment of premium, **we** will give **you** at least 10 days notice. If the cancellation is for any of the other reasons, **we** will give **you** at least 30 days notice.

Our 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 premium period. This policy may be:

- 1) canceled;
- 2) not renewed;
- 3) reduced in amount; or
- 4) adversely modified

at any time by **us** giving **you** 30 days written notice of such action with or without tender of the excess of paid premium above the pro rata premium for

the expired time, which excess, if not tendered, shall be refunded on demand. **We** will give 10 days notice where such action is based upon non-payment of premium or evidence that an **insured person** committed arson. **Our** mailing notice of non-renewal to **you** will be deemed to be proof of notice.

Conditional Reinstatement

If **we** mail a cancellation notice because **you** did not pay the required premium when due and **you** then tender payment by check, draft, or other remittance which is not honored upon presentation, **your** policy will terminate on the date and time shown on the cancellation notice and any notice **we** issue which waives the cancellation or reinstates coverage is void. This means that **we** will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice.

Concealment Or Fraud

This policy is void if it was obtained by misrepresentation, fraud or concealment of material facts. If it is determined 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.

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:

- a) no arbitrator shall have the authority to award punitive damages or attorney's fees;
- b) 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
- c) no arbitrator shall have the authority, without the mutual consent of the parties, to consolidate claims or disputes in arbitration.

Section I—Your Property

Dwelling Protection—Coverage A

Property We Cover Under Coverage A:

1. **Your dwelling** at the address shown on the Policy Declarations.
2. Attached structures, equipment and accessories which are built into and form a permanent part of **your dwelling**. This includes replacements for such items that remain a permanent part of **your dwelling**.
3. Steps connected to **your dwelling**, and oil and gas drums or tanks, connected to **your dwelling** which furnish heating or cooking fuel.
4. Construction materials and supplies at the address of the **residence premises** for use in construction, alteration or repair of **your dwelling**.
5. 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.
3. Satellite dish antennas and their systems, whether or not attached to **your dwelling**.

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 connected to **your dwelling** by only a fence, utility line, or similar connection.
3. Construction materials and supplies at the address of the **residence premises** for use in construction, alteration or repair of structures other than **your dwelling**.
4. Wall-to-wall carpeting fastened to **building structures** on the **residence premises**, other than **your dwelling**.

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.
4. Construction materials and supplies at the address of the **residence premises** for use in construction, alteration or repair of **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. **We** do not cover loss to the property described in **Dwelling Protection—Coverage A** or **Other Structures Protection—Coverage B** consisting of or caused by the following:
 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 or any other substance that backs up through sewers or drains.
 3. Water or any other substance 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 or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover sudden and accidental 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. Enforcement of any building codes, ordinances or laws regulating the construction, installation, reconstruction, maintenance, repair, placement or demolition of any **building structure**, other structure or land at the **residence premises**.

We do cover direct physical loss caused by actions of civil authority to prevent the spread of fire.

7. The failure by any **insured person** to take all reasonable steps to preserve property when the property is endangered by a cause of loss **we** cover.
8. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an **insured person**.
9. Intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
- may be reasonably expected to result from such acts; or
 - is the intended result of such acts.

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

This exclusion applies regardless of whether or not the **insured person** is actually charged with, or convicted of a crime.

10. Collapse, except as specifically provided in **Section I Additional Protection** under item 11., **Collapse**.
11. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
12. a) wear and tear, aging, marring, scratching, deterioration, inherent vice, or latent defect;
b) mechanical breakdown;

- growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;
- rust, mold, wet or dry rot, or other corrosion;
- contamination, including, but not limited to the presence of toxic, noxious or hazardous gasses, chemicals, liquids, solids or other substances at the **residence premises** or in the air, land or water serving the **residence premises**;
- smog, smoke from the manufacturing of any controlled substance, agricultural smudging and industrial operations;
- settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
- insects, rodents, birds or domestic animals. **We** do cover the breakage of glass or safety glazing materials caused by birds; or
- seizure by government authority.

If any of a) through g) cause the sudden and accidental escape of water or steam from a plumbing, heating or air conditioning system, household appliance or 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 escaped.

13. Freezing of plumbing, fire protective sprinkler systems, heating or air conditioning systems or household appliances, or discharge, leakage or overflow from within the systems or appliances 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**; or
 - shut off the water supply and drain the system and appliances.
14. Freezing, thawing, pressure or weight of water, snow, or ice, whether driven by wind or not. This exclusion applies only to fences, pavements, patios, swimming pools, foundations, retaining walls, bulkheads, piers, wharves or docks.
15. Seepage, meaning continuous or repeated seepage or leakage over a period of weeks, months, or years, of water, steam or fuel:
- from a plumbing, heating, air conditioning or automatic fire protection system or from within a domestic appliance; or
 - 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.
16. Theft from **your residence premises** while **your dwelling** is under construction or installation, or of materials and supplies for use in construction or installation, until **your dwelling** is completed and occupied.

17. Vandalism or Malicious Mischief if **your dwelling** is vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction or installation is not considered vacant or unoccupied.
18. 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.
19. Planning, Construction or Maintenance, meaning faulty, inadequate or defective:
 - a) planning, zoning, development, surveying, siting;
 - b) design, specifications, workmanship, repair, construction, installation, 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.
20. Conversion, embezzlement or secretion by the selling dealer or by any person in lawful possession of **your dwelling**.
21. Collision or upset of **your dwelling**.

- B. **We do not cover loss to the property described in Dwelling Protection-Coverage A or Other Structures Protection-Coverage B** when:
- 1) there are two or more causes of loss to the covered property; and
 - 2) the predominant cause(s) of loss is (are) excluded under items A.1. through A.21. above.

- C. **We do not cover loss to the property described in Dwelling Protection-Coverage A or Other Structures Protection-Coverage B** consisting of or caused by the following. These exclusions apply regardless of whether any other cause contributed concurrently or in any sequence to produce the loss:

1. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

We do cover direct physical loss by fire resulting from nuclear action.
2. War or warlike acts, including but not limited to, insurrection, rebellion or revolution.

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 other than the

residence premises, coverage is limited to 10% of **Personal Property Protection-Coverage C**. 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 in use at a temporary residence when a direct physical loss **we** cover makes **your residence premises** uninhabitable, or to personal property in student dormitory, fraternity or sorority housing.

2. At **your** option, personal property owned by a guest or **residence employee** while the property is in a residence **you** are occupying. Coverage for personal property owned by a guest or **residence employee** is limited to 10% of **Personal Property Protection-Coverage C** when the personal property of the guest or **residence employee** is located anywhere other than the **residence premises**.

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, banknotes, coins and other numismatic property, scrip, stored values cards and smart cards.
2. \$ 500 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than banknotes, checks, cashier's checks, travelers checks, passports, securities, tickets, and stamps, including philatelic property.
3. \$ 1,000 — Manuscripts, including documents stored on electronic media.
4. \$ 1,000 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
5. \$ 1,000 — Trailers not used with watercraft.
6. \$ 1,500 — Theft of jewelry, watches, precious and semiprecious stones, gold other than goldware, silver other than silverware, pewter other than pewterware, platinum other than platinumware and furs, including any item containing fur which represents its principal value.
7. \$ 1,000 — Theft of firearms, including their related equipment and accessories.
8. \$ 5,000 — Electronic data processing equipment and the recording or storage media used with that equipment whether or not the equipment is used in a **business**. Recording or storage media will be covered only up to:
 - a) the retail value of the media, if pre-programmed; or
 - b) the retail value of the media in blank or unexposed form, if blank or self-programmed.

9. \$ 1,000 — Theft of any recording or storage media while such property is away from the **residence premises**, this does not include recording or storage media used or intended for use in a **business**. Recording or storage media includes, but is not limited to:

- a) tapes;
- b) CD's, DVD's and other discs;
- c) records;
- d) disks;
- e) reels;
- f) cassettes;
- g) cartridges; or
- h) programs.

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 handicapped 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.
5. Property of roomers, boarders, tenants not related to **you**.
6. Property located away from the **residence premises** and rented or held for rental to others.
7. Any device or instrument, including any accessories or antennas, for the transmitting, recording, receiving or reproduction of sound which is used with a motor vehicle and obtains power for operation from the electrical system of the motor vehicle, or any tape, wire, record disc or other medium for use with any such device or instrument while any of said property in or upon a motor vehicle.

Losses We Cover Under Coverage C:

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

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.

We do not cover loss caused by smoke from the manufacturing of controlled substances, agricultural smudging or industrial operations.

8. Vandalism and Malicious Mischief.

We do not cover vandalism or malicious mischief if **your dwelling** has been vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction or installation is not considered vacant or unoccupied.

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. Increase or decrease of artificially generated electrical current to electronics, electrical appliances, fixtures and wiring.
12. Bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protection system or an appliance for heating water.
13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protection 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, automatic fire protection sprinkler system or a household appliance.

We do not cover loss at the **residence premises** under perils 12., 13., and 14. caused by or resulting from freezing while the **building structure** is vacant, unoccupied, under construction or installation unless **you** have used reasonable care to:

- a) maintain heat in the **building structure**; or
- b) shut off the water supply and drain the water from the systems and appliances.

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 installation 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;
- d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the **residence premises**;
- e) theft from that part of the **residence premises** rented by **you** other than an **insured person**.

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.

Losses We Do Not Cover Under Coverage C:

- A. **We** do not cover loss to the property described in **Personal Property Protection—Coverage C** consisting of or caused by the following:

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 or any other substance that backs up through sewers or drains.
3. Water or any other substance 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 or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance 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. Enforcement of any building codes, ordinances or laws regulating the construction, installation, reconstruction, maintenance, repair, placement or demolition of any **building structure** or other structure at the **residence premises**.

We do cover direct physical loss to covered property caused by actions of civil authority to prevent the spread of fire.

7. 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.
8. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an **insured person**.
9. Intentional or criminal 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 provision does not apply to an innocent co-**insured person** having an interest in the covered property.

This exclusion applies regardless of whether or not the **insured person** is actually charged with or convicted of a crime.

10. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
11. Weather Conditions that contribute in any way with a cause of loss excluded under **Losses We Do Not Cover Under Coverage C** to produce a loss.
12. Planning, Construction or Maintenance, meaning faulty, inadequate or defective:
 - a) planning, zoning, development, surveying, siting;
 - b) design, specifications, workmanship, repair, construction, installation, 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.

- B. **We** do not cover loss to the property described in **Personal Property Protection–Coverage C** when:
- 1) there are two or more causes of loss to the covered property; and
 - 2) the predominant cause(s) of loss is (are) excluded under items A.1. through A.12. above.
- C. **We** do not cover loss to the property described in **Personal Property Protection–Coverage C** consisting of or caused by the following. These exclusions apply regardless of whether any other cause contributed concurrently or in any sequence to produce the loss:
1. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

We do cover direct physical loss by fire resulting from nuclear action.
 2. War or warlike acts, including, but not limited to insurrection, rebellion or revolution.

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 covered 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:
 - 1) the time period required to repair or replace the property **we** cover, using due diligence and dispatch; or
 - 2) if **you** permanently relocate, the shortest time for **your** household to settle elsewhere;
 - 3) 3 consecutive months from the time of loss.
 - 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 but not to exceed 3 consecutive months from the time of loss.

- c) **We** will pay the reasonable and necessary increase in living expenses and the lost fair rental income for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a peril **we** insure against. However, payments for increase in living expenses or **your** lost fair rental income expense due to **remediation** of mold, fungus, wet rot or dry rot will not be paid in addition to any amounts paid or payable under **Section I Conditions, Mold, Fungus, Wet Rot And Dry Rot Remediation As A Direct Result Of A Covered Water Loss**.

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

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. **Credit Card, Bank Fund Transfer Card, Check Forgery And Counterfeit Money**

We will pay for loss:

- a) that an **insured person** is legally required to pay for the unauthorized use of any credit card or bank fund transfer card issued to or registered in the name of an **insured person**;
- b) caused by forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account;
- c) to an **insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

Our maximum limit of liability for any one loss is \$1,000. All loss due to forgery or unauthorized use by or involving any one person is considered one loss.

We do not cover:

- a) loss arising from any **business** of an **insured person**;
- b) loss caused by or at the direction of an **insured person** or any other person who has been entrusted with any credit card or bank fund transfer card;
- c) loss arising out of dishonesty of an **insured person**.

When loss is discovered, the **insured person** must give **us** immediate written notice. If the loss involves a credit card or bank fund transfer card, the **insured person** must also give immediate written notice to the company or bank that issued the card. Failure to comply with the terms and conditions of the card voids this protection.

We will pay only for loss occurring during the policy period, including those losses discovered and reported to **us** within one year after the policy has terminated. **We** have the right to investigate and settle any claim or suit as **we** deem appropriate. Full payment of the amount of insurance for any one loss ends **our** obligation under each claim or suit arising from the loss.

We will defend any suit brought against an **insured person** for the enforcement of payment covered under paragraph 2.a) of this protection. The defense will be at **our** expense, with counsel of **our** choice.

We have the option to defend an **insured person** or the **insured person's** bank against a suit for the enforcement of payment covered under paragraph 2.b) of this protection. The defense will be at **our** expense, with counsel of **our** choice.

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. 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 \$250 for service charges made by 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 an additional 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, theft or collapse of a **building structure** or any part of a **building structure**.

We will pay up to \$500 for reasonable expenses **you** incur for the removal of debris of trees at the address of the **residence premises** for direct physical loss caused by windstorm, hail, or weight of ice, snow or sleet. The fallen tree must have caused damage to property covered under **Dwelling Protection-Coverage A** or **Other Structures Protection-Coverage B**.

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

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

8. **Temperature Change**

We will pay for loss to covered personal property in a **building structure** at the **residence premises** resulting from a change in temperature. The change in temperature must result from a covered loss to the **building structure**.

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

9. **Power Interruption**

We will pay 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.

10. **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.

11. **Collapse**

We will cover at the **residence premises**:

- a) the entire collapse of a covered **building structure**;
- b) the entire collapse of part of a covered **building structure**; and
- c) direct physical loss to covered property caused by a) or b) above.

For coverage to apply, the collapse of a **building structure** specified in a) or b) above must be a direct physical loss caused by one or more of the following:

- a) a loss **we** cover under **Section I, Personal Property Protection-Coverage C**;
- b) weight of persons, animals, equipment or contents;
- c) weight of rain or snow which collects on a roof;
- d) defective methods or materials used in construction, installation, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, installation, repair, remodeling or renovation.

Collapse as referenced herein means the covered **building structure** or part of the covered **building structure** has actually fallen down or fallen into pieces unexpectedly and instantaneously. It does not include settling, cracking, shrinking, bulging, expansion, sagging or bowing.

Furthermore, collapse does not include or mean substantial structural impairment or imminent collapse.

Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, fuel oil tank, septic tank, cistern or similar system, foundation, retaining wall, bulkhead, pier, wharf or dock is not included, unless the loss is a direct result of the collapse of a **building structure** or part of a **building structure** that is a direct physical loss caused by one or more of the following:

- a) a loss **we** cover under **Section I, Personal Property Protection-Coverage C**;
- b) weight of persons, animals, equipment or contents; weight of rain or snow which collects on a roof;
- c) defective methods or materials used in construction, installation, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, installation, repair, remodeling or renovation.

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

12. **Change Of Manufactured Home**

If **you** replace **your dwelling** at **your residence premises**, **we** will cover the replacement under the provisions of this policy. **You** must notify **us** within 60 days and pay any additional premium required. The protection will not apply to any loss against which an **insured person** has other collectible insurance.

13. **Emergency Removal Service**

We will pay the reasonable expenses incurred by **you**, not to exceed \$500, for each removal and return of **your dwelling**, if it is endangered by a loss **we** cover. The removal must be urgently necessary to avoid damage to your dwelling.

Section I Conditions

1. **Deductible**

We will pay when a covered loss exceeds the 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) promptly give **us** or **our** agent notice. Report any theft to the police as soon as possible. If the loss involves a credit card or bank fund transfer card, give written notice to the company or bank that issued the card.

- 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.
 - 2) at **our** request, submit to examinations under oath, separately and apart from any other person defined as **you** or **insured person** and sign a transcript of the same.
 - 3) produce representatives, employees, members of the insured'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;
 - 6) at **our** request, the specifications of any damaged **building structure** or other structure; and
 - 7) evidence supporting any claim under the Credit Card, Bank Fund Transfer Card, Check Forgery And Counterfeit Money protection. State the cause and amount of loss.

We have no duty to provide coverage under this section if **you**, an **insured person**, or a representative of either fail to comply with items a) through g) above, and this failure to comply is prejudicial to **us**.

4. **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.

If covered property is partially destroyed or damaged by fire, **you** may:

- a) receive payment for damage done to the covered property; or
- b) have **us** repair the covered property so that it will be in as good a condition as before the fire.

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) Small Loss Payment. At **our** option, **we** may make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen property if:
 - 1) the whole amount of loss for property covered under **Dwelling Protection–Coverage A** and **Other Structures Protection–Coverage B**, without deduction for depreciation, is less than \$2,500 or;
 - 2) the whole amount of loss for property covered under **Personal Property Protection–Coverage C** without deduction for depreciation, is less than \$2,500 and if **your** Policy Declarations shows that the Personal Property Replacement Cost provision applies, and the property is not excluded from the Personal Property Replacement Cost 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 make claim for additional payment as described in paragraph c), and paragraph d) below if applicable, if **you** repair or replace the damaged, destroyed or stolen covered property within 6 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.
- c) Building Structure Replacement Cost.
Under **Dwelling Protection–Coverage A** and **Other Structures Protection–Coverage B**, **we** will make additional payment to reimburse **you** for cost in excess of actual cash value if **you** repair, rebuild or replace damaged, destroyed or stolen covered property within 6 months of the actual cash value payment. 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.

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 equivalent 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 equivalent 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.

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 describe above. The amount payable under Building Structure Reimbursement described above does not include the value of any land associated with the replacement structure(s).

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.

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, fences, 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 the construction, installation, reconstruction, maintenance, repair, relocation or demolition of **building structures** or other structures.

- d) Personal Property Replacement Cost.
When the Policy Declarations shows that the Personal Property Reimbursement provision applies under **Personal Property Protection–Coverage C**, **we** will make additional payment to reimburse **you** for cost in excess of actual cash value if **you** repair, rebuild or replace damaged, destroyed or stolen covered personal property or wall-to-wall carpeting within 6 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 **you** right to full replacement cost.

Personal Property Replacement Cost 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 Replacement Cost 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 Replacement Cost 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; or
- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss.

6. **Our Settlement Of Loss**

We will settle any covered loss with **you** unless some other person or entity is named in the policy. **We** will settle within 60 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**

In case the insured and this company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty (20) days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen (15) days to agree upon such umpire, then, on request of the insured or this company, such umpire shall be selected by a judge of a court of record in the state and county (or city if the city is not within a county) in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. The umpire shall make the award within thirty (30) days after the umpire receives the appraisers' submissions of

their differences. An award in writing, so itemized, of any two when filed with this company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting such appraiser and the expenses of appraisal and umpire shall be paid by the parties equally.

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 for specific perils. A **building structure** under construction or installation is not considered vacant.
- b) **You** may make alterations, additions or repairs, and **you** may complete structures under construction or installation.

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 the 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.

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**.

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 who 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. However, in the event of a loss by theft, this insurance shall be excess over any other insurance that covers loss by theft.

17. **Property Insurance Adjustment**

When the Policy Declarations indicates that the Property Insurance Adjustment Condition applies, **you** agree that, at each policy anniversary, **we** may increase the limit of liability shown on the Policy Declarations for **Dwelling Protection–Coverage A** to reflect one of the following:

- a) the rate of change in the Index identified in the **Important payment and coverage information** section of the Policy Declarations. The limit of liability for **Dwelling Protection–Coverage A** for the succeeding premium period will be determined by changing the existing limit in proportion to the change in the Index between the time the existing limit was established and the time the change is made. The resulting amount will be rounded to the nearest \$1,000; or
- b) the minimum amount of insurance coverage **we** are willing to issue for the succeeding premium 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 the limits of liability shown on the Policy Declarations, **you** must contact **us** to request such a change.

18. **Lienholder**

A covered loss will be payable to the mortgagees or lienholders 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 and lienholders.

We will:

- a) protect the mortgagee's or lienholder's interest in a covered **building structure** in the event of an increase in hazard, intentional or criminal 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 or lienholder has no knowledge of these conditions; and
- b) give the mortgagee or lienholder at least 10 days notice if **we** cancel this policy.

The mortgagee or lienholder 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** in writing of any change of ownership or occupancy or any increase in hazard of which the mortgagee or lienholder has knowledge;
- d) give **us** the mortgagee's or lienholder'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 or lien requirements and receive full transfer of the mortgage or lien.

This mortgagee interest provision shall apply to any trustee, loss payee, lienholder 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 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.

Losses We Do Not Cover Under Coverage X:

1. **We** do not cover any **bodily injury** or **property damage** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:

- a) such **insured person** lacks the mental capacity to govern his or her conduct;
- b) such **bodily injury** or **property damage** is of a different kind or degree than intended or reasonably expected; or
- c) such **bodily injury** or **property damage** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.

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 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, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.
5. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:
 - a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
 - b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** 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 under 40 horsepower;
 - h) **bodily injury** to a **residence employee**.
6. **We** do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft 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;
 - c) is powered by one or more outboard motors with more than 25 total horsepower;

- d) is designated as an airboat, air cushion, or similar type of watercraft; or
- e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

7. **We** do not cover **bodily injury** or **property damage** 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, occupancy, renting, loaning, 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 any **bodily injury** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

We do cover **bodily injury** which results from such discharge.
9. **We** do not cover any **property damage** consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
10. **We** do not cover any **bodily injury** or **property damage** arising out of any liability statutorily imposed upon any **insured person** in any manner, consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
11. **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**.
12. **We** do not cover **bodily injury** or **property damage** arising out of the past or present **business** activities of an **insured person**.

We do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age who is self-employed and has no employees.
13. **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**. This exclusion does not apply to **bodily injury** to a **residence employee**.
14. **We** do not cover **property damage** to property rented to, occupied or used by, or in the care of, an **insured person**. This exclusion does not apply if the **property damage** is caused by fire, explosion or smoke.

15. **We** do not cover any liability an **insured person** assumes arising out of any contract or agreement.
16. **We** do not cover **bodily injury** or **property damage** caused by war or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

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, eyeglasses, 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 cover any **bodily injury** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:
 - a) such **insured person** lacks the mental capacity to govern his or her conduct;
 - b) such **bodily injury** is of a different kind or degree than intended or reasonably expected; or
 - c) such **bodily injury** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.

2. **We** do not cover **bodily injury** to any **insured person** or regular resident of the **insured premises**. However, this exclusion does not apply to a **residence employee**.
3. **We** do not cover **bodily injury** to any person eligible to receive any benefits voluntarily provided, or required to be 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, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.
5. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:
 - a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
 - b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** 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 under 40 horsepower;
 - h) **bodily injury** to a **residence employee**.
6. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft 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;
 - c) is powered by one or more outboard motors with more than 25 total horsepower;
 - d) is designated as an airboat, air cushion, or similar type of watercraft; or
 - e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to a **bodily injury** to a **residence employee**.

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, occupancy, renting, loaning, 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 any **bodily injury** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

We do cover **bodily injury** which results from such discharge.

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

10. **We** do not cover **bodily injury** arising out of the past or present business activities of an **insured person**.

We do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age who is self-employed and has no employees.

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

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

13. **We** do not cover **bodily injury** caused by war or warlike acts, including, but not limited to insurrection, rebellion, or revolution.

Additional Protection

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

1. Claim Expense

We will pay:

- all costs **we** incur in the settlement of any claim or the defense of any suit against an **insured person**;
- interest accruing on damages awarded, including prejudgment interest, if any. **We** will pay this interest only until **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;
- 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;
- up to \$150 per day for loss of wages and salary, when **we** ask **you** to attend trials and hearings;
- any other reasonable expenses incurred by an **insured person** at **our** request.

2. Emergency First Aid

We will pay reasonable 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 \$500 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:

- to property covered under **Section I** of this policy;
- to property intentionally damaged by an **insured person** who has attained the age of 13;
- to property owned by or rented to an **insured person**, any tenant of an **insured person**, or any resident in **your** household; or
- arising out of:
 - past or present **business** activities;
 - any act or omission in connection with a premises, other than an **insured premises**, owned, rented or controlled by an **insured person**; or
 - the ownership or use of a motorized land vehicle, trailer, aircraft or watercraft.

Section II Conditions

1. What You Must Do After An Accidental Loss

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

- Promptly notify **us** or **our** agent stating:
 - your** name and policy number;
 - the date, the place and the circumstances of the loss;
 - the name and address of anyone who might have a claim against an **insured person**;
 - the names and addresses of any witnesses.
- Promptly send **us** any legal papers relating to the accident.
- At **our** request, an **insured person** will:
 - cooperate with **us** and assist **us** in any matter concerning a claim or suit;
 - help **us** enforce any right of recovery against any person or organization who may be liable to an **insured person**;
 - attend any hearing or trial.
- 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.

Any **insured person** 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 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 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**.
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.
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** after actual trial, or by written agreement of the **insured person**, injured person and **us**, and the action against **us** is commenced within one years of such judgment or agreement.
 - c) 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 **Guest Medical Protection—Coverage Y**, unless such action is commenced within one year after the date the expenses for which coverage is sought were actually incurred.
 - d) 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 **Section II, Additional Protection**, unless such action is commenced within one year after the date the claim expenses or emergency first aid expenses for which coverage is sought were actually incurred, or within one year after the date of loss to the property if coverage is being sought under the **Damage To Property Of Others** provision.
 - e) 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**
 This insurance is excess over any other valid and collectible insurance except insurance that is written specifically as excess over the limits of liability that apply to this policy.

Section III—Optional Protection

Optional Coverages You May Buy

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 BR**
 When the Policy Declarations indicates that **Building Codes—Coverage BR** applies, exclusion A.6. under **Section I—Your Property, Losses We Do Not Cover Under Coverages A and B** does not apply, and **we** will pay up to the Limit of Liability shown on the Policy Declarations for Building Codes to comply with local building codes after covered loss or when repair or replacement results in increased cost due to the enforcement of any building codes, ordinances or laws regulating construction, repair or demolition of the **dwelling** or other structures.
2. **Fire Department Charges—Coverage F**
 The \$250 limit applying to the fire department service charges under **Additional Protection** is increased to the amount shown on the Policy Declarations.
3. **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 semiprecious 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**.

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.
- b) wear and tear, gradual deterioration, inherent vice, insects or vermin.
- c) nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered a loss by fire, explosion or smoke.

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

- d) war or warlike acts, including, but not limited to insurrection, rebellion or revolution.
- e) failure by any insured person to take all reasonable steps to preserve property during and after a loss or when the property is endangered by a cause of loss **we** cover.

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

4. **Business Pursuits–Coverage P**

Family Liability Protection–Coverage X and **Guest Medical Protection–Coverage Y** are extended to cover specified **business** pursuits of an insured person.

We do not cover:

- a) **bodily injury** or **property damage** arising out of the **business** pursuits of an **insured person** when the **business** is owned or financially controlled by the **insured person**. This also means a partnership or joint venture of which an **insured person** is a partner or member;
- b) **bodily injury** or **property damage** arising out of the rendering or failure to render a professional service of any nature, other than teaching;
- c) **bodily injury** to a fellow employee of an **insured person** arising out of and in the course of employment;
- d) **bodily injury** or **property damage** when an **insured person** is a member of a teaching staff or faculty of any school or college and the **bodily injury** or **property damage** arises out of the maintenance or use of saddle animals, vehicles used with saddle animals, motorized land vehicles, aircraft or watercraft when owned, hired or operated by an **insured person** or used for the purpose of instruction; or

- e) **bodily injury** to any person arising out of corporal punishment administered by or at the direction of an **insured person** when an **insured person** is a member of the teaching staff or faculty of any school of instruction.