

# Condominium Owners Policy

AVP439

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## Table of Contents

Agreements We Make With You.....	3	Glass Replacement .....	13
<b>General</b> .....	3	No Benefit To Bailee .....	13
Definitions Used In This Policy.....	3	Other Insurance.....	13
Insuring Agreement .....	4	Property Insurance Adjustment .....	13
Conformity To State Statutes.....	4	Mortgagee.....	13
Coverage Changes.....	4	Loss Clause .....	14
Policy Transfer.....	4	<b>Section II—Family Liability And Guest Medical Protection</b> .....	14
Continued Coverage After Your Death .....	4	Family Liability Protection-Coverage X .....	14
Cancellation.....	4	Losses We Cover Under Coverage X.....	14
Concealment Or Fraud.....	5	Losses We Do Not Cover Under Coverage X.....	14
Action Against Us.....	5	Guest Medical Protection-Coverage Y .....	15
Arbitration.....	5	Losses We Cover Under Coverage Y .....	15
<b>Section I—Your Property</b> .....	5	Losses We Do Not Cover Under Coverage Y .....	15
Building Property Protection-Coverage A .....	5	Section II Additional Protection.....	16
Property We Cover Under Coverage A .....	5	Claim Expenses.....	16
Property We Do Not Cover Under Coverage A .....	5	Emergency First Aid.....	17
Losses We Cover Under Coverage A .....	5	Damage To Property Of Others .....	17
Personal Property Protection-Coverage C.....	5	<b>Section II Conditions</b> .....	17
Property We Cover Under Coverage C.....	5	What You Must Do After A Loss .....	17
Limitations On Certain Personal Property.....	5	What An Injured Person Must Do—Guest Medical Protection-Coverage Y .....	17
Property We Do Not Cover Under Coverage C .....	6	Our Payment Of Loss—Guest Medical Protection-Coverage Y .....	17
Losses We Cover Under Coverage C.....	6	Our Limits Of Liability.....	17
Losses We Do Not Cover Under Coverages A And C.....	8	Bankruptcy .....	17
<b>Section I Additional Protection</b> .....	9	Our Rights To Recover Payment—Family Liability Protection-Coverage X.....	17
Additional Living Expense .....	9	Action Against Us.....	18
Civil, Governmental And Military Authorities .....	9	Other Insurance—Family Liability Protection-Coverage X.....	18
Debris Removal .....	10	<b>Section III—Optional Protection</b> .....	18
Emergency Removal Of Property .....	10	Building Codes-Coverage BC.....	18
Fire Department Charges.....	10	Increased Coverage On Business Property-Coverage BP .....	18
Temporary Repairs After A Loss.....	10	Fire Department Charges-Coverage F.....	18
Power Interruption .....	10	Loss Assessments-Coverage G .....	18
Arson Reward .....	10	Extended Coverage On Jewelry, Watches And Furs-Coverage J .....	19
Lock Replacement .....	10		
<b>Section I Conditions</b> .....	10		
Deductible .....	10		
Insurable Interest And Our Liability.....	10		
What You Must Do After A Loss .....	10		
Our Settlement Options.....	11		
How We Pay For A Loss .....	11		
Our Settlement Of Loss.....	12		
Appraisal .....	12		
Abandoned Property.....	12		
Permission Granted To You .....	12		
Our Rights To Recover Payment.....	13		
Our Rights To Obtain Salvage .....	13		
Action Against Us.....	13		
Loss To A Pair Or Set .....	13		

## 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, care, loss of service, and resulting death.
3. **Business**—means:
  - a) any trade, profession or occupation including farming. This includes the use of any part of any premises for such purposes.
  - b) the rental or holding for rental of property by an **insured person**. Rental of **your residence premises** is not considered a **business** when:
    - 1) the **residence premises** is rented occasionally for residential purposes;
    - 2) a portion is rented to roomers or boarders, provided not more than two roomers or boarders reside on the **residence premises** at any one time; or
    - 3) a portion is rented as a private garage, office, school or studio.
4. **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.
5. **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**.
6. **Insured person(s)**—means **you** and, if a resident of **your** household:
  - a) any relative; and
  - b) any person under the age of 21 in **your** care.

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

  - a) any person or organization legally responsible for loss caused by animals or watercraft covered by this policy which are owned by an **insured person**. We do not cover any person or organization using or having custody of animals or watercraft in any **business**, or without permission of the owner.
  - b) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **insured person**.
7. **Insured premises**—means:
  - a) the **residence premises**; and
  - b) under **Section II—Family Liability And Guest Medical Protection** only:
    - 1) the part of any other premises, other structures and grounds used by **you** as a residence. This includes premises, structures and grounds **you** acquire for **your** use as a private residence while this policy is in effect;
    - 2) any part of a premises not owned by an **insured person** but where an **insured person** is temporarily living;
    - 3) cemetery plots or burial vaults owned by an **insured person**;
    - 4) vacant land, other than farmland, owned by or rented to an **insured person**;
    - 5) land owned by or rented to an **insured person** where a one, two, three, or four-family dwelling is being built as that person’s residence;
    - 6) any premises used by an **insured person** in connection with the **residence premises**; and
    - 7) any part of a premises occasionally rented to an **insured person** for other than **business** purposes.
8. **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**.
9. **Property damage**—means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.
10. **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 **condominium** whose duties include services in connection with the maintenance or use of the **residence premises**, regardless of whether or not **you** pay the employee directly for services performed.
11. **Residence premises**—means that premises described on the Policy Declarations used as a private residence and reserved exclusively for **your** use or occupancy.
12. **Shared property**—means property owned by:
  - a) all **condominium** unit owners collectively; or
  - b) all shareholders of the **co-op association** collectively.
13. **We, us, or our**—means the company named on the Policy Declarations.
14. **Windstorm**—means wind with or without precipitation.

15. **You or your**—means the person listed under Named Insured(s) on the Policy Declarations as the insured and that person's resident spouse.

### Insuring Agreement

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

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

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

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

### Conformity To State Statutes

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

### Coverage Changes

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

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

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

### Policy Transfer

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

### Continued Coverage After Your Death

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

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

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

### Cancellation

#### Your Right to Cancel:

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

#### Our Right to Cancel:

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

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

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

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

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

#### **Our Right Not to Renew or Continue:**

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

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

#### **Concealment Or Fraud**

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

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

#### **Action Against Us**

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

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

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

#### **Arbitration**

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

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

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

## **Section I—Your Property**

### **Building Property Protection—Coverage A**

#### **Property We Cover Under Coverage A:**

**We** will cover items of real property owned exclusively by an **insured person** that:

1. do or will comprise a part of the **residence premises**;
2. are used to service or support **your residence premises**; and
3. are **your** insurance responsibility as expressed under the governing rules of the **association**.

Real property includes only those fixtures, structures, construction materials and supplies, installations or additions, including wall-to-wall carpeting, located either within that portion of the premises used as **your residence premises** or on the **co-op** or **condominium** premises.

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

**We** do not cover land, no matter where located, or the replacement, rebuilding, restoration, stabilization, or value of any such land.

#### **Losses We Cover Under Coverage A:**

**We** will cover 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 located at a residence owned by **you**, other than the **residence premises**, coverage is limited to 10% of **Personal Property Protection—Coverage C**, or \$1,000, whichever is greater.

This limitation does not apply to personal property in a newly acquired principal residence for the 30 days immediately after **you** begin to move property there or to personal property in student dormitory, fraternity or sorority housing.

2. At **your** option:
  - a) personal property owned by a guest while the property is in a residence **you** are occupying; or
  - b) personal property owned by a **residence employee** while the property is:
    - 1) in a residence **you** occupy; or
    - 2) in the physical custody of that **residence employee**, engaged in the service of an **insured person**.

#### **Limitations On Certain Personal Property:**

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

1. \$100 — Money, bullion, platinum other than platinumware, bank notes, gold other than goldware or goldplatedware, silver other than silverware or silver-plated ware, 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. \$200 — Property used or intended for use in a **business** 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.
4. \$1,000 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than banknotes, passports, securities, railroad and other tickets, and stamps, including philatelic property regardless of the media on which the material exists.
5. \$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.
6. \$1,000 — Manuscripts, including documents stored on electronic media.
7. \$1,000 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts, and motors.
8. \$1,000 — Trailers not used with watercraft.
9. \$5,000 — Theft of jewelry, watches, necklaces, bracelets, gems, precious and semi-precious 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 \$1,500 per item.
10. \$2,000 — Theft of firearms, their related equipment, and 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 for the service of the **insured premises**, and not licensed for use on public roads.
4. Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
5. Property of roomers, boarders or tenants not related to **you**.  
However, at **your** option, **we** cover personal property of a roomer, boarder or tenant not related to **you** who is a **resident employee** while the property is:
  - 1) in a residence **you** occupy; or
  - 2) in the physical custody of that **resident employee**, engaged in the service of an **insured person**.
6. Property located away from the **residence premises** and rented or held for rental to others.

#### **Losses We Cover Under Coverage C:**

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

1. Fire or lightning.
2. **Windstorm** or hail.  
**We** do not cover:
  - a) loss to covered property inside a building structure, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind forces rain, snow, sleet, sand or dust through the damaged roof or wall; 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, meaning sudden and accidental damage from smoke.

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

8. Vandalism and malicious mischief.

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. Sudden and accidental damage resulting from artificially generated electrical current to electronics, electrical appliances, fixtures and wiring.

This peril does not include loss to tubes, transistors, or similar electronic components.

12. Sudden and accidental damage resulting from bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protective sprinkler system or an appliance for heating water.

13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protective sprinkler system, or from a household appliance due to accidental discharge, leakage 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, unoccupied or under construction, or when freezing results from a lack of utility services at the **residence premises** to which item A.11 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:

- a) theft or attempted theft committed by an **insured person**;
- b) theft in or from the **residence premises** while under construction or of materials and supplies for use in construction, until the **residence premises** is completed and occupied;
- c) theft of any property while at any other residence owned, rented to or occupied by an **insured person** unless the **insured person** is temporarily residing there;

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

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

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

17. Collapse.

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

**Losses We Do Not Cover Under Coverages A And C:**

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

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

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

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

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

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

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

7. Nuclear hazard, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss which consists of the nuclear hazard is not considered loss by fire, explosion or smoke.
8.
  - a) War, whether declared or undeclared;
  - b) warlike acts;
  - c) invasion;
  - d) insurrection;
  - e) rebellion;
  - f) revolution;

- g) civil war;
- h) usurped power;
- i) destruction for a military purpose; or
- j) action taken by civil, governmental or military authority to hinder or defend against an actual or impending enemy act.

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

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

B. **We** do not cover loss to the property described in **Building Property Protection–Coverage A** and **Personal Property Protection–Coverage C** caused by any of the following. However, any ensuing loss to property described in **Building Property Protection–Coverage A** and **Building Property Protection–Coverage C** not excluded or excepted in this policy is covered.

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

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

With respect to covered assessments under **Loss Assessments–Coverage G** in **Section III** of this policy, if any of a) through g) causes the sudden and accidental escape of water or steam from a plumbing, heating or air conditioning system, a household appliance or an automatic fire protective sprinkler system within **your condominium**, **we** cover the direct physical damage caused by the water or steam.

If loss to covered property is caused by water or steam not otherwise excluded, **we** will cover the cost of tearing out and replacing any part of **your 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.

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

or discharge, leakage or overflow from within a), b) or c) above, caused by freezing, while the **residence premises** is vacant, unoccupied or being constructed, 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, appliances, swimming pools, hot tubs, spas and their filtration and circulation systems instead of maintaining heat in the **residence premises**. This exclusion does not apply to **Loss Assessments-Coverage G** in **Section III** of this policy.
3. Freezing, thawing, pressure or weight of water, snow or ice, whether or not driven by wind. This exclusion applies to fences, pavements, patios, foundations, retaining walls, bulkheads, piers, wharves and docks. This exclusion also applies to swimming pools, hot tubs, spas, and their filtration and circulation systems, which are not located within a heated portion of the **residence premises**.
4. 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 the **condominium** or from within a domestic appliance; or
  - b) from, within or around any plumbing fixtures, including, but not limited to, shower stalls, shower baths, tub installations, sinks or other fixtures designed for the use of water or steam.
5. Theft at the address of, or adjacent to **your residence premises** while **your residence premises** is under construction, or of materials and supplies for use in construction, until **your residence premises** is completed and occupied.
6. Vandalism or malicious mischief if **your residence premises** is vacant for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **residence premises** under construction is not considered vacant.
7. 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.

8. Planning, Construction or Maintenance, meaning faulty, inadequate or defective:
  - a) planning, zoning, development, surveying, siting;
  - b) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - c) materials used in repair, construction, renovation or remodeling; or
  - d) maintenance;

of property whether on or off the **residence premises** by any person or organization.

## 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 residence premises** uninhabitable.

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; or
- 2) if **you** permanently relocate, the shortest time for **your** household to settle elsewhere.

- B. **We** will pay **your** lost fair rental income resulting from a covered loss under **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C**, less charges and expenses which do not continue, when a loss **we** cover under **Building Property Protection-Coverage A** or **Personal Property Protection-Coverage C** makes the part of the **residence premises you** rent to others, or hold for rental, uninhabitable. **We** will pay for lost fair rental income for the shortest time required to repair or replace the part rented or held for rental.

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

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

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

No deductible applies to this protection.

### 2. Civil, Governmental And Military Authorities

- We** will pay the reasonable and necessary increase in living expenses and **your** lost fair rental income, less charges and expenses which do not

continue, for up to two weeks should civil, governmental or military authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by an event, peril or condition **we** insure against under **Building Property Protection–Coverage A** or **Personal Property Protection–Coverage C**.

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

**We** do not cover **your** lost fair rental income or expense **you** incur due to the cancellation of a lease or agreement.

No deductible applies to this protection.

### 3. **Debris Removal**

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

### 4. **Emergency Removal Of Property**

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

### 5. **Fire Department Charges**

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

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

This coverage will not increase the limit of liability under this policy.

No deductible applies to this protection.

### 6. **Temporary Repairs After A Loss**

**We** will reimburse **you** for the reasonable and necessary cost **you** incur for temporary repairs to protect covered property from further imminent covered loss following a loss **we** cover. The **insured person** must keep an accurate record of such repair expenses. This coverage does not increase the limit of liability applying to the property being repaired.

### 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. **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) immediately give **us** or **our** agent notice. Report any theft to the police as soon as possible.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give **us** a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give **us** all accounting records, bills, invoices and other vouchers, or certified copies, which **we** may reasonably request to examine and permit **us** to make copies.
- e) produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records supporting any claim for loss of rental income.
- f) as often as **we** reasonably require:
  - 1) show **us** the damaged property. **We** have a right to reasonable and safe opportunities to view and inspect the loss as often as necessary, unimpeded by actions of **you** or others, including, but not limited to, civil, governmental or military authorities, that prevent **us** from viewing and

inspecting the loss. **We** may require **you** to accompany **us** when **we** conduct these activities.

- 2) at **our** request, submit to examinations under oath 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.
- 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**.

#### 4. **Our Settlement Options**

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

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

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

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

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

repair, rebuild or replace the damaged, destroyed or stolen property if the whole amount of loss for property covered under **Personal Property Protection–Coverage C**, without deduction for depreciation, is less than \$1,000, and the property is not excluded from the Personal Property Reimbursement provision.

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

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

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

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

- 1) the replacement cost of the part(s) of the building property with like construction for similar use on the same **residence premises**;
- 2) the amount actually and necessarily spent to repair or replace the damaged building property with like 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**.

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

This additional payment includes the reasonable and necessary expense for treatment or removal and disposal of contaminants,

toxins, or pollutants as required to complete repair or replacement of that part of a building structure damaged by a covered loss.

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

Building Structure Replacement Cost will not apply to:

- 1) property covered under **Personal Property Protection-Coverage C**; or
- 2) wall-to-wall carpeting, built-in household appliances, fences, awnings and outdoor antennas, whether or not fastened to a building structure.

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

- d) **Personal Property Reimbursement.** When the Policy Declarations shows that the Personal Property Reimbursement provision applies under **Personal Property Protection-Coverage C**, **we** will make additional payment to **you**, on a replacement cost basis, for cost in excess of actual cash value if **you** intend to repair, restore, rebuild or replace damaged, destroyed or stolen covered personal property. **You** may make a claim for the additional payment for property covered under **Personal Property Protection-Coverage C**, within six months of the later of:

- 1) the last date on which the insured received a payment for actual cash value for the same covered property; or
- 2) the date of entry of a final order of a court of competent jurisdiction declaring **your** right to full replacement cost.

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

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

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

Personal Property Reimbursement will not apply to:

- 1) property insured under **Building Property Protection-Coverage A**, except wall-to-wall carpeting;
- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced;
- 3) articles whose age or history contribute substantially to their value. This includes, but is not limited to, memorabilia, souvenirs and collector's items;
- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss; or
- 5) motorized land vehicles used solely for the service of the **insured premises** and not licensed for use on public roads. This does not include motorized land vehicles designed for assisting the disabled and not licensed for use on public roads.

#### 6. **Our Settlement Of Loss**

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

#### 7. **Appraisal**

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

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

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

#### 8. **Abandoned Property**

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

#### 9. **Permission Granted To You**

- a) The **residence premises** may be vacant or unoccupied for any length of time, except where a time limit is indicated in this policy.

A **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.

11. **Our Rights To Obtain Salvage**

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

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

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

12. **Action Against Us**

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

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

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

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

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

14. **Glass Replacement**

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

15. **No Benefit To Bailee**

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

16. **Other Insurance**

If at the time of loss there is other insurance in the name of the **condominium** covering the same property which is covered by this policy, the insurance afforded by this policy will be excess over the amount recoverable under such other insurance.

Otherwise, if both this insurance and other insurance apply to a loss, **we** will pay **our** share. **Our** share will be the proportionate amount of all applicable insurance.

This condition does not apply to **Loss Assessments-Coverage G** in **Section III** of this policy.

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

The mortgagee will:

- a) furnish proof of loss within 60 days after notice of the loss if an **insured person** fails to do so;

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

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

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

#### 19. **Loss Clause**

Loss hereunder shall not reduce the applicable limit of liability under this policy.

## Section II—Family Liability And Guest Medical Protection

### Family Liability Protection—Coverage X

#### Losses We Cover Under Coverage X:

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

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

#### Losses We Do Not Cover Under Coverage X:

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

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

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

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

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

- a) a motor vehicle in dead storage;
- b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by any **insured 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; or
- h) **bodily injury** to a **residence employee**.

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

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

**We** will not apply this exclusion to:

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

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

arising from the ownership, maintenance, use, 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 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.

9. **We do not cover bodily injury or property damage** arising out of **business** pursuits of any **insured person**. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.

This does not apply to activities which are ordinarily incidental to non-**business** pursuits. Coverage is provided for incidental **business** pursuits of any **insured person** for babysitting, caddying, lawn care, newspaper delivery and other similar activities.

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

11. **We do not cover property damage** to property rented to, occupied or used by, or in the care of, an **insured person** or property of the **co-op** or condominium. **We** will not apply this exclusion if the **property damage** is caused by fire, explosion, smoke or smudge.

12. **We do not cover any liability an insured person** assumes arising out of any oral contract or agreement or any contract or agreement in connection with a **business** pursuit. This exclusion does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.

13. **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.

14. **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.

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

## Guest Medical Protection–Coverage Y

### Losses We Cover Under Coverage Y:

**We** will pay the reasonable expenses incurred within one year from the date of accident 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 one year 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:

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

### Losses We Do Not Cover Under Coverage Y:

- We do not provide coverage to an insured person** for intentional acts of, or at the direction of, an **insured**, if the loss that occurs results in **bodily injury** and:
  - may be reasonably expected to result from such acts; or
  - intended result of such acts.
- 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**.
- 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.
- We do not cover bodily injury or property damage** arising out of the ownership, maintenance, use, loading or unloading of aircraft. An aircraft as used in this provision does not include model aircraft.

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

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

- We do not cover bodily injury** arising out of the ownership, maintenance, use, loading or unloading of any motor vehicle or trailer



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

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

- a) a motor vehicle in dead storage;
- b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by any **insured 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; or
- h) **bodily injury** to a **residence employee**.

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

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

**We** will not apply this exclusion to:

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

7. **We** do not cover **bodily injury** or **property damage** arising out of:
  - a) the negligent supervision by any **insured person** of any person; or
  - b) any liability statutorily imposed on any **insured person**;
 arising from the ownership, maintenance, use, entrusting, loading or unloading of any aircraft, watercraft, motorized land vehicle or trailer which is not covered under **Section II** of this policy.
8. **We** do not cover **bodily injury** arising out of the rendering of, or failure to render, professional services by any **insured person**.
9. **We** do not cover **bodily injury** or **property damage** arising out of the **business** pursuits of any **insured person**.

This does not apply to activities which are ordinarily incident to non-**business** pursuits. Coverage is provided for incidental **business** pursuits of any **insured person** for babysitting, caddying, lawn care, newspaper delivery and other similar activities.

10. **We** do not cover **bodily injury** to any person on the **insured premises** because of a **business** pursuit or professional service conducted there. This exclusion does not apply to **Loss Assessments-Coverage G** in **Section III** of this policy.
11. **We** do not cover **bodily injury** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. **We** will not apply this exclusion to **bodily injury** to a **residence employee**.
12. **We** do not cover **bodily injury** caused by:
  - a) war, whether declared or undeclared;
  - b) warlike acts;
  - c) invasion;
  - d) insurrection;
  - e) rebellion;
  - f) revolution;
  - g) civil war;
  - h) usurped power;
  - i) destruction for a military purpose; or
  - j) action taken by civil, governmental or military authority to hinder or defend against an actual or impending enemy act.
13. **We** do not cover **bodily injury** 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**.

## Section II Additional Protection

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

1. **Claim Expenses**

**We** will pay:

  - a) all costs **we** incur in the settlement of any claim or the defense of any suit against an **insured person**;
  - b) interest accruing on damages awarded until such time as **we** have paid, formally offered, or deposited in court the amount for which **we** are liable under this policy; however, interest will be paid only on damages which do not exceed **our** limits of liability;
  - c) premiums on bonds required in any suit **we** defend; 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;
  - d) up to \$150 per day for reasonable expenses including actual loss of wages, salary (but not loss of other income) vacation time or other benefit loss, when **we** ask **you** to attend trials and hearings;
  - e) the cost of bail bonds required of an **insured person** because of an accident arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, **we** are not obligated to apply for or furnish any such bond; or



- f) any other reasonable expenses incurred by an **insured person** at **our** request.

Any expenses incurred by **us** under this provision will not reduce the applicable limit of liability.

## 2. Emergency First Aid

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

## 3. Damage To Property Of Others

At **your** request, **we** will pay up to \$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:

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

## Section II Conditions

### 1. What You Must Do After A Loss

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

- a) Promptly notify **us** or **our** agent stating:
  - 1) **your** name and policy number;
  - 2) the date, the place and the circumstances of the loss;
  - 3) the name and address of anyone who might have a claim against an **insured person**; 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**;
  - 3) attend any hearing or trial;

- 4) help **us** by collecting and giving evidence and by obtaining the attendance of witnesses.

- 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.

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

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

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

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

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

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

### 4. Our Limits Of Liability

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

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

### 5. Bankruptcy

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

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

When **we** pay any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them. An **insured person** may waive in writing before a loss all rights of recovery against

any person, if not waived, **we** may require an assignment of rights of recovery for a loss to the extent that payment is made by **us**.

#### 7. **Action Against Us**

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

#### 8. **Other Insurance—Family Liability Protection–Coverage X**

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

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

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. This condition does not apply to **Loss Assessments–Coverage G** in **Section III** of this policy.

## Section III—Optional Protection

### Optional Coverages

The following Optional Coverages may supplement coverages found in **Section I** or **Section II** and apply only when they are indicated on the Policy Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms of the specific Optional Coverage.

#### 1. **Building Codes–Coverage BC**

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

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

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

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

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

#### 4. **Loss Assessments–Coverage G**

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** for **your** share of any special assessments charged by the **association** that are:

1. charged against **you** and all of the other **condominium** unit owners by the **association** or all other shareholders of the **co-op association**, when the assessment is made as a result of an **occurrence** that results in direct physical loss to the **shared property** owned by all unit owners collectively.

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.

Assessments and payments under this item A.1 are excess over any insurance collectible under any policy or policies covering the **association** of unit owners.

2. a) charged against **you** and not all other members **condominium association** or not all other shareholders of the **co-op association**, when the assessment is made as a result of an **occurrence** resulting in direct physical loss to the **shared property**.
- b) if an **occurrence** resulting in direct physical loss to the **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.

Assessments and payments under this item A.2 are excess over any insurance collectible under any policy or policies covering the **association**.

- B. **We** will pay up to the Limit of Liability shown on the Policy Declarations for **Loss Assessments–Coverage G** 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 the **shared property** that occurs while this policy is in force and such loss is covered under the **association’s** master insurance policy; and
  - 2) the loss to such property was a 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 the **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 direct physical loss to the **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** for **your** share of any special assessments charged by the **association** against all of the **condominium** owners or 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 ground, 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.

**Loss Assessments–Coverage G** is excess over any insurance collectible under any policy or policies covering the **association**.

If **we** do not believe an assessment charged is appropriate, **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.

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

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

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

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

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

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

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