

# Renters Policy

AS373

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## Table of Contents

|  |    |  |    |
|--|----|--|----|
| <b>General</b> .....   | 3  | Appraisal .....  | 13 |
| Definitions Used In This Policy.....                           | 3  | Abandoned Property.....  | 13 |
| Insuring Agreement .....                                       | 4  | Permission Granted To You .....  | 13 |
| Agreements We Make With You.....                               | 4  | Our Rights To Recover Payment.....   | 13 |
| Conformity To State Statutes.....                              | 4  | Our Rights To Obtain Salvage .....   | 13 |
| Coverage Changes .....   | 4  | Action Against Us .....  | 13 |
| Policy Transfer.....   | 4  | Loss To A Pair Or Set .....  | 13 |
| Continued Coverage After Your Death .....                      | 4  | Glass Replacement .....  | 13 |
| Residential Community Property Clause .....                    | 4  | No Benefit To Bailee .....   | 13 |
| Dividend Provision.....  | 4  | Other Insurance.....   | 13 |
| Loss Reduction And Other Items.....                            | 4  | Property Insurance Adjustment .....  | 13 |
| Cancellation.....  | 4  | Mold, Fungus, Wet Rot And Dry Rot Remediation                              |    |
| Refusal To Renew .....   | 5  | As A Direct Result Of A Covered Water Loss.....                            | 14 |
| Misrepresentation, Fraud, Or Concealment.....                  | 5  | Catastrophe Claims .....   | 14 |
| Charge For Insufficient Funds.....                             | 5  | <b>Section II—Family Liability And Guest Medical Protection</b> .....      | 14 |
| What Law Will Apply.....                                       | 5  | <b>Family Liability Protection—Coverage X</b> .....                        | 14 |
| Where Lawsuits May Be Brought .....                            | 5  | Losses We Cover Under Coverage X.....                                      | 14 |
| Action Against Us .....  | 6  | <b>Guest Medical Protection—Coverage Y</b> .....                           | 14 |
| Arbitration .....  | 6  | Losses We Cover Under Coverage Y .....                                     | 14 |
| <b>Section I—Your Property</b> .....                           | 6  | Losses We Do Not Cover Under Coverage X And Coverage Y.....                | 15 |
| <b>Personal Property Protection—Coverage C</b> .....           | 6  | <b>Additional Protection</b> .....   | 15 |
| Property We Cover Under Coverage C.....                        | 6  | Claim Expenses.....  | 15 |
| Limitations On Certain Personal Property .....                 | 6  | Emergency First Aid .....  | 16 |
| Property We Do Not Cover Under Coverage C .....                | 7  | Damage To Property Of Others .....   | 16 |
| Losses We Cover Under Coverage C.....                          | 7  | <b>Section II Conditions</b> .....   | 16 |
| Losses We Do Not Cover Under Coverage C .....                  | 8  | What You Must Do After An Accidental Loss .....                            | 16 |
| <b>Additional Protection</b> .....                             | 9  | What An Injured Person Must Do—Guest Medical Protection-Coverage Y .....   | 16 |
| Additional Living Expense .....                                | 9  | Our Payment Of Loss—Guest Medical Protection-Coverage Y .....              | 16 |
| Credit Card, Debit Card Or Automated Teller Machine Card, Bank |    | Our Limits Of Liability.....   | 16 |
| Fund Transfer Card, Check Forgery And Counterfeit Money .....  | 9  | Bankruptcy .....   | 16 |
| Debris Removal .....   | 10 | Our Rights To Recover Payment—Family Liability Protection-Coverage X.....  | 16 |
| Emergency Removal Of Property .....                            | 10 | Action Against Us.....   | 16 |
| Fire Department Charges.....                                   | 10 | Other Insurance—Family Liability Protection-Coverage X.....                | 17 |
| Temporary Repairs After A Loss.....                            | 10 | Notice Of Settlement Of Liability Claims.....                              | 17 |
| Building Improvements .....                                    | 10 | <b>Section III—Optional Protection</b> .....                               | 17 |
| Temperature Change .....                                       | 10 | <b>Optional Coverages You May Buy</b> .....                                | 17 |
| Power Interruption .....                                       | 10 | Increased Coverage On Business Property-Coverage BP .....                  | 17 |
| Arson Reward .....   | 10 | Increased Coverage On Electronic Data Processing Equipment-                |    |
| Collapse.....  | 10 | Coverage DP.....   | 17 |
| Civil Authority.....   | 11 | Fire Department Charges-Coverage F .....                                   | 17 |
| Foundation Water Damage .....                                  | 11 | Increased Coverage On Building Improvements-Coverage I .....               | 17 |
| <b>Section I Conditions</b> .....                              | 11 | Increased Coverage On Theft Of Jewelry, Watches And Furs-Coverage JT ..... | 17 |
| Deductible .....   | 11 | Incidental Office, Private School Or Studio-Coverage K .....               | 17 |
| Insurable Interest And Our Liability.....                      | 11 | Lock Replacement-Coverage LR.....  | 18 |
| What You Must Do After A Loss .....                            | 11 | Increased Coverage On Money-Coverage M .....                               | 18 |
| Our Options And Duties After A Loss.....                       | 12 | Business Pursuits-Coverage P .....   | 18 |
| How We Pay For A Loss .....                                    | 12 | Increased Coverage On Securities-Coverage S.....                           | 18 |
| Our Settlement Of Loss.....                                    | 12 | Increased Coverage On Theft Of Silverware-Coverage ST .....                | 18 |

## General

### Definitions Used In This Policy

1. **Bodily injury**—means physical harm to the body, including sickness or disease, and resulting death, except that **bodily injury** does not include diseases transmitted through sexual contact, including:

- a) any venereal disease;
- b) herpes;
- c) Acquired Immune Deficiency Syndrome (AIDS);
- d) AIDS Related Complex (ARC);
- e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to a) through e) listed above.

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

- a) lead in any form;
- b) asbestos in any form;
- c) radon in any form; or
- d) oil, fuel oil, kerosene, liquid propane or gasoline intended for, or from, a storage tank located at the **residence premises**;

unless such symptom, effect, condition, disease or illness results from:

- a) heat, smoke or fumes from a fire which becomes uncontrollable or escapes from its intended location; or
- b) the **sudden and accidental** discharge, dispersal, release or escape of carbon monoxide from a heating system, an appliance for heating water, or a household appliance located at the **residence premises**.

2. **Business**—means:

- a) any full- or part-time activity of any kind engaged in for economic gain including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is also a **business**. However, the mutual exchange of home day care services is not considered a **business**;
- b) any property rented or held for rental by an **insured person**. Rental of **your residence premises** is not considered a **business** when:
  - 1) it is rented occasionally for residential purposes;
  - 2) a portion is rented to not more than two roomers or boarders; or
  - 3) a portion is rented as a private garage.

3. **Business day** when used in this policy means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

4. **Insured person(s)**—means **you** and, if a resident of **your** household:

- a) any relative; and
- b) any dependent person in **your** care.

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

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

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

- d) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **insured person**.

5. **Insured premises**—means:

- a) the **residence premises**; and
- b) under **Section II** only:
  - 1) the part of any other premises, other structures and grounds used by **you** as a residence. This includes premises, structures and grounds **you** acquire for **your** use as a private residence while this policy is in effect;
  - 2) any part of a premises not owned by an **insured person** but where an **insured person** is temporarily living;
  - 3) cemetery plots or burial vaults owned by an **insured person**;
  - 4) vacant land, other than farmland, owned by or rented to an **insured person**;
  - 5) land owned by or rented to an **insured person** where a one-, two-, three-, or four-family dwelling is being built as that person's residence;
  - 6) any premises used by an **insured person** in connection with the **residence premises**; and
  - 7) any part of a premises occasionally rented to an **insured person** for other than **business** purposes.

6. **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**.

7. **Property damage**—means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.

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

9. **Residence employee**—means an employee of an **insured person** while performing duties arising out of and in the course of employment in connection with the maintenance or use of **your residence premises**. This includes similar duties performed elsewhere for an **insured person**, not in connection with the **business** of an **insured person**.

10. **Residence premises**—means that portion of any building used by **you** as a private residence, excluding any portion used for **business** purposes, which is described on the Policy Declarations.
11. **Sudden and accidental**—means damage which occurs abruptly and is unexpected and/or unintended from the standpoint of **you**.
12. **We, us or our**—means the company named on the Policy Declarations.
13. **You or your**—means the person named 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 coverage 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 use or occupancy of the **residence premises**.

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

The terms of this policy impose joint obligations on the person named on the Policy Declarations as the insured and on that person's resident spouse. These persons are defined as **you** or **your**. This means that the responsibilities, acts and omissions of a person defined as **you** or **your** will be binding upon any other person defined as **you** or **your**, except as provided under **Losses We Do Not Cover Under Coverage C**, item 8.

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

### Agreements We Make With You

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

### Conformity To State Statutes

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

### Coverage Changes

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

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

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for **our** use in **your** state.

The rates in effect at the beginning of **your** current premium period will be used to calculate any change in **your** premium.

### Policy Transfer

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

### Continued Coverage After Your Death

If **you** die, coverage will continue until the end of the premium period for:

1. **your** legal representative while acting as such, but only with respect to the **residence premises** and property covered under this policy on the date of **your** death;
2. an **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.

### Residential Community Property Clause

This policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this policy, until the expiration of the policy or until cancelled in accordance with the terms and conditions of this policy.

### Dividend Provision

To the extent and upon the conditions fixed and determined from time to time by **our** Board of Directors in accordance with the provisions of the Texas Insurance Code of 1951, as amended, **you** shall be entitled to participate in a distribution of **our** surplus.

### Loss Reduction And Other Items

From time to time and in **our** sole discretion, **we** may provide **you**, or allow others to provide **you**, with:

1. items, memberships, special offers, merchandise, services, classes, seminars or other things of value designed to help **you** or other persons insured under this policy manage the risks **you** or they face, including, but not limited to, loss reduction or safety-related items; or
2. items, memberships, special offers, merchandise, services, classes, seminars or things of any other type that **we** think may be of value to **you** or someone else insured under this policy.

These items, memberships, special offers, merchandise, services, classes, seminars or other things of value may be provided in any form, including, but not limited to, redemption codes, coupons, vouchers and gift cards.

### Cancellation

1. **You** may cancel this policy at any time by notifying **us** of the date cancellation is to take effect. **We** will send **you** any refund due when the policy is returned to **us**.
2. If this policy has been in effect for less than 60 days and is not a renewal **we** may cancel this policy if:
  - a) **we** identify a condition that:



- 1) creates an increased risk of hazard;
- 2) was not disclosed in the application for insurance coverage; and
- 3) is not the subject of a prior claim; or
- b) before the effective date of the policy, **we** have not accepted a copy of a required inspection report that:
  - 1) was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and
  - 2) is dated not earlier than the 90th day before the effective date of the policy.

An inspection report is deemed accepted, unless **we** reject it before the 11th day before the effective date of the policy.
3. **We** may cancel this policy at any time for the following reasons:
  - a) **you** do not pay the premium or any portion of the premium when due.
  - b) the Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
  - c) **you** submit a fraudulent claim.
  - d) there is an increase in the hazard covered by this policy that is within **your** control and that would produce an increase in the premium rate of this policy.
4. The effective date of cancellation cannot be before the 10th day after **we** mail the notice if **we** cancel for any of the reasons in 3. or the 30th day after **we** mail the notice if **we** cancel for any other reason. **Our** notice of cancellation must state the reason for cancellation.
5. If **we** cancel, **our** notice to **you** will state that if the refund is not included with the notice, it will be returned on demand.
6. **We** may not cancel this policy solely because **you** are an elected official.

### Refusal To Renew

1. **We** may not refuse to renew this policy because of claims for losses resulting from natural causes.
2. **We** may not refuse to renew this policy solely because **you** are an elected official.
3. **We** may refuse to renew this policy if **you** have filed three or more claims under the policy in any three-year period that do not result from natural causes nor certain appliance-related claims.

If **you** have filed two claims in a period of less than three years, **we** may notify **you** in writing, that if **you** file a third claim during the three-year period, **we** may refuse to renew this policy by providing **you** proper notice of **our** refusal to renew as provided in 4. below. If **we** do not notify **you** after the second claim, **we** may not refuse to renew this policy because of losses.

For purposes of this Refusal To Renew provision, a claim does not include a claim that is filed but is not paid or payable under the policy.

4. If **we** refuse to renew this policy, **we** must deliver to **you**, or mail to **you** at **your** mailing address shown on the Policy Declarations, written notice of **our** refusal to renew not later than the 30th day before the date on which this policy expires. Proof of mailing will be sufficient proof of notice. If **we** fail to give **you** proper notice of **our** decision not to renew, **you** may require **us** to renew the policy.

### 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 provide coverage for any person who has concealed or misrepresented any material fact or circumstance.

### Charge For Insufficient Funds

If at any time, **your** payment of any premium amount due is made by check, electronic transaction or other remittance which is not honored because of insufficient funds or closed account, **you** will be charged a fee.

### What Law Will Apply

This policy is issued in accordance with the laws of Texas and covers property or risks principally located in Texas. Subject to the following paragraph, the laws of Texas 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 Texas, 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 Texas. 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 Texas, 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 Texas, lawsuits regarding that covered loss to property, or any other covered **occurrence** may also be brought in the judicial district 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.

## 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 and one day 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.

## Section I—Your Property

### Personal Property Protection—Coverage C

#### Property We Cover Under Coverage C:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located at a residence other than the **residence premises**, coverage is limited to 10% of **Personal Property Protection—Coverage C**. This limitation does not apply to personal property in a newly acquired principal residence for the 30 days immediately after **you** begin to move property there or to personal property in student dormitory, fraternity or sorority housing.
2. At **your** option, personal property owned by a guest or **residence employee** while the property is in a residence **you** are occupying.

#### Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If the 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, scrip, stored value cards and smart cards.

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**. This does not include recording or storage media used or intended for use in a **business**. Recording or storage media includes, but is not limited to:
  - a) tapes;
  - b) CDs, DVDs and other discs;
  - c) records;
  - d) disks;
  - e) reels;
  - f) cassettes;
  - g) cartridges; or
  - h) programs.
4. \$ 10,000 — Theft of tools and their accessories.
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 — Trading cards, subject to a maximum amount of \$250 per card.
7. \$ 1,000 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than banknotes, checks, cashier's checks, traveler's checks, passports, securities, tickets, and stamps, including philatelic property.
8. \$ 1,000 — Manuscripts, including documents stored on electronic media.
9. \$ 1,000 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts and motors.
10. \$ 1,000 — Trailers not used with watercraft.
11. \$ 1,000 — 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.
12. \$ 1,000 — Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.

13. \$ 2,000 — Theft of firearms, their related equipment and accessories.
14. \$ 2,500 — 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.
15. \$ 2,500 — Theft of goldware, silverware, pewterware and platinumware.
16. \$ 5,000 — Electronic data processing equipment and the recording or storage media used with that equipment whether or not the equipment is used in a **business**.  
Recording or storage media will be covered only up to:
  - a) the retail value of the media, if pre-programmed; or
  - b) the retail value of the media in blank or unexposed form, if blank or self-programmed.
17. \$ 10,000 — Theft of rugs, including, but not limited to any handwoven silk or wool rug, carpet, tapestry, wall hanging or other similar article whose principal value is determined by its color, design, quality of wool or silk, quality of weaving, condition or age; subject to a maximum amount of \$2,500 per item.

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

1. Personal property specifically described and insured by this or any other insurance.
2. Animals.
3. Motorized land vehicles, including, but not limited to any land vehicle powered or assisted by a motor or engine. **We** do not cover any motorized land vehicle parts, equipment or accessories attached to or located in or upon any motorized land vehicle. **We** do cover motorized land vehicles designed for assisting the handicapped or used solely for the service of the **insured premises** and not licensed for use on public roads.
4. Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
5. Property of roomers, boarders, or tenants not related to 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 **sudden and accidental** direct physical loss to the property described in **Personal Property Protection-Coverage C**, except as limited or excluded in this policy, caused by:

1. Fire or Lightning.
2. Windstorm, Hurricane, or Hail.

**We** do not cover:

- a) loss to covered property inside a building, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind forces rain, snow, sleet, sand or dust through the damaged roof or wall;
  - b) loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed building. However, **we** do cover canoes and rowboats on the **residence premises**.
3. Explosion.
  4. Riot or Civil Commotion, including pillage and looting during, and at the site of, the riot or civil commotion.
  5. Aircraft, including self-propelled missiles and spacecraft.
  6. Vehicles.
  7. Smoke.
- We** do not cover loss caused by smoke from the manufacturing of controlled substances, agricultural smudging or industrial operations.
8. Vandalism and Malicious Mischief.

**We** do not cover vandalism or malicious mischief if **your residence premises** has been 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.

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.

10. Weight of ice, snow or sleet which causes damage to personal property in a building, but only if the building is damaged due to the weight of ice, snow or sleet.
11. Increase or decrease of artificially generated electrical current to electrical appliances, fixtures and wiring.
12. Bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protection system or an appliance for heating water.
13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protection system, or from a household appliance due to accidental discharge or overflow. However, **we** do not cover loss, including ensuing loss or the cost of tearing out and replacing any part of **your residence premises**, caused by the discharge or overflow of water or steam from within a plumbing, heating or air conditioning system, household appliance or fire protective sprinkler system where the source of the discharge or overflow is either below the surface of the ground or within or below the slab or foundation of the **residence premises** except as specifically provided in

**Section I, Additional Protection, under item 13., Foundation Water Damage.**

**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 or a household appliance.

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

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

15. Theft, or attempted theft, including disappearance of property from a known place when it is likely that a theft has occurred. Any theft must be promptly reported to the police.

**We** do not cover:

- a) theft or attempted theft committed by an **insured person**;
- b) theft in or from the **residence premises** while under construction or of materials and supplies for use in construction, until the dwelling is completed and occupied;
- c) theft of any property while at any other residence owned, rented to or occupied by an **insured person** unless the **insured person** is temporarily residing there;
- d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the **residence premises**;
- e) theft from that part of the **residence premises** rented by **you** to other than an **insured person**.

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

**Losses We Do Not Cover Under Coverage C:**

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

- 1. Flood, including but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
- 2. Water or any other substance that backs up through sewers or drains.
- 3. Water or any other substance that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

4. Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

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

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

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

6. Enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, placement or demolition of the **residence premises** or any building structure or other structure at the **residence premises**.

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

7. The failure by any **insured person** to take all reasonable steps to save and preserve property when the property is endangered by a cause of loss **we** cover.
8. Loss intentionally caused by an **insured person**. This exclusion will not apply to an innocent spouse or insured who did not contribute to such loss or to the interest of an innocent spouse or insured in the damaged property.
9. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
10. Weather Conditions that contribute in any way with a cause of loss excluded in this section to produce a loss.
11. 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.



- B. **We** do not cover loss to covered property described in **Personal Property Protection-Coverage C** when:
1. there are two or more causes of loss to the covered property; and
  2. the predominant cause(s) of loss is (are) excluded under **Losses We Do Not Cover**, items A.1. through A.11. above.
- C. **We** do not cover loss to covered property described in **Personal Property Protection-Coverage C** 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 other microbes.
- This exclusion applies regardless of whether mold, fungus, wet rot, dry rot or other microbes 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 Water Loss**.
- D. **We** do not cover loss to the property described in **Personal Property Protection-Coverage C** consisting of or caused by the following. These exclusions apply regardless of whether any other cause contributed concurrently or in any sequence to produce the loss:
1. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these.  
Loss caused by nuclear action is not considered loss by fire, explosion or smoke. **We** do cover **sudden and accidental** direct physical loss by fire resulting from nuclear action.
  2. War or warlike acts, including but not limited to insurrection, rebellion or revolution.

## Additional Protection

1. **Additional Living Expense**
  - a) **We** will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living when **your residence premises** is made uninhabitable by a peril **we** insure against in **Personal Property Protection-Coverage C**. However, additional living expense due to remediation of mold, fungus, wet rot, dry rot or other microbes will not be paid in addition to any amounts paid or payable under **Section I Conditions, Mold, Fungus, Wet Rot And Dry Rot Remediation As A Direct Result Of A Covered Water Loss**.

Payment for covered additional living expense as a result of a covered loss will be limited to the least of the following:

  - 1) the time period required to repair or replace the property **we** cover, using due diligence and dispatch; or
  - 2) if **you** permanently relocate, the shortest time for **your** household to settle elsewhere;
  - 3) 12 months.

- b) **We** will pay **your** lost fair rental income resulting from a covered loss, less charges and expenses which do not continue, when a loss **we** cover makes the part of the **residence premises you** rent to others, or hold for rental, uninhabitable. **We** will pay for lost fair rental income for the shortest time required to repair or replace the part rented or held for rental but not to exceed 12 months. However, payments for **your** lost fair rental income due to remediation of mold, fungus, wet rot, dry rot or other microbes will not be paid in addition to any amounts paid or payable under **Section I Conditions, Mold, Fungus, Wet Rot And Dry Rot Remediation As A Direct Result Of A Covered Water Loss**.

These periods of time referenced above 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.

In no event shall **our** payment for additional living expenses or lost fair rental income exceed the amount shown on **your** Policy Declarations for Additional Living Expense.

No deductible applies to this protection.

2. **Credit Card, Debit Card Or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery And Counterfeit Money**  
**We** will pay for loss:
  - a) that an **insured person** is legally required to pay for the unauthorized use of any
    - 1) credit card;
    - 2) debit or automated teller machine card;
    - 3) bank fund transfer card;
    - 4) code;
    - 5) account number;
    - 6) personal identification number; or
    - 7) other means of account access
 that can be used, alone or in conjunction with items 1) through 7) above, to obtain money, goods, services, or any other thing of value, or that can be used to initiate a transfer of funds.
  - b) caused by forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account;
  - c) to an **insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

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

**We** do not cover:

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

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

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

When this coverage applies, **we** will defend any suit brought against an **insured person** for the enforcement of payment that an **insured person** is legally required to make as a result of the unauthorized use of any credit card, debit, or automated teller machine card, or bank fund transfer card issued to or registered in the name of an **insured person**. The defense will be at **our** expense, with counsel of **our** choice.

When this coverage applies, **we** have the option to defend an **insured person** or the **insured person's** bank against a suit for the enforcement of payment legally required to be made as a result of forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account. The defense will be at **our** expense, with counsel of **our** choice.

No deductible applies to this protection.

### 3. **Debris Removal**

**We** will pay reasonable expenses **you** incur to remove debris of covered property damaged by a loss **we** cover. If the loss to the covered property and the cost of debris removal are more than the limit of liability shown on the Policy Declarations for the covered property, **we** will pay up to an additional 5% of that limit for debris removal.

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

**We** will pay for **sudden and accidental** 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 at the **residence premises**. No deductible applies to this protection.

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

**We** will reimburse **you** up to \$2,000 for the reasonable and necessary cost **you** incur for temporary repairs to protect covered property from further imminent covered loss following a loss **we** cover. This coverage does not increase the limit of liability applying to the property being repaired.

### 7. **Building Improvements**

**We** will pay up to an additional 10% of the amount of insurance shown on the Policy Declarations under **Personal Property Protection-Coverage C** for loss to building additions, alterations, installations or fixtures, made at **your** expense, in that portion of the **residence premises** occupied, but not owned, by **you**. For coverage to apply, the loss must be a sudden and accidental direct physical loss caused by a loss **we** cover under **Section I, Personal Property Protection-Coverage C**.

### 8. **Temperature Change**

**We** will pay for loss to covered personal property in a building at the **residence premises** resulting from a change in temperature. The change in temperature must result from a peril **we** insure against under **Section I, Personal Property Protection-Coverage C**.

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

### 9. **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.

### 10. **Arson Reward**

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

### 11. **Collapse**

**We** will cover at the **residence premises** direct physical loss to covered property caused by the entire or partial collapse of the building in which the **residence premises** is located.

For coverage to apply, collapse of the building in which the **residence premises** is located must be a sudden and accidental direct physical loss caused by one or more of the following:

- a) a peril **we** insure against under **Section I, Personal Property Protection-Coverage C**;
- b) weight of persons, animals, equipment or contents;
- c) weight of rain, snow or ice which collects on a roof;
- d) 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 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 the building in which the **residence premises** is located that is a **sudden and accidental** direct physical loss caused by one or more of the following:

- a) a peril **we** insure against under **Section I, Personal Property Protection-Coverage C**;
- b) weight of persons, animals, equipment or contents;
- c) weight of rain, snow or ice which collects on a roof; or
- d) 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 protection does not change the limit of liability that applies to the covered property.

## 12. Civil Authority

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

The two-week period of time referenced above is 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.

## 13. Foundation Water Damage

In the event of the **sudden and accidental** discharge or overflow of water or steam from within a plumbing, heating or air conditioning system, household appliance, fire protection or sprinkler system where the source of the discharge or overflow is located within or below the slab or foundation of the building, **we** will pay up to the amount shown on the Policy Declarations for loss to property covered under **Personal Property Protection-Coverage C** that results from the **sudden and accidental** escape of water or steam from within a plumbing, heating or air conditioning system, household appliance, fire protection or sprinkler system located within the slab or foundation of the dwelling.

This coverage does not include damage to the system from which the water or steam escaped.

## Section I Conditions

### 1. Deductible

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

### 2. Insurable Interest And Our Liability

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

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

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

- a) promptly give **us** or **our** agent notice. Report any theft to the police as soon as possible. If the loss involves a credit card, debit or automated teller machine card, or bank fund transfer card, give notice to the company or bank that issued the card.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give **us** a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give **us** all accounting records, bills, invoices and other vouchers, or certified copies, which **we** may reasonably request to examine and permit **us** to make copies.
- e) produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records supporting any claim for loss of rental income.
- f) as often as **we** reasonably require:
  - 1) show **us** the damaged property.
  - 2) at **our** request, submit to examinations under oath, separately and apart from any other person defined as **you** or **insured person** and sign a transcript of the same.
  - 3) produce representatives, employees, members of the **insured person's** household or others to the extent it is within the **insured person's** power to do so; and
- g) within 91 days after the loss, give **us** a signed, sworn proof of the loss. This statement must include the following information:
  - 1) the date, time, location and cause of loss;
  - 2) the interest **insured persons** and others have in the property, including any encumbrances;
  - 3) the actual cash value and amount of loss for each item damaged, destroyed or stolen;
  - 4) any other insurance that may cover the loss;
  - 5) any changes in title, use, occupancy or possession of the property that have occurred during the policy period;
  - 6) at **our** request, the specifications of any damaged building structure or other structure;

- 7) evidence supporting any claim under the Credit Card, Debit Or Automated Teller Machine Card, Bank Fund Transfer Card, Check Forgery And Counterfeit Money protection. State the cause and amount of loss.

**We** have no duty to provide coverage to **you** or an **insured person** 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 Options And Duties After A Loss**

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**.

Not later than the 15th day after **we** receive **your** written notice of claim, **we** must acknowledge receipt of the claim, begin any investigation of the claim, and specify the information **you** must provide.

If **our** acknowledgment of the claim is not in writing, **we** will keep a record of the date, method and content of **our** acknowledgement.

**We** may request additional information, if during the investigation of the claim such additional information is necessary.

**We** will notify **you** of the settlement option or options **we** intend to exercise within 15 **business days** after **we** receive **your** signed, sworn proof of loss. This shall be extended to 30 days if **we** have reason to believe the loss resulted from arson.

If **we** do not approve payment of **your** claim, **we** must give the reason for denying **your** claim, or give the reasons **we** require additional time to process **your** claim. But, **we** must either approve or deny **your** claim within 45 days after **our** request for additional time.

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

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

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

Under **Personal Property Protection-Coverage C**, payment for covered loss will be by one of the following methods:

- a) Special Payment. At **our** option, **we** may make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen property if:
  - 1) The whole amount of loss for property covered under **Personal Property Protection-Coverage C**, without deduction for depreciation, is less than \$2,500; and
  - 2) **your** Policy Declarations shows that the Personal Property Reimbursement provision applies; and
  - 3) 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 make claim for any additional payment as described in paragraph c) below, if applicable, and if **you** repair or replace the damaged, destroyed or stolen covered property within 365 days after the loss unless you request in writing that this time limit be extended for an additional 180 days.

- c) 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 reimburse **you** for cost in excess of actual cash value if **you** repair, rebuild or replace damaged, destroyed or stolen covered personal property or wall-to-wall carpeting within 365 days of the loss.

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 covered loss to personal property and the smallest of 1), 2) or 3) above.

Personal Property Reimbursement will not apply to:

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

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

**We** will settle any covered loss with **you** unless another payee is named in the policy. This amount may be determined by an agreement between **you** and **us**, an appraisal award or a court judgment.

If **we** notify **you** that **we** will pay **your** claim, or part of **your** claim, **we** must pay within 5 **business days** after **we** notify **you**. If payment of **your** claim or part of **your** claim requires the performance of an act by **you**, **we** must pay within 5 **business days** after the date **you** perform the act.

#### 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 or unoccupied for any length of time, except where a time limit is indicated in this policy for specific perils. If the **residence premises** is under construction, then it 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 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 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 and one day from the date the action first accrues.

#### 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.

Such loss will not be considered a total loss of the pair or set.

#### 14. **Glass Replacement**

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

#### 15. **No Benefit To Bailee**

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

#### 16. **Other Insurance**

If both this insurance and other insurance apply to a loss, **we** will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance. However, in the event of a loss by theft, this insurance shall be excess over any other insurance that covers loss by theft.

#### 17. **Property Insurance Adjustment**

When the Policy Declarations indicates that the Property Insurance Adjustment condition applies:

- a) The limit of liability shown on the Policy Declarations for **Personal Property Protection-Coverage C** will be revised at each policy anniversary to reflect the rate of change in the Index identified on the Policy Declarations.
- b) The limit of liability for **Personal Property Protection-Coverage C** for the succeeding premium period will be determined by changing the existing limit in proportion to the change in the Index between the time the existing limit was established and the time the change is made. The resulting amount will be rounded to the nearest \$1,000.

**We** will not reduce the limit of liability shown on the Policy Declarations without **your** consent.

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** have the right to change to another cost index or to withdraw this condition as of a policy anniversary date by giving **you** at least 30 days notice. This applies only if the change or withdrawal applies to all similar policies issued by **us** in **your** state.

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

In the event of a covered water loss under **Personal Property Protection–Coverage C**, **we** will pay up to \$5,000 for mold, fungus, wet rot, dry rot or other microbes **remediation**.

This Condition does not increase the limits of liability under **Personal Property Protection–Coverage C**.

19. **Catastrophe Claims**

If a claim results from a weather-related catastrophe or a major natural disaster, each claim handling deadline shown under the **What You Must Do After A Loss** and **Our Settlement Of Loss** provisions is extended for an additional 15 days. Catastrophe or Major Natural Disaster means a weather-related event which:

- a) is declared a disaster under the Texas Disaster Act of 1975; or
- b) is determined to be a catastrophe by the Texas Department of Insurance.

## 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.

### Guest Medical Protection–Coverage Y

#### Losses We Cover Under Coverage Y:

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

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

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

#### Losses We Do Not Cover Under Coverage X And Coverage Y

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

1. **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**.
2. **We** do not cover any **property damage** consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
3. **We** do not cover any **bodily injury** or **property damage** arising out of any liability statutorily imposed upon any **insured person** in any manner, consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
4. **We** do not cover **property damage** to property rented to, occupied or used by, or in the care of, an **insured person**. This exclusion does not apply if the **property damage** is caused by fire, explosion or smoke.
5. **We** do not cover any liability an **insured person** assumes arising out of any contract or agreement.
6. **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 other microbes.
7. **We** do not cover any liability imposed upon any **insured person** by any governmental 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 other microbes.

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

1. **We** do not cover **bodily injury** to any **insured person** or regular resident of the **insured premises**. However, this exclusion does not apply to a **residence employee**.
2. **We** do not cover **bodily injury** to any person on the **insured premises** because of a **business** activity or professional service conducted there.



3. **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 other microbes.

**C. Losses We Do Not Cover Under Coverage X And Coverage Y:**

Coverage under **Family Liability Protection–Coverage X** will be excluded for **bodily injury** and **property damage** and coverage under **Guest Medical Protection–Coverage Y** will be excluded for **bodily injury** as follows:

1. **We** do not cover **bodily injury** or **property damage** which is caused intentionally by or at the direction of an **insured person**. This exclusion will not apply to an innocent spouse or insured who did not contribute to such loss.
2. **We** do not cover **bodily injury** to any person eligible to receive benefits required to be provided or voluntarily provided by an **insured person** under any worker's compensation, non-occupational disability or occupational disease law.
3. **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.  
  
This exclusion does not apply to **bodily injury** to a **residence employee**.
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 any motor vehicle or trailer. However, this exclusion does not apply to:
  - a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
  - b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is being used away from an **insured premises**;
  - c) a motorized wheelchair;
  - d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
  - e) a golf cart owned by an **insured person** when used for golfing purposes;
  - f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
  - g) lawn and garden implements under 40 horsepower;
  - h) **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 watercraft away from an **insured premises** if the watercraft:
  - a) has inboard or inboard-outboard motor power of more than 50 horsepower;
  - b) is a sailing vessel 26 feet or more in length;

- c) is powered by one or more outboard motors with more than 25 total horsepower;
- d) is designated as an airboat, air cushion, or similar type of watercraft; or
- e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

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

6. **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.
7. **We** do not cover any **bodily injury** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.  
  
**We** do cover **bodily injury** which results from such discharge if the discharge is **sudden and accidental**.
8. **We** do not cover **bodily injury** or **property damage** arising out of the rendering of, or failure to render, professional services by an **insured person**.
9. **We** do not cover **bodily injury** or **property damage** arising out of the past or present **business** activities of an **insured person**.  
  
**We** do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age who is self-employed and has no employees.
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**. This exclusion does not apply to **bodily injury** to a **residence employee**.
11. **We** do not cover **bodily injury** or **property damage** caused by war or warlike acts, including, but not limited to, insurrection, rebellion or revolution.

## Additional Protection

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

1. **Claim Expenses**

**We** will pay:

- a) all costs **we** incur in the settlement of any claim or the defense of any suit against an **insured person**;

- b) interest accruing on damages awarded until such time as **we** have paid, formally offered, or deposited in court the amount for which **we** are liable under this policy; interest will be paid only on damages which do not exceed **our** limits of liability;
- c) premiums on bonds required in any suit **we** defend; **we** will not pay bond premiums in an amount that is more than **our** limit of liability; **we** have no obligation to apply for or furnish bonds;
- d) up to \$150 per day for loss of wages and salary, when **we** ask **you** to attend trials and hearings;
- e) 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**:

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

# Section II Conditions

## 1. What You Must Do After An Accidental Loss

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

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

- 3) attend any hearing or trial.

- d) Under the **Damage To Property Of Others** protection, give **us** a sworn statement of the loss. This must be made within 91 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**, and the action against **us** is commenced within two years and one day from the date the action first accrues.
  - c) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Guest Medical Protection–Coverage Y**, unless such action is commenced within two years and one day after the date the expenses for which coverage is sought were actually incurred and not less than 30 days after any required proofs of claim have been filed with **us**.
  - d) No one may bring an action against **us** in any way related to the existence or amount of coverage, or the amount of loss for which coverage is sought, under **Section II, Additional Protection**, unless such action is commenced within two years and one day after the date the claim expenses or emergency first aid expenses for which coverage is sought were actually incurred, or within two years and one day after the date of loss to the property if coverage is being sought under the **Damage To Property Of Others** provision.
  - e) No one shall have any right to make **us** a party to an action to determine the liability of an **insured person**.
8. **Other Insurance—Family Liability Protection–Coverage X**  
This insurance is excess over any other valid and collectible insurance except insurance that is written specifically as excess over the limits of liability that apply to this policy.
9. **Notice Of Settlement Of Liability Claim.**
- a) **We** will notify the **insured person** in writing of any initial offer to compromise or settle a claim against the **insured person** under the liability section of this policy. **We** will give the **insured person** notice within 10 days after the date the offer is made.
  - b) **We** will notify the **insured person** in writing of any settlement of a claim against the **insured person** under the liability section of this policy. **We** will give the **insured person** notice within 30 days after the date of the settlement.

## Section III—Optional Protection

### Optional Coverages You May Buy

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

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

#### 1. 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. Increased Coverage On Electronic Data Processing Equipment–Coverage DP

The limitation on electronic data processing equipment under **Personal Property Protection–Coverage C**, and the recording or storage media used with that equipment, is increased to the amount shown on the Policy Declarations.

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

The \$500 limit applying to the fire department service charges covered in this policy is increased to the amount shown on the Policy Declarations.

#### 4. Increased Coverage On Building Improvements–Coverage I

The limit of liability applying to building improvements covered in this policy is increased to the amount shown on the Policy Declarations.

#### 5. Increased Coverage On Theft Of Jewelry, Watches And Furs–Coverage JT

The limitation on theft of jewelry, watches, precious and semiprecious stones, gold other than goldware, silver other than silverware, pewter other than pewterware, platinum other than platinumware or furs under **Personal Property Protection–Coverage C** is increased to the amount shown on the Policy Declarations.

#### 6. Incidental Office, Private School Or Studio–Coverage K

- a) The limits applying to property used or intended for use in a **business** under **Personal Property Protection–Coverage C** do not apply to equipment, supplies and furnishings used in a described office, private school or studio at **your residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.

The **Coverage K** limits are shown on the Policy Declarations. The first limit applies to property on the **residence premises**. The second limit applies to property while away from the **residence premises**. These limits are not in addition to **Personal Property Protection–Coverage C, Limitations On Certain Personal Property** on property used or intended for use in a **business**. The increased coverage does not include property held for sample, sale or delivery after sale.

- b) **Family Liability Protection–Coverage X** and **Guest Medical Protection–Coverage Y** are extended to cover a described office, private school or studio occupied by an **insured person**. The occupancy of the described property shall not be considered a **business**.

**We** do not cover **bodily injury** to;

- a) any employee other than a **residence employee**; or

- b) any person arising out of corporal punishment administered by or at the direction of an **insured person**.

7. **Lock Replacement–Coverage LR**

**Personal Property Protection–Coverage C** is extended to include 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. Coverage is provided when a key to a lock is stolen as part of a covered theft loss. The limit of liability under this coverage following any one theft loss is \$250.

8. **Increased Coverage On Money–Coverage M**

The limitation on money, bullion, banknotes, coins and other numismatic property, scrip, stored value cards and smart cards under **Personal Property Protection–Coverage C** is increased to the amount shown on the Policy Declarations.

9. **Business Pursuits–Coverage P**

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

**We** do not cover:

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

10. **Increased Coverage On Securities–Coverage S**

The \$1,000 limitation on accounts, bills, deeds, evidences of debt, letters of credit, notes other than banknotes, checks, cashier's checks, traveler's checks, passports, securities, tickets or stamps, including philatelic property, covered under **Personal Property Protection–Coverage C**, is increased to the amount shown on the Policy Declarations.

11. **Increased Coverage On Theft Of Silverware–Coverage ST**

The 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.