

SPECIAL PROVISIONS — MAINE

POLICY DEFINITIONS

Item 3.a. is deleted and replaced by the following:

- a. **"Actual cash value"** means the **replacement cost** of covered property at the time of loss, less the value of **physical depreciation** as to the damaged property.

Item 3.c. is deleted and replaced by the following:

- c. **"Business"** means:
 - (1) a trade, profession, or occupation engaged in on a full-time, part-time, or occasional basis;
 - (2) any other activity engaged in for money or other compensation, except the following:
 - (a) one or more activities, not described in (b) below, for which no **insured** receives more than \$5,000 in total compensation for the 12 months before the beginning of the policy period; or
 - (b) **volunteer** activities for which no money or other compensation is received other than for expenses incurred to perform the activity; or
 - (3) a **short-term rental**.

The following are added to existing **POLICY DEFINITIONS**, item 3.:

- a. **"Physical depreciation"** means a value as determined according to standard business practices.
- b. **"Short-term rental"** means one or more rentals, in whole or in part, of the **residence premises** solely for use as a private residence. **Short-term rental** includes any other related property or services made available and/or provided by an **insured**.

Short-term rental does not include:

- (1) rental, in whole or in part, of the **residence premises** for a single rental period to the same individual(s) for more than 180 consecutive days;
- (2) rental, in part, of the **residence premises** to a tenant, roomer, or boarder for a period of 6 months or more; or
- (3) property or services provided by another party.

SECTION I — PROPERTY COVERAGES

BUILDING PROPERTY LOSSES WE DO NOT COVER

Item 15. is deleted and replaced by the following:

15. **Intentional Loss**, meaning any loss arising out of any act an **insured** commits or conspires to commit with the intent to cause a loss.

This exclusion only applies to an **insured** who commits or conspires to commit an act with the intent to cause a loss.

The following is added to existing **BUILDING PROPERTY LOSSES WE DO NOT COVER**:

21. Theft or vandalism and malicious mischief in, to, or from a dwelling or other structure while rented to others by any **insured**, in whole or in part, as a **short-term rental**.

PERSONAL PROPERTY WE COVER

COVERAGE C — PERSONAL PROPERTY

The following is added to item 2.:

However, we will not cover personal property owned by tenants or guests if the tenants or guests have compensated the **insured** to use the **residence premises**, in whole or in part.

PERSONAL PROPERTY WE DO NOT COVER

Under **3.**, items **c.** and **d.** are deleted and replaced by the following:

- c.** up to \$500 for disassembled parts of a motorized land vehicle while located on the **residence premises**;
- d.** up to \$500 for electric motorized ride-on vehicles designed to be operated by children under the age of eight and designed for speeds of less than six miles per hour; or

Under **3.**, the following is added:

- e.** up to \$3,000 for electric bikes, scooters, hoverboards, or other similar electric or battery powered vehicles designed, manufactured, and/or altered to be operated for speeds up to 28 miles per hour.

Item **8.** is deleted and replaced by the following:

- 8.** Property in a location on the **residence premises** when the location is rented to others by any **insured**.

PERSONAL PROPERTY LOSSES WE COVER

Under **8. Vandalism or malicious mischief**, the following is added:

This peril does not include loss to property caused by vandalism or malicious mischief that arises out of a **short-term rental**.

Under **9. Theft**, items **b.** and **c.** are deleted and replaced by the following:

- b.** in, to, or from a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied;
- c.** from that part of a **residence premises** rented by any **insured** to other than an **insured**; or

Under **9. Theft**, the following is added:

- d.** from any part of the **residence premises** by any person using the premises as part of a **short-term rental**.

COVERAGE D — ADDITIONAL LIVING EXPENSE AND LOSS OF RENT

Items **2.a.** and **2.b.** are deleted and replaced by the following:

- a.** the **residence premises** or that part of the **insured location** that is not rented or leased to a tenant at the time of the loss;
- b.** to any increase in rent or lease payment that occurs after the time of the loss; or

The following is added to item **2.**:

- c.** a **short-term rental**.

ADDITIONAL PROPERTY COVERAGES

The following is added to existing **ADDITIONAL PROPERTY COVERAGES**:

- 1. Mortgage Acquisition Expense Coverage.** In the event of a total loss of the dwelling shown in your Policy Declarations by a covered cause of loss, we will pay necessary expenses and fees toward the acquisition of a new first mortgage to repair or replace the insured dwelling, up to a maximum of \$5,000.

No deductible applies to this coverage.

This is an additional amount of insurance.

SECTION I — PROPERTY CONDITIONS

Under **5. Loss Settlement**, item **e.(2)** is deleted and replaced by the following:

- (2)** adverse impact on the acquisition of financing resulting from the covered physical damage to the property. If **Mortgage Acquisition Expense Coverage** is provided under **Additional Property Coverages**, the application of this provision **(2)** does not apply to the extent coverage is provided for **Mortgage Acquisition Expense**.

Item **8.** is deleted and replaced by the following:

- 8. Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions and the action is started not longer than two years after the inception of the loss or damage.

Under **12. Mortgage Clause**, the paragraph following item **d.** is deleted and replaced by the following:

Policy conditions relating to Appraisal, Suit Against Us, and Loss Payment apply to the mortgagee. If the policy is canceled or not renewed by us, the mortgagee shall receive the same number of days notice as the **insured** under the Cancellation and/or Non-Renewal provisions of this policy.

Under **12. Mortgage Clause**, the following is added:

Mortgagee interests and obligations. If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the **insured**, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation.

If the **insured** fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this Company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

SECTION II — LIABILITY COVERAGES

LIABILITY LOSSES WE DO NOT COVER

Item **1.c.(3)** is deleted and replaced by the following:

- (3) the rental or holding for rental of any part of the **residence premises**:
- (a) in part, when rented to fewer than three roomers or boarders; or
 - (b) in part, as an office, school, studio, or private garage;

Under **1.f.(2)**, items (e) and (f) are deleted and replaced by the following:

- (e) electric motorized ride-on vehicles designed to be operated by children under the age of eight and designed for speeds of less than six miles per hour;
- (f) a motorized land vehicle in dead storage on an **insured location**; or

The following is added **1.f.(2)**:

- (g) electric bikes, scooters, hoverboards, or other similar electric or battery powered vehicles designed, manufactured, and/or altered to be operated for speeds up to 28 miles per hour.

The following is added to item **2.g.**:

If the State of Maine Department of Human Services or a lead inspector licensed by that department has given notice to the **insured**, or any person authorized to enter into a residential rental agreement on behalf of an **insured**, of the existence of an environmental lead hazard and ordered that the lead-based substances at the location be removed, replaced or securely and permanently covered within 30 days of receipt of the notice, exclusion **2.d.** above, will not apply to **bodily injury** resulting from lead-based substances for the period within 30 days of the receipt of notice or within any extension.

This waiver ceases on the 31st day following receipt of the notice by the **insured** or authorized person, or at the end of any extension of the order, unless the Department of Human Services states that the environmental lead hazard described in the notice no longer exists.

Item **2.i.** is deleted.

ADDITIONAL LIABILITY COVERAGES

Under **3. Damage to Property of Others**, item **c.** is deleted and replaced by the following:

- c. to property owned by or rented to:
 - (1) any **insured**; or

- (2) a tenant of any *insured* or a resident in your household; or

SECTIONS I AND II — PROPERTY AND LIABILITY CONDITIONS

Item 2. is deleted and replaced by the following:

2. **Concealment or Fraud.** We do not provide coverage for the *insured* who, whether before or after a loss, has:
- a. Intentionally concealed or misrepresented any material fact or circumstance;
 - b. Engaged in fraudulent conduct; or
 - c. Made false statements;
- relating to this insurance.

Under 4. **Cancellation**, item b. is deleted and replaced by the following:

- b. We may cancel this subject to the provisions of this condition by notifying you in writing of the date cancellation takes effect and the reason for cancellation. This cancellation notice may be delivered to you, or mailed to you. A postal service certificate of mailing to the named *insured*, at the *insured's* last known address is conclusive proof of receipt on the fifth calendar day after mailing.
- (1) When you have not paid the premium, whether payable to us or our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
 - (2) When this policy or any coverage under this policy, has been in effect for less than 90 days at the time of notice of cancellation is received by you, or 120 days if the policy covers residential property expected to be continuously unoccupied for 3 or more months in any 12-month period and that is other than your primary residence and is not a renewal with us, we may cancel for any reason. Except as provided in Paragraph b.(1) above, we will notify you at least 20 days before the date cancellation takes effect.
 - (3) When this policy has been in effect for 90 days or more at the time of notice of cancellation is received by you, or 120 days if the policy covers residential property expected to be continuously unoccupied for 3 or more months in any 12-month period and that is other than your primary residence, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons:
 - (a) Your conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;
 - (b) Fraud or material misrepresentation by you or your representative in obtaining this policy, including a failure to disclose a material fact during the application process that, if known by us, would have substantially altered the terms of the policy;
 - (c) Fraud or material misrepresentation by you in pursuing a claim under this policy;
 - (d) Negligent acts or omissions by an *insured* which substantially increase any hazard insured against;
 - (e) Physical changes in the insured property which result in the property becoming uninsurable;
 - (f) The insured property is vacant and custodial care is not maintained on the property;
 - (g) A trampoline which remains on the insured property for 30 days or more after the date of notice you receive from us notifying you of our intent to cancel the policy if it is not removed;
 - (h) An unfenced or improperly fenced swimming pool, that does not meet with the standards established in M.S.R.A. Title 22, Section 1631, which remains on the insured property for 30 days or more after the date of notice by us of the defective condition and intent to cancel the policy if it is not removed or fenced as required by law;
 - (i) A loss caused by a dog bite and the dog whose bite caused the loss remains after you receive from us our notice of policy cancellation or non-renewal;
 - (j) Your failure to comply with reasonable loss control recommendations within 90 days after you receive notice of the loss control recommendations from us; or
 - (k) Violation of terms or conditions of the Policy.

This can be done by notifying you at least 20 days before the date cancellation takes effect.

Item **5.** is deleted and replaced by the following:

5. Non-Renewal. We may elect not to renew this policy based on your receipt of our intention not to renew received by you. We may do so by written notice at least 30 days before the expiration date of your policy.

A post office certificate of mailing to the named **insured**, at the **insured's** last known address is conclusive proof of receipt on the third calendar day after mailing.

The following is added to existing **SECTIONS I AND II — PROPERTY AND LIABILITY CONDITIONS:**

1. Additional Policy Protection. If one or more of our programs apply to you, you will be eligible to receive benefits specific to that program. The benefits enhance the safety, value, usability, life, or protection of you or your insurable assets. These benefits include, but are not limited to, reduced deductibles, devices, equipment, services, or other benefits provided by either us or a business partner.

THE FOLLOWING LIMITS OUR LIABILITY

1. We, the insurance company, our agents, employees, or service contractors, are not liable for damages from injury, death, or loss occurring as a result of any act or omission in the furnishing of or the failure to furnish insurance inspection services related to, in connection, with or incidental to the issuance or renewal of a policy of property or casualty insurance.

This exemption from liability does not apply:

- a.** If the injury, loss, or death occurred during actual performance of inspection services and was proximately caused by our negligence, or by the negligence of our agents, employees, or service contractors;
- b.** To any inspection services required to be performed under the provisions of a written service contract or defined loss prevention program;
- c.** In any action against us, our agents, employees, or service contractors for damages proximately caused by our acts or omissions which are determined to constitute a crime, actual malice, or gross negligence; or
- d.** If we fail to provide this written notice to the **insured** whenever the policy is issued or when new policy forms are issued upon renewal.

All other provisions of this policy apply.