

# Condominium Owners Policy

AVP535

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## 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. **Association**—means the management body of the **co-op** or **condominium**. Associations only include:
  - a) those consisting of **you** and all other **condominium** unit owners collectively as members; or
  - b) the legal entity that is responsible for the operation and ownership of the **co-op**.
2. **Bodily injury**—means physical harm to the body, including sickness or disease, and resulting death, or any resulting symptom, effect, condition, disease or illness. **Bodily injury** does not include any of the following which are communicable: disease, bacteria, parasite, virus or other organism, any of which are transmitted by any **insured person** to any other person. It also does not include the exposure to any such disease, bacteria, parasite, virus or other organism by any **insured person** to any other person.

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**.

Under **Guest Medical Protection-Coverage Y**, **bodily injury** means physical harm to the body, including sickness or disease. **Bodily injury** does not include any of the following which are communicable: disease, bacteria, parasite, virus or other organism, any of which are transmitted by any **insured person** to any other person. It also does not include the exposure to any such disease, bacteria, parasite, virus or other organism by any **insured person** to any other person.

3. **Building property**—means items of real property owned exclusively by an **insured person** that:
  - a) do or will comprise a part of the **residence premises**;
  - b) are used to service or support the **residence premises**; or
  - c) are **your** insurance responsibility as expressed under the governing rules of the **association**.

Real property includes only those fixtures, structures, construction material and supplies, installations or additions located either within that portion of the premises used as the **residence premises** or on the **association** premises that benefits an **insured person** and fewer than all unit owners. Real property also includes structures owned solely by **you**, other than the **residence premises**, at the location of the **residence premises**.

4. **Business**—means:
  - a) any full- or part-time activity of any kind engaged in for economic gain and 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 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.
5. **Catastrophic ground cover collapse**—means geological activity that results in all the following:
  - a) the abrupt collapse of the ground cover;
  - b) a depression in the ground cover clearly visible to the naked eye;
  - c) **structural damage** to a building structure, or the dwelling foundation, in which the **residence premises** is located; and
  - d) that building structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that building structure.

Catastrophic ground cover collapse does not include damage consisting merely of settling or cracking of a foundation or building structure.
6. **Condominium**—means the development governed by the **association** of all unit owners of which **you** are a member and in which the **residence premises** is located.
7. **Co-op**—means the development:
  - a) owned and governed by the **association** of which **you** have an ownership interest; and
  - b) in which the **residence premises** is located and has been leased to **you**.
8. **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 **Building Property Protection-Coverage A**, **insured person** also means the **Association**.

In **Section II**, under **Family Liability Protection-Coverage X** and **Guest Medical Protection-Coverage Y** only, "**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**.
9. **Insured premises**—means:
- the **residence premises**; and
  - under **Section II—Family Liability And Guest Medical Protection** only:
    - 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;
    - any part of a premises not owned by an **insured person** but where an **insured person** is temporarily living;
    - cemetery plots or burial vaults owned by an **insured person**;
    - vacant land, other than farmland, owned by or rented to an **insured person**;
    - 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;
    - any premises used by an **insured person** in connection with the **residence premises**; and
    - any part of a premises occasionally rented to an **insured person** for other than **business** purposes.
10. **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**.
11. **Primary structural member**—means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.
12. **Primary structural system**—means an assemblage of **primary structural members**.
13. **Property damage**—means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.
14. **Rebate**—means a remuneration, payment, gift, discount, or transfer of any item of value to **you** by or on behalf of a person performing repairs as an incentive or inducement to obtain repairs performed by that person.
15. **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**.
- However, **residence employee** does not mean the employee of the **association** whose duties include services in connection with the maintenance or use of the **residence premises**, regardless of whether **you** pay the employee directly for services performed.
16. **Residence premises**—means that premises described on the Policy Declarations used as a private residence and reserved exclusively for **your** use or occupancy.
17. **Shared property**—means property owned by:
  - all **condominium** unit owners collectively; or
  - all shareholders of the **co-op association** collectively.
18. **Sinkhole activity**—means settlement or systematic weakening of the earth supporting the covered **residence premises** that **you** reside in as **your** primary residence, but only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.
- We do not cover catastrophic ground cover collapse under Sinkhole Activity Coverage.**
19. **Sinkhole loss**—means **structural damage** to the building structure, or the dwelling foundation, in which the **residence premises** is located and which is **your** insurance responsibility as expressed under the governing rules of the **association**, that **we** cover under **Building Property Protection-Coverage A**, caused by **sinkhole activity**. Coverage for personal property covered under **Personal Property Protection-Coverage C** and additional living expenses will apply only if there is **structural damage** to the building structure, or the dwelling foundation, in which the **residence premises** is located and which is **your** insurance responsibility as expressed under the governing rules of the **association**, that **we** cover under **Building Property Protection-Coverage A**, caused by **sinkhole activity**.
20. **Structural damage**—means the building structure, or the dwelling foundation, in which the **residence premises** is located and which is **your** insurance responsibility as expressed under the governing rules of the **association**, that **we** cover under **Building Property Protection-Coverage A**, regardless of the date of its construction, has experienced the following:
  - interior floor displacement or deflection in excess of acceptable variances as defined within ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior building structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
  - foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the **primary structural members** or **primary structural system(s)** that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those **primary structural members** or **primary structural system(s)** exceeds one and one-third the nominal strength

allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;

- c) damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical **primary structural members** to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined in the Florida Building Code;
- d) damage that results in the building, or any portion of the building containing **primary structural members** or **primary structural system(s)**, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such building as defined in the Florida Building Code; or
- e) damage occurring on or after October 15, 2005, that qualifies as "substantial structural damage" as defined in the Florida Building Code.

21. **We, us, or our**—means the company named on the Policy Declarations.
22. **Windstorm**—means wind with or without precipitation.
23. **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, 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.

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**.

This policy imposes 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. 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. If this information changes as a result of a change made by **you, we** may adjust **your** coverage and premium accordingly.

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 **you** die, coverage will continue until the end of the current policy 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.

#### Renewal

If **we** intend to renew **your** policy, **we** will mail **you** an offer to renew **your** policy at least 45 days before the end of the policy period.

#### 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 or by delivering notice to **you** electronically or in some other manner. When this policy has been in effect for 90 days or less, and it is not a renewal with **us, we** may cancel this policy for any reason. If the cancellation is for non-payment of premium, **we** will give **you** at least 10 days' notice. If the cancellation is for any other reason, **we** will give **you** at least 20 days' notice.

When this policy has been in effect for 90 days or less, **we** may cancel for any reason, except **we** may not cancel:

1. on the basis of property insurance claims that are the result of an Act of God, unless **we** can demonstrate, by claims frequency or otherwise, that **you** have failed to take action reasonably necessary as requested by **us** to prevent recurrences of damage to the insured property.

2. on the basis of a single claim on a property insurance policy which is the result of water damage unless **we** can demonstrate **you** have failed to take action reasonably requested by **us** to prevent a future similar occurrence of damage to the insured property.

**We** will not cancel this policy based on the lawful use, possession, or ownership of a firearm or ammunition by an **insured person** or a household member of an **insured person**.

When this policy has been in effect for more than 90 days, 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. a substantial change in the risk covered by the policy;
3. material misstatement; or
4. failure to comply, within 90 days after the date of effectuation of coverage, with underwriting requirements established by **us** before the date of effectuation of coverage.

When this policy has been in effect for more than 90 days, or if it is a renewal with **us**, **we** will not cancel this policy based on credit information available in public records.

**We** will not cancel this policy based on the lawful use, possession, or ownership of a firearm or ammunition by an **insured person** or a household member of an **insured person**.

If the cancellation is for non-payment of premium, **we** will give **you** at least 10 days' notice. If the cancellation is for any other reason, **we** will give **you** at least 120 days' notice.

If the cancellation is for non-payment of premium by **your** mortgage lender and the premium payment made is not more than 90 days overdue, **we** shall reinstate the insurance policy, retroactive to the date of cancellation.

**Our** mailing the notice of cancellation to **you**, or by delivering notice to **you** electronically or in some other manner, will be deemed proof of notice. Coverage under this policy will terminate on the effective date and time 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 within 15 working days after the effective date of cancellation. Any unearned premium amounts under \$5.00 will be refunded only upon **your** request. 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 this policy beyond the current policy period. If **we** do not intend to continue or renew the policy, **we** will give **you** at least 120 days' notice. **Our** mailing the notice of non-renewal to **you**, or delivering notice to **you** electronically or in some other manner, will be deemed proof of notice.

**We** may non-renew or discontinue this policy for any reason, except:

1. on the basis of property insurance claims that are the result of an Act of God, unless **we** can demonstrate, by claims frequency or otherwise, that **you** have failed to take action reasonably necessary as requested by **us** to prevent recurrences of damage to the insured property.

2. on the basis of filing of claims for **sinkhole loss**, unless:
  - a) the total of such claim payments equals or exceeds the limit of liability for **property damage** to the building structure **we** cover under **Building Property Protection-Coverage A** in effect on the date of the loss; or
  - b) **you** failed to repair the building structure **we** cover under **Building Property Protection-Coverage A** in accordance with the engineering recommendations upon which claim payment was based.
3. on the basis of a single claim on a property insurance policy which is the result of water damage unless **we** can demonstrate **you** have failed to take action reasonably requested by **us** to prevent a future similar occurrence of damage to the insured property.
4. on the basis of the lawful use, possession, or ownership of a firearm or ammunition by an **insured person** or a household member of an **insured person**.
5. on the basis of credit information available in public records.

**Misrepresentation, Fraud Or Concealment**

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.

If this policy has been in effect for more than 90 days, or if it is a renewal with **us**, a claim filed by an **insured person** will not be denied based on credit information available in public records.

**What Law Will Apply**

This policy is issued in accordance with the laws of Florida and covers property or risks principally located in Florida. Subject to the following paragraph, the laws of Florida shall govern any and all claims or disputes in any way related to this policy.

If a covered loss to property, or any other **occurrence** for which coverage applies under this policy happens outside Florida, claims or disputes regarding that covered loss to property, or any other covered **occurrence** may be governed by the laws of the jurisdiction in which that covered loss to property, or other covered **occurrence** happened, only if the laws of that jurisdiction would apply in the absence of a contractual choice of law provision such as this.

**Where Lawsuits May Be Brought**

Subject to the following two paragraphs, any and all lawsuits in any way related to this policy, shall be brought, heard and decided only in a state or federal court located in Florida. Any and all lawsuits against persons not parties to this policy but involved in the sale, administration, performance, or alleged breach of this policy, or otherwise related to this policy, shall be brought, heard and decided only in a state or federal court located in Florida, provided that such persons are subject to or consent to suit in the courts specified in this paragraph.

If a covered loss to property, or any other **occurrence** for which coverage applies under this policy happens outside Florida, lawsuits regarding that covered loss to property, or any other covered **occurrence** may also be brought in the appropriate court where that covered loss to property, or any other covered **occurrence** happened.

Nothing in this provision, **Where Lawsuits May Be Brought**, shall impair any party's right to remove a state court lawsuit to a federal court.

#### 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.

#### Notice

If a company employee adjuster, independent adjuster, attorney, investigator, or other person acting on **our** behalf needs access to an **insured person** or claimant or to the **insured premises** that is the subject of a claim, that person must provide at least 48 hours' notice to the **insured person** or claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the **insured premises**. The **insured person** or claimant may deny access to the **insured premises** if notice has not been provided. The **insured person** or claimant may waive the 48 hour notice.

#### Communications

If **you** have indicated **your** willingness to conduct business electronically with **us**, including receiving and signing the electronic forms relating to **your** insurance and other transactions (current and future), the communications **we** may provide to **you** in electronic form include, but are not limited to, policy forms, renewal and non-renewal notices, informational or other notices, disclosures, premium information and cancellation notices.

Even when **you** and **we** have agreed that the primary method of communicating with **you** will be in electronic form, **we** may, in **our** discretion, send communications to **you** via U.S. Mail or other carrier instead of, or in addition to, providing them to **you** electronically. Electronic communications provided to **you** will have the same force and effect as if sent to **you** via U.S. Mail or other carrier with proof of mailing. Proof of electronic notification will be sufficient proof of notice for all electronic communications pertaining to this policy.

## Section I—Your Property

### Building Property Protection—Coverage A

#### Property We Cover Under Coverage A:

**We** will cover **building property**.

#### Property We Do Not Cover Under Coverage A:

**We** do not cover land.

#### Losses We Cover Under Coverage A:

**We** will cover sudden and accidental direct physical loss to property described in **Building Property Protection—Coverage A** except as limited or excluded in this policy.

### 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 usually located away from the **residence premises**, coverage is limited to 10% of **Personal Property Protection—Coverage C**.

This limitation does not apply to personal property:

- a) in a newly acquired principal residence for the 30 days immediately after **you** begin to move property there; or
  - b) in use at a temporary residence when a direct physical loss **we** cover makes **your residence premises** uninhabitable.
2. At **your** option, personal property owned by a guest or **residence employee** while the property is in a residence **you** are occupying.

#### 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. \$ 200 — Money, bullion, banknotes, coins and other numismatic property.
2. \$ 200 — Property used or intended for use in a **business** while the property is away from the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
3. \$ 500 — Theft of any recording or storage media while such property is away from the **residence premises**, whether it is used with electronic data processing equipment or in a **business**. Recording or storage media includes, but is not limited to:

- a) tapes;
  - b) CDs, DVDs and other discs;
  - c) records;
  - d) disks;
  - e) reels;
  - f) cassettes;
  - g) cartridges; or
  - h) programs.
4. \$ 1,000 — Property used or intended for use in a **business**, including property held as samples or for sale or delivery after sale, while the property is on the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
  5. \$ 1,000 — Trading cards, subject to a maximum amount of \$250 per card.
  6. \$ 1,000 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
  7. \$ 1,000 — Trailers not used with watercraft.
  8. \$ 1,000 — Motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.
  9. \$ 1,000 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than banknotes, passports, securities, tickets and stamps, including philatelic property.
  10. \$ 1,000 — Manuscripts, including documents stored on electronic media.
  11. \$ 2,000 — Theft of firearms or firearm accessories.
  12. \$ 2,500 — Theft of goldware, silverware, pewterware and platinumware.
  13. \$ 5,000 — 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, subject to a maximum amount of \$1,000 per item.
  14. \$ 10,000 — Theft of tools and their accessories.

### 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**.
6. Property located away from the **residence premises** and rented or held for rental to others.
7. **Shared Property.**  
However, this does not apply to **Loss Assessments-Coverage G** in **Section III** of this policy.

### Losses We Cover Under Coverage C:

**We** will cover sudden and accidental 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; or
  - 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 owned by **you** on the **co-op** or **condominium** 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.
8. Vandalism and Malicious Mischief.

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

## 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 in which the **residence premises** is located is damaged due to the weight of ice, snow or sleet.

## 11. 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 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 **residence premises** is vacant or under construction, or when freezing results from a lack of utility services at the **residence premises** to which item 23 in **Losses We Do Not Cover Under Coverages A and C** applies, unless **you** have used reasonable care to maintain heat in the **residence premises**. If the **residence premises** 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 **residence premises**.

## 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:

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

- when away from the **residence premises**, theft of: trailers; campers; or watercraft, including furnishings, equipment and outboard motors; or
- theft from that part of the **residence premises** rented by **you** to other than an **insured person**.

**We** will not cover theft of the following property while the **residence premises** is rented to others:

- money, bullion, coins, numismatic property or banknotes;
- securities, accounts, bills, deeds, evidences of debt, letters of credit, notes other than banknotes, passports, tickets or stamps, including philatelic property;
- jewelry, watches, furs, precious and semiprecious stones, articles of gold, silver or platinum.

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. **Sinkhole activity**, but only if **Sinkhole Activity Coverage** is shown on the Policy Declarations.

**We** do not cover losses caused by **sinkhole activity** under **Personal Property Protection–Coverage C**, unless **sinkhole activity** causes structural damage to the **residence premises**, including the foundation.

18. **Catastrophic ground cover collapse**.**Losses We Do Not Cover Under Coverages A And C:**

**We** do not cover loss to property described in **Building Property Protection–Coverage A** or **Personal Property Protection–Coverage C** caused by or consisting of:

- 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.
- Water or any other substance that backs up through sewers or drains.
- Water or any other substance that overflows from a sump pump, sump pump well or any other system designed for the removal of subsurface water which is drained from a foundation area of a structure.
- 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**. Except as otherwise excluded under items 1 through 3 above, this exclusion does not apply to 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 condominium or co-op**.

**We** do cover sudden and accidental 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.

However, **we** will not apply this exclusion to sudden and accidental direct physical loss which consists of, or is caused by:

- a) **catastrophic ground cover collapse**; or
- b) **sinkhole activity** covered under **Sinkhole Activity Coverage**, if **Sinkhole Activity Coverage** is shown on the Policy Declarations.

**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:
- a) to enforce any building codes, ordinances or laws regulating or requiring the construction, reconstruction, maintenance, replacement, repair, placement or demolition of the **residence premises** or any other structure at the **co-op** or **condominium**; or
  - b) requesting, demanding or ordering that an **insured person** test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, or neutralize, or in any way respond to or assess the effects of, any loss or potential loss at the **residence premises**.

However, **we** will cover sudden and accidental direct physical loss caused by actions of civil, governmental or military authority to prevent the spread of fire.

This exclusion does not apply to **Section I Additional Protection, Civil, Governmental And Military Authorities**.

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 exclusion applies regardless of whether the **insured person** is actually charged with, or convicted of a crime. The application of this exclusion will not be based solely on an arrest or the issuance of a citation.

10. Nuclear hazard, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss arising out of a nuclear hazard is not considered as arising from fire, explosion or smoke.

- 11. 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.

12. Collapse, except as specifically provided in **Section I Additional Protection** under item 9, "Collapse."
13. Soil conditions, including, but not limited to, corrosive action, chemicals, compounds, elements, suspensions, crystal formations or gels in the soil.
14. Vapors, fumes, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.
- However, **we** will not apply this exclusion to sudden and accidental direct physical loss to covered property caused by a peril on the **residence premises** covered under **Losses We Cover Under Coverage C** except as otherwise limited or excluded in this policy.
15. a) Wear and tear, aging, marring, scratching, deterioration, inherent vice, or latent defect;
- b) mechanical breakdown;
  - c) growth of trees, shrubs, plants or lawns, regardless of whether such growth is above or below the surface of the ground;
  - d) rust or other corrosion;
  - e) settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings; or
  - f) insects, rodents, birds or domestic animals. **We** do cover the breakage of glass or safety glazing materials caused by birds.

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 residence premises** 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.

With respect to covered assessments under **Loss Assessments-Coverage G** in **Section III** of this policy, if any of a) through f) 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 condominium** or **co-op**, **we** cover the direct physical damage caused by the water or steam.

16. 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 or being constructed unless **you** have used reasonable care to:

- a) maintain heat in the building structure; or
  - b) shut off the water supply and drain the system and appliances.
17. 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 **residence premises**.
18. Seepage, meaning continuous or repeated seepage or leakage over a period of weeks, months, or years, of water, steam or fuel:
- a) from a plumbing, heating, air conditioning or automatic fire protective sprinkler system within a **condominium** or **co-op** appliance 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.
19. Weather Conditions that contribute in any way with an event, peril or condition excluded under **Losses We Do Not Cover Under Coverages A And C** to produce a loss.
20. 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.
21. Seizure, confiscation or quarantine by civil, governmental or military authority.
- We** will cover sudden and accidental direct physical loss caused by actions of civil, governmental or military authority to prevent the spread of fire.
22. The manufacturing of any controlled substance at the **residence premises** or any part of the **condominium** or **co-op** reserved for **your** exclusive use or occupancy.
23. Lack of utility services at the **residence premises**, meaning loss or interruption of, lack or loss of access to, or unavailability of, one or more utility services for the **residence premises**, including, but not limited to, electric, natural gas or other fuels, water, sanitation, sewer, cable or communication services, unless the lack of utility services results solely from a sudden and accidental direct physical loss to property located at the **residence premises** caused by an event, peril or condition not excluded by this policy.

When the lack of utility services results in 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 **residence premises**, or their filtration and circulation systems located within a heated portion of the **residence premises**;

or when the lack of utility services results in discharge, leakage or overflow from within a), b) or c) above caused by freezing, **we** do cover sudden and accidental direct physical loss caused by the freezing if **you** used reasonable care to maintain heat in the **residence premises**. If the **residence premises** 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 **residence premises**.

24. Inability of an **insured person** to use, access or remain at the **residence premises** due to an actual, impending or expected lack, impassability or unavailability of any reasonable means of ingress to or egress from the **residence premises**, including, but not limited to, roads, highways, causeways, sidewalks, paths, rails, bridges, tunnels or waterways.

For purposes of this exclusion, a particular means of ingress or egress will be considered impassable or unavailable if:

- a) it cannot be safely traveled due to physical damage or destruction of that means of ingress or egress; or
- b) it cannot be traveled due to actions by others, including, but not limited to, civil, governmental or military authorities which prohibit or restrict travel using that means of ingress or egress.

This exclusion does not apply to **Section I Additional Protection, Civil, Governmental And Military Authorities**.

25. Theft from **your residence premises** while **your residence premises** is under construction, or of materials and supplies for use in construction, until **your residence premises** is completed and occupied.
26. Vandalism or malicious mischief if **your residence premises** is vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **residence premises** under construction is not considered vacant or unoccupied.
27. **We** do not cover loss to covered property described in **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C** when:
- a) there are two or more causes of loss to the covered property; and
  - b) the predominant cause(s) of loss is(are) excluded under **Losses We Do Not Cover**, items 1 through 26 above.

However, we will cover any sudden and accidental physical loss that follows items 1 through 26 above to covered property:

- a) described in **Building Property Protection-Coverage A**, unless otherwise excluded by this policy; or
- b) described in **Personal Property Protection-Coverage C** that is a loss covered under **Losses We Cover Under Coverage C**, unless otherwise excluded by this policy.

28. Under **Building Property Protection-Coverage A** and **Personal Property Protection-Coverage C** of this policy, **we** do not cover any loss consisting of or caused by mold, fungus, wet rot, dry rot or bacteria. This includes any loss which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.

This exclusion applies regardless of whether mold, fungus, wet rot, dry rot or bacteria arises from any other cause of loss, including, but not limited to, a loss involving water, water damage or discharge, which may otherwise be covered by this policy, except as specifically provided in **Section I Conditions, Mold, Fungus, Wet Rot And Dry Rot Remediation As A Direct Result Of A Covered Loss**.

**We** will not apply this exclusion to fire or lightning losses.

## 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 **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C** makes **your** **condominium** or **co-op**, or the building structure containing **your** **residence premises** uninhabitable. However, additional living 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 Loss**.

Payment for additional living expense as a result of a covered loss under **Building Property Protection-Coverage A** 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;
- 2) if **you** permanently relocate, the shortest time for **your** household to settle elsewhere; or
- 3) 24 months.

In no event shall **our** payment for additional living expenses, including lost fair rental income, exceed 20% of the Limit Of Liability shown on **your** Policy Declarations for **Personal Property Protection-Coverage C**.

However, payment for **your** lost fair rental income 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 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. Civil, Governmental And Military Authorities

**We** will pay the reasonable and necessary increase in living expenses and lost fair rental income 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 **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C**. However, payments for increase in living expenses or **your** lost fair rental income 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 Loss**.

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. 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 sudden and accidental 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 called to protect **your** property from a loss **we** cover on the premises of the **condominium** or **co-op**. No deductible applies to this protection.

### 6. Reasonable Emergency Measures

- a) **We** will pay up to the greater of \$3,000 or one percent of the Limit Of Liability shown on the Policy Declarations for **Building Property Protection-Coverage A** for the reasonable and necessary costs incurred by **you** for measures taken solely to

protect covered property from further covered loss following a loss **we** cover.

- b) **We** will not pay more than the amount in 6.a) above, unless **we** agree within 48 hours of **your** request to **us** to exceed that limit. If **we** agree to exceed that limit, **we** will pay only up to the additional amount for the measures **we** authorize. If **we** fail to respond to **you** within 48 hours of **your** request to **us** to exceed that limit, and the damage or loss is caused by a peril insured against, **you** may exceed the limit indicated in 6.a) above only up to the cost incurred by **you** for the reasonable and necessary emergency measures necessary to protect the covered property from further covered loss.
- c) If, however, a covered loss occurs during a hurricane, the amount **we** pay under this additional protection is not limited to the amount in 6.a) above.
- d) A reasonable measure under this provision may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, any damaged property must be retained by **you** for **our** inspection.

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

#### 7. **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.

#### 8. **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.

#### 9. **Collapse**

**We** will cover at the **residence premises** direct physical loss to covered property caused by:

- the entire collapse of the building structure in which the **residence premises** is located; or
- the entire collapse of part of the building structure in which the **residence premises** is located.

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

- a loss **we** cover under **Section I, Personal Property Protection-Coverage C**;
- weight of persons, animals, equipment or contents;

- weight of rain, snow or ice which collects on a roof; or
- defective methods or materials used in construction, repair, remodeling or renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

Collapse, as referenced herein, means all or part of the building structure in which the **residence premises** is located 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 all or part of a building structure in which the **residence premises** is located and that loss is a sudden and accidental direct physical loss caused by one or more of the following:

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

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

#### 10. **Building Codes**

The Limit Of Liability for **Building Codes** coverage is shown on **your** Policy Declarations as a percentage of the limit of liability for **Building Property Protection-Coverage A**. **We** will pay up to the limit of liability for **Building Codes** coverage to comply with applicable laws regulating the construction, use or repair of any property or requiring the tearing down of any property after a covered loss to covered building structures and when the repair or replacement results in increased costs due to the enforcement of these laws. Such coverage shall include the removing of debris and shall apply only to repairs of the damaged portion of the covered building structure, unless the total damage to the covered building structure exceeds 50% of the replacement cost of the covered building structure. The amount of insurance provided by this coverage is a separate limit of liability, and is the maximum **we** will pay for any one loss.

#### 11. **Lock Replacement**

When a key to a lock is stolen as part of a covered theft loss, **we** will pay, under **Building Property Protection-Coverage A** 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) promptly give **us** or **our** agent notice. Report any theft to the police as soon as possible.
  - 1) If the loss was caused by **sinkhole activity**, **you** must notify **us** of any resulting claim, supplemental claim or reopened claim within two years after **you** knew or reasonably should have known about the **sinkhole loss**.
  - 2) If the loss was caused by **windstorm** or hurricane, **you** must notify **us** of any resulting claim, supplemental claim or reopened claim within three years after the hurricane first made landfall or the **windstorm** caused the damage.
  - 3) If the loss was not a result of sinkhole, hurricane or is not a reasonable emergency measure taken under **Reasonable Emergency Measures**, there is no coverage for permanent repairs that begin before the earlier of:
    - a) 72 hours after **we** are notified of the loss;
    - b) The time of the loss inspection by **us**; or
    - c) The time of other approval by **us**.
- b) protect the covered property from further damage. The following must be performed:
  - 1) Take reasonable emergency measures that are necessary to protect the covered property from further damage, as provided under the **Reasonable Emergency Measures** provision.

A reasonable emergency measure under 3. b) above may include a permanent repair when necessary to protect the covered property from further damage or to prevent unwanted entry to the property. To the degree reasonably possible, the damaged property must be retained for **us** to inspect.

- 2) 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 to the extent reasonably possible. **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 **your** representative, that prevent **us** from viewing and inspecting the loss. **We** may require **you** or **your** representative to accompany **us** when **we** conduct these activities to the extent reasonably possible.
  - 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 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 alteration, improvement, or any other real property that is **your** insurance responsibility as expressed in the governing rules of the **association**.

**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. Our Settlement Options

In the event of a covered loss, under **Building Property Protection-Coverage A**, **we** will pay for all or any part of the damaged, destroyed or stolen property as described in Condition 5, "How We Pay For A Loss."

In the event of a covered loss, under **Personal Property Protection-Coverage C**, **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**

Within 90 days after **we** receive notice of an initial, reopened, or supplemental claim under **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C** from **you**, **we** shall pay or deny such claim or a portion of the claim unless the failure to pay such claim or a portion of the claim is caused by factors beyond **our** control which reasonably prevent such payment. Claims will be paid within 20 days of written agreement between **you** and **us**, except as provided in subparagraph b)1) below regarding the payment of amounts for underpinning or grouting. Under **Building Property Protection-Coverage A** and **Personal Property Protection-Coverage C**, payment for covered loss will be by one or more of the following methods:

- a) **Actual Cash Value Method.** Except as provided in the **Personal Property Replacement Cost Method** provision below, 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.
- b) **Building Property Replacement Cost Method.** Except as otherwise provided below, **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 under **Building Property Protection-Coverage A**. **We** will make payment as the repair, rebuilding or replacement work is performed and expenses are incurred.

Payment for total loss to property covered under **Building Property Protection-Coverage A** will be on a replacement cost basis, except as indicated below, meaning that the amount **we** pay **you** for the repair, rebuilding or replacement of the damaged, destroyed or stolen covered property will not include a deduction for depreciation.

The following subparagraphs 1) and 2) will apply if **Sinkhole Activity Coverage** is shown on the Policy Declarations:

- 1) In the event of a covered **sinkhole loss**, payment to repair, rebuild or replace the damaged or destroyed part of **your residence premises** which is **your** insurance responsibility as expressed under the governing rules of the **association** will be on an actual cash value basis until **you** enter into a contract for the performance of building stabilization or foundation repairs. Payment on an actual cash value basis means there may be a deduction for depreciation. Once **you** enter into a contract for the performance of building

stabilization or foundation repairs, **we** shall pay the additional amounts necessary to begin and perform the repairs, rebuilding or replacement of the damaged or destroyed part of **your residence premises** which is **your** insurance responsibility as expressed under the governing rules of the **association**, as the work is performed and the expenses are incurred. Notwithstanding any other provision contained in this policy, **we** will not pay any amounts for underpinning or grouting until **you** enter into a contract for the performance of building stabilization or foundation repairs. The stabilization and all other repairs to the **residence premises** must be completed within 12 months after **you** enter into the contract, unless:

- (a) there is a mutual agreement between **you** and **us**;  
 (b) the claim is involved with the neutral evaluation process;  
 (c) the claim is in litigation; or  
 (d) the claim is under appraisal or mediation.

**You** may not accept a **rebate** from whoever performs the stabilization and repairs. UNDER FLORIDA LAW, IF **YOU DO RECEIVE A REBATE, SINKHOLE ACTIVITY COVERAGE WILL BE VOID AND YOU WILL HAVE TO PAY THE AMOUNT OF THE REBATE TO US**. If repair has begun and the engineer selected or approved by **us** determines that the repair cannot be completed within the Limit Of Liability for **Building Property Protection-Coverage A** shown on the Policy Declarations, **we** must either pay to complete the engineer's recommended repair or pay **you** such limit of liability without deductions for amounts **we** have already paid for repairs, rebuilding or replacement.

- 2) For direct physical losses caused by **sinkhole activity**, other than total losses, payment includes the reasonable and necessary expense required to replace, rebuild, stabilize or otherwise restore the earth necessary to support that part of the **residence premises** which is **your** insurance responsibility as expressed under the governing rules of the **association**, sustaining a covered **sinkhole loss**, but only if **you** enter into a contract to stabilize the earth and the part of the **residence premises** which is **your** insurance responsibility as expressed under the governing rules of the **association** in a manner consistent with the recommendations of the engineer **we** select or approve within 90 days after **we** confirm coverage for the **sinkhole loss** and notify **you** of such confirmation. This time period is tolled if either party invokes the neutral evaluation process, and begins again 10 days after the conclusion of the neutral evaluation process. Payments under such contract will be made in consultation with **you**.

Payment under this **Building Property Replacement Cost Method** will include the cost to treat or remove and dispose of contaminants, toxins or pollutants as required to complete repair or replacement of that part of the **residence premises** which is **your** insurance responsibility as expressed under the governing rules of the **association** damaged by a covered loss; but only to the extent such losses are not otherwise excluded under items 10, 13 or 14 of the **Losses We Do Not Cover Under Coverages A and C** provision.

This payment shall not include any amounts which may be paid or payable under **Section I Conditions, Mold, Fungus, Wet Rot And Dry Rot Remediation As A Direct Result Of A Covered Loss**, and shall not be payable for any losses excluded in **Section I—Your Property**, under **Losses We Do Not Cover Under Coverages A and C**, item 28.

**Our** total payment under this **Building Property Replacement Cost Method** provision will not exceed the smallest of the following amounts:

- 1) the reasonable and necessary cost to replace the damaged part(s) of the **building property** with equivalent construction for similar use on the same **residence premises**;
- 2) the reasonable and necessary cost to repair the damaged part(s) of the **building property** with equivalent construction for similar use on the same **residence premises**; or
- 3) the limit of liability applicable to the **building property** as shown on the Policy Declarations for **Building Property Protection-Coverage A**.

This **Building Property Replacement Cost Method** will not apply to:

- 1) property covered under **Personal Property Protection-Coverage C**; or
- 2) fences, awnings and outdoor antennas, whether or not attached to a building structure.

Payment under **Section I Conditions**, item 5, **How We Pay For A Loss**, sub-items a) **Actual Cash Value Method** or b) **Building Property Replacement Cost Method** above will not include any increased costs due to the enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, relocation or demolition of **building property** or other structures except as provided under **Section I, Additional Protection**, item 10, **Building Codes**.

c) **Personal Property Replacement Cost Method**

When the Policy Declarations shows that **Personal Property Replacement Cost Method** applies under **Personal Property Protection-Coverage C**, and except as otherwise provided below, payment for a covered loss under **Personal Property Protection-Coverage C** will be on a replacement cost basis, meaning that the amount **we** pay **you** for the repair, rebuilding or replacement of the damaged, destroyed or stolen covered property will not include a

deduction for depreciation. When **we** make payment on a replacement cost basis, **our** payment will not be conditioned on **you** actually repairing, rebuilding or replacing the damaged, destroyed or stolen covered property.

**Our** payment under this **Personal Property Replacement Cost Method** provision will not exceed the smallest of the following amounts:

- 1) the reasonable and necessary cost to replace the property with similar property of like kind and quality;
- 2) the reasonable and necessary cost to repair the property with similar property of like kind and quality; 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.

This **Personal Property Replacement Cost Method** provision will not apply to:

- 1) property insured under **Building Property Protection-Coverage A**.
- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent natures, 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.

6. **Our Settlement Of Loss**

**We** will settle any covered loss with **you** unless another payee is named in the policy or is legally entitled to receive payment. **We** will settle within 20 days after the amount of loss is finally determined. This amount may be determined by an agreement between **you** and **us**, an appraisal award, neutral evaluation of **sinkhole activity** loss, or a court judgment. Notwithstanding the foregoing, with respect to a covered **sinkhole loss**, as provided in **Section I Conditions**, item 5, **How We Pay For A Loss**, **we** will not pay any amounts for underpinning or grouting until **you** enter into a contract for the performance of building stabilization or foundation repairs.

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.

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 for any length of time, except where a time limit is indicated in this policy for specific perils. A **residence premises** 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.

**We** do not have rights to recover payment against the **association** operating the **condominium** or **co-op** in which **your residence premises** is located.

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 60 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**.

12. **Action Against Us**

No suit or action may be brought against **us** unless there has been full compliance with all policy terms. Any suit or action must be brought within five years after the date of loss.

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**

Any coverage provided under **Section I** is excess coverage over the amount recoverable under any policy or policies covering the same property.

17. **Property Insurance Adjustment**

At each policy renewal, **we** may increase the Limit Of Liability shown on the Policy Declarations for **Personal Property Protection-Coverage C** to reflect the minimum amount of insurance coverage **we** are willing to issue for the succeeding policy period under **Personal Property Protection-Coverage C**.

Any adjustment in the limit of liability for **Personal Property Protection-Coverage C** will result in an adjustment in the limit of liability for **Building Property Protection-Coverage A** 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 covered building property 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 has no knowledge of these conditions; and
- b) give the mortgagee at least 10 days notice if **we** cancel 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** in writing 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.

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

19. **Mold, Fungus, Wet Rot And Dry Rot Remediation As A Direct Result Of A Covered Loss**

In the event of a covered loss under **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C**, we will pay up to \$10,000 for mold, fungus, wet rot or dry rot **remediation**.

However, if a premium is shown on the Policy Declarations for Optional Protection For Mold, we will pay up to the applicable Limit Of Liability shown on the Policy Declarations for Optional Protection For Mold for mold, fungus, wet rot or dry rot **remediation**.

If a premium is shown on the Policy Declarations for Optional Protection For Mold:

- a) the "Remediation" limit shown on the Policy Declarations for Optional Protection For Mold is the maximum we will pay for all mold, fungus, wet rot or dry rot **remediation** resulting from any one covered loss; and
- b) the "Aggregate Remediation" limit shown on the Policy Declarations for Optional Protection For Mold is the maximum we will pay for all mold, fungus, wet rot or dry rot **remediation** resulting from all covered losses during the policy period, regardless of the number of locations insured under the policy or number of claims made. This "Aggregate Remediation" limit is subject to the "Remediation" limit.

**Remediation** means the reasonable and necessary treatment, removal or disposal of mold, fungus, wet rot or dry rot as required to complete repair or replacement of property we cover under **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C** damaged by a covered loss, including payment for any reasonable increase in living expenses necessary to maintain **your** normal standard of living if mold, fungus, wet rot or dry rot makes **your condominium** or **co-op**, or the building structure containing **your residence premises** uninhabitable. **Remediation** also includes any investigation or testing to detect, measure or evaluate mold, fungus, wet rot or dry rot.

This Condition does not increase the limits of liability under **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C**.

20. **Neutral Evaluation For Resolution Of Sinkhole Activity Losses**

If **Sinkhole Activity Coverage** is shown on the Policy Declarations and **you** have given **us** notice of a **sinkhole activity** claim, in accordance with the terms of this policy, within two years after **you** knew or reasonably should have known about the **sinkhole loss**, then after a professional engineer or professional geologist has provided a sinkhole report under Florida Insurance Code Section 627.7073 or **we** have denied **your** claim for a **sinkhole loss**, either party may request a neutral evaluation. Neutral evaluation is nonbinding, but mandatory if requested by either party. At a minimum, neutral evaluation must determine:

1. Causation;
2. All methods of stabilization and repair both above and below ground;
3. The costs for stabilization and all repairs; and
4. Information necessary to complete the neutral evaluator's report.

A request for neutral evaluation may be filed with the Florida Department of Financial Services ("DFS") by the policyholder or the insurer on a form approved by the DFS. The request for neutral evaluation must state the reason for the request and must include an explanation of all the issues in dispute at the time of the request. Filing a request for neutral evaluation tolls the applicable time requirements for filing suit for a period of 60 days following the conclusion of the neutral evaluation process or the five-year time period under item 12, **Action Against Us**, whichever is later.

Upon receipt of a request for neutral evaluation, the DFS shall provide the parties a list of certified neutral evaluators. The DFS shall allow the parties to submit requests to disqualify evaluators on the list for the following causes:

1. A familial relationship within the third degree exists between the neutral evaluator and either party or a representative of either party.
2. The proposed neutral evaluator has, in a professional capacity, previously represented either party or a representative of either party, in the same or a substantially related matter.
3. The proposed neutral evaluator has, in a professional capacity, represented another person in the same or a substantially related matter and that person's interests are materially adverse to the interests of the parties. The term "substantially related matter" means participation by the neutral evaluator on the same claim, property, or adjacent property.
4. The proposed neutral evaluator has, within the preceding 5 years, worked as an employer or employee of any party to the case.

The parties shall mutually select a neutral evaluator from the list and promptly inform the DFS. If the parties cannot agree to a neutral evaluator within 14 business days, the DFS shall appoint a neutral evaluator from its list of certified neutral evaluators.

Upon determination of **sinkhole loss** by the neutral evaluator, and mutual agreement to the recommendations made by the neutral evaluator by **you** and **us**, payment for **sinkhole loss** will be paid

pursuant to **Section I Conditions**, item 5, **How We Pay For A Loss** and item 6, **Our Settlement Of Loss**, and **Section III—Optional Protection** item 6, **Sinkhole Activity Coverage**.

This procedure stands in place of the **Appraisal** condition in the event of a disputed **sinkhole loss**.

This provision only applies when **Sinkhole Activity Coverage** is shown on the Policy Declarations.

## 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 own 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 such **insured person** is actually charged with, or convicted of, a crime. The application of this exclusion will not be based solely on an arrest or the issuance of a citation.

2. **We** do not cover **bodily injury** to an **insured person** or **property damage** to property owned by an **insured person** and reserved for that person's exclusive use and occupancy 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** or by the **association** 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.

**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, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. **We** will not apply this exclusion 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; or
  - 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.

**We** will not apply this exclusion 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 an **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, hovercraft, 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, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.**
- We will not apply this exclusion to **bodily injury** which results from such discharge, dispersal, release or escape, if the discharge, dispersal, release or escape is sudden and accidental.**
9. **We do not cover any **property damage** which results in any manner from vapors, fumes, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.**
10. **We do not cover any liability imposed upon any **insured person** by any civil, governmental or military authority for **bodily injury** or **property damage** which results in any manner from vapors, fumes, smoke, smog, soot, alkalis, 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**. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.**
12. **We do not cover **bodily injury** or **property damage** arising out of the past or present **business** activities of an **insured person**. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.**
- We will not apply this exclusion to **bodily injury** or **property damage** arising from 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**. **We will not apply this exclusion 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** or property of the **co-op** or **condominium**. **We will not apply this exclusion 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 oral contract or agreement or any contract or agreement in connection with a **business** activity.**
16. **We do not cover **bodily injury** or **property damage** caused by:**
- war, whether declared or undeclared;
  - warlike acts;
  - invasion;
  - insurrection;
  - rebellion;
  - revolution;
- civil war;
  - usurped power;
  - destruction for a military purpose; or
  - action taken by civil, governmental or military authority to hinder or defend against an actual or impending enemy act.
17. **We do not cover **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.**
18. **We do not cover any liability imposed upon any **insured person** by any civil, governmental or military authority for **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.**
19. **We do not cover any loss, cost or expense arising out of any request, demand, or order that any **insured person** test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, or neutralize, or in any way respond to or assess the effects of any type of vapors, fumes, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.**
20. **We do not cover **bodily injury** or **property damage** arising out of nuclear hazard, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. **Bodily injury** or **property damage** arising out of a nuclear hazard is not considered as arising from fire, explosion or smoke.**
21. **We do not cover **bodily injury** or **property damage** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of hovercraft. **We will not apply this exclusion to **bodily injury** to a **residence employee**.****
22. **We do not cover any liability an **insured person** assumes under any contract or agreement to pay special assessments charged by the **association** in accordance with the governing rules of the **association**. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.**
23. **We do not cover **bodily injury** or **property damage** arising directly or indirectly, out of the transmission of, threat of or fear of transmission of, a communicable disease or sickness by an **insured person**.**
24. **We do not cover **bodily injury** arising from actual, alleged, or threatened sexual harassment, sexual molestation or physical or mental abuse by an **insured person**.**

## 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 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 own 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 such **insured person** is actually charged with, or convicted of, a crime. The application of this exclusion will not be based solely on an arrest or the issuance of a citation.

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, by an **insured person** or by the **association** 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.

**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, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. **We** will not apply this exclusion 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; or
- 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.

**We** will not apply this exclusion to **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, hovercraft, 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, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.

**We** will not apply this exclusion to **bodily injury** which results from such discharge, dispersal, release or escape, if the discharge, dispersal, release or escape is sudden and accidental.

9. **We** do not cover **bodily injury** arising out of the rendering of, or failure to render, professional services by an **insured person**. This exclusion does not apply to **Loss Assessments-Coverage G** in **Section III** of this policy.

10. **We** do not cover **bodily injury** arising out of the past or present **business** activities of an **insured person**. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.

**We** will not apply this exclusion to **bodily injury** arising from 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. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.
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**. **We** will not apply this exclusion to **bodily injury** to a **residence employee**.
13. **We** do not cover **bodily injury** caused by:
- war, whether declared or undeclared;
  - warlike acts;
  - invasion;
  - insurrection;
  - rebellion;
  - revolution;
  - civil war;
  - usurped power;
  - destruction for a military purpose; or
  - 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** which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.
15. **We** do not cover **bodily injury** arising out of nuclear hazard, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. **Bodily injury** arising out of a nuclear hazard is not considered as arising from fire, explosion or smoke.
16. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of hovercraft. **We** will not apply this exclusion to **bodily injury** to a **residence employee**.
17. **We** do not cover any liability an **insured person** assumes under any contract or agreement to pay special assessments charged by the **association** in accordance with the governing rules of the **association**. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.
18. **We** do not cover **bodily injury** arising directly or indirectly, out of the transmission of, threat of or fear of transmission of, a communicable disease or sickness by an **insured person**.

19. **We** do not cover **bodily injury** arising from actual, alleged, or threatened sexual harassment, sexual molestation or physical or mental abuse by an **insured person**.

## Section II Additional Protection

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

### 1. Claim Expenses

**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 until such time as **we** have paid, formally offered, or deposited in court the amount for which **we** are liable under this policy; however, interest will be paid only on damages which do not exceed **our** limits of liability;
- premiums on bonds required in any suit **we** defend; however, **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; or
- 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, hovercraft or watercraft.

## 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:

- 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**; and
  - 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**; and
  - 3) attend any hearing or trial.
- d) Under **Section II Additional Protection, Damage To Property Of Others**, 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 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**.

## 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**.
- 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**

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

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## 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. **Increased Coverage On Business Property-Coverage BP**

The limitation on **business** property located on 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 on the **residence premises**.

### 2. **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.

### 3. Loss Assessments–Coverage G

A. Except as limited or excluded in **Section I** of this policy, **we** will pay up to the Limit of Liability shown on the Policy Declarations for **Loss Assessments–Coverage G** or \$2,000, whichever is greater, for **your** share of any special assessments charged by the **association** that are:

1. charged against **you** and:
  - a) all other members of the **condominium association**; or
  - b) all other shareholders of the **co-op association**;
 when the assessment is made as a result of an occurrence that results in sudden and accidental direct physical loss to the **shared property**.

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

2. a) charged against **you** and:
  - 1) not all other members of the **condominium association**; or
  - 2) not all other shareholders of the **co-op association**;
 when the assessment is made as a result of an occurrence resulting in sudden and accidental direct physical loss to **shared property**.
- b) if an occurrence resulting in sudden and accidental direct physical loss to **shared property** is caused by an **insured person**. **We** will pay to repair, rebuild or replace such damaged **shared property**, but only if such property:
  - 1) is damaged by a peril covered under this policy; and
  - 2) is the insurance responsibility of the **association** as expressed under its governing rules.

This coverage is subject to all the exclusions applicable to **Section I** of this policy and the **Section I Conditions**, except as otherwise noted.

- B. **We** will pay up to the Limit of Liability shown on the Policy Declarations for **Loss Assessments–Coverage G** or \$2,000, whichever is greater, for **your** share of any special assessments charged against **you** to cover any portion of the **association's** master insurance policy deductible if:
1. the assessment is charged as a result of a loss to **shared property** and such loss is covered under the **association's** master insurance policy; and
  2. the loss to such property was a sudden and accidental direct physical loss which **we** would cover under **Building Property Protection–Coverage A**, if such property qualified as property **we** cover under **Building Property Protection–Coverage A** of this policy.

The amount **we** will pay under this protection for assessments as a result of a single occurrence resulting in loss to **shared property** will not exceed the Limit of Liability displayed on **your** Policy Declarations for **Loss Assessments–Coverage G** regardless of the number of assessments charged.

For assessments made under this item B only, “assessment” includes the **association's** failure to or unwillingness to submit an otherwise covered claim under the **association's** master insurance policy for sudden and accidental direct physical loss to **shared property** which comprises a part of the **residence premises**.

- C. **We** will pay up to the Limit of Liability shown on the Policy Declarations for **Loss Assessments–Coverage G** or \$2,000, whichever is greater, for **your** share of any special assessments charged by the **association** against:
1. all of the **condominium** unit owners; or
  2. all shareholders of the **co-op association**;
- when the assessment is made as a result of an **occurrence** covered under **Section II** of this policy that occurred at **your residence premises** or on the grounds, related structures, or private approaches to the building structure of which **your residence premises** is a part.

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

The date the assessment was levied against the **insured person** is the date of the loss for the purpose of determining coverage under this policy. The actual damage does not have to occur during the policy period for coverage to apply.

For the purposes of this coverage, **your** limit of any assessment will be determined as of one day before the date of the loss to the **condominium** property. Any changes to **your** limit of any assessment made on or after the day of the loss to the **condominium** property will not apply to such loss.

If **we** do not believe an assessment charged is reasonable, **you** agree to cooperate with **us** in contesting such assessment.

No deductible applies to this protection.

If applicable, the protection provided by **Loss Assessments–Coverage G** shall apply to the following entities as if they were “**you**”:

1. the **LLC** indicated on the **Additional Insured For Condominium Limited Liability Company** endorsement, if such endorsement is part of **your** policy; or
2. the **Trust** indicated on the **Additional Insured–Trust** endorsement, if such endorsement is part of **your** policy.

4. **Extended Coverage On Jewelry, Watches And Furs–Coverage J Personal Property Protection–Coverage C** is extended to pay for sudden and accidental 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:

1. 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 exclusion applies regardless of whether the **insured person** is actually charged with, or convicted of a crime. The application of this exclusion will not be based solely on an arrest or the issuance of a citation;
2. wear and tear, aging, marring, scratching, deterioration, inherent vice, or latent defect;
3. insects, rodents, birds or domestic animals;
4. nuclear hazard, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss which consists of, is caused by, or would not have occurred but for, the nuclear hazard is not considered loss by fire, explosion or smoke;
5.
  - 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;
6. 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.

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

5. **Increased Coverage On Theft Of Silverware–Coverage ST**  
The \$2,500 limitation on theft of goldware, silverware, pewterware and platinumware under **Personal Property Protection–Coverage C** is increased to the amount shown on the Policy Declarations.

#### 6. **Sinkhole Activity Coverage**

If there is **structural damage** to the **residence premises** which is **your** insurance responsibility as expressed under the governing rules of the **association** caused by **sinkhole activity** and **Sinkhole Activity Coverage** is shown on the Policy Declarations, then **Building Property Protection–Coverage A** is extended to cover direct physical loss to the **residence premises** which is **your** insurance responsibility as expressed under the governing rules of the **association**, caused by such **sinkhole activity**, including the expenses incurred to:

- a) stabilize the land and **residence premises**; and
- b) repair the foundation of the **residence premises**.

When **Sinkhole Activity Coverage** is shown on the Policy Declarations, **Personal Property Protection–Coverage C** is extended to **sinkhole loss** caused by **sinkhole activity**, but only if the **sinkhole activity** causes **structural damage** to the **residence premises**, or the dwelling foundation, which is **your** insurance responsibility as expressed under the governing rules of the **association**, that **we** cover under **Building Property Protection–Coverage A**.

Payment for **sinkhole loss** caused by **sinkhole activity** will be paid pursuant to **Section I Conditions**, item 5, **How We Pay For A Loss**, item 6, **Our Settlement Of Loss**, and **Section III—Optional Protection**, item 6, **Sinkhole Activity Coverage**. Reimbursement for additional living expenses incurred due to **sinkhole loss** caused by **sinkhole activity** will be paid pursuant to **Section I, Additional Protection**, item 1, **Additional Living Expenses**.

If:

- a) **you** submit a claim for **sinkhole loss** without good faith grounds for submitting such claim;
- b) **you** demand testing by a professional engineer or geologist to determine the presence or absence of **sinkhole loss**;
- c) before ordering testing by a professional engineer or geologist, **we** inform **you** in writing of **your** potential liability for reimbursement for **sinkhole loss** testing and **we** give **you** the opportunity to withdraw **your** claim for **sinkhole loss**; and
- d) **we** obtain written certification from a professional engineer or geologist that there is no **sinkhole loss** or that the cause of the damage was not **sinkhole activity**;

then **you** must reimburse **us** for 50% of the actual costs of such testing, up to \$2,500 with respect to any such claim.

If **we** deny **your** sinkhole claim without having a professional engineer or geologist perform testing to determine the presence or absence of **sinkhole loss** or other cause of damage, **you** may demand testing in writing within 60 days after **you** receive notification that **your** sinkhole claim has been denied. **You** must pay the lesser of 50% or \$2,500 of the actual costs of the analyses and services, which will be reimbursed if the professional engineer or geologist provides written certification that there is **sinkhole loss**.

As a precondition to accepting payment for a covered **sinkhole loss**, **you** must file a copy of any professional engineer's or geologist's sinkhole report prepared on **your** behalf or at **your** request with the county clerk of court for the county in which the **residence premises** is located. **You** will bear the cost of the filing and recording.

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