

---

## SPECIAL PROVISIONS – MAINE

---

### This Endorsement Changes The Policy. Please Read It Carefully.

In this policy, the following is added under any provision which uses the term actual cash value:

Actual cash value means the replacement cost of an insured item of property at the time of loss, less the value of physical depreciation as to the item damaged. Physical depreciation means a value as determined according to standard business practices.

When calculating actual cash value using the estimated cost to repair or replace such property, with a reasonable deduction for depreciation that occurred before such loss or damage, we may apply depreciation to all components of the estimated cost, including the following:

- a. Materials;
- b. Labor;
- c. Overhead and profit; and
- d. Any applicable tax.

The deduction for depreciation may include such considerations as:

- a. Age;
- b. Condition, such as wear and tear or deterioration; and
- c. Reduction in useful life.

#### DEFINITIONS

When this Special Provisions – Maine is used with form **HQ-D77**, Definition 7. is deleted.

When this Special Provisions – Maine is used with form **HQ-D88**, Definition 6. is deleted.

#### POLICY CONDITIONS

2. **Waiver or Change of Policy Provisions** is replaced by the following:
2. **Waiver or Change of Policy Provisions.** A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

The coverage provided and the premium charged are based on information you have given us. You agree to cooperate with us in determining if this information is correct and complete. You agree to inform us of any change in title, use or occupancy of the “residence premises”.

3. **Duty to Cooperate and Inform** is deleted.

When this Special Provisions – Maine is used with form **HQ-D77**:

4. **Cancellation** paragraphs a. and b. are replaced by the following:

4. **Cancellation.**

- a. A named “insured” shown in the Declarations may cancel this policy by:
  - (1) Returning this policy to us; or
  - (2) Giving us advance notice of the date cancellation is to take effect.

We may accept another form of notice from a named “insured”. The cancellation by a named “insured” will be binding on any other named “insured”.

- b. We may cancel this policy only for the reasons stated below by letting you know 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 at your mailing address shown in the Declarations. A postal service certificate of mailing to you will be conclusive proof of notification on the fifth calendar day after mailing. We will also deliver or mail a copy of the notice to any Additional Insured named in the Declarations.
  - (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 letting you know at least 10 days before the date cancellation takes effect.
  - (2) When this policy has been in effect for less than 90 days at the time the notice of cancellation is received by you (less than 120 days if the policy covers a secondary residence expected to be continuously unoccupied for 3 or more months in an annual period) and is not a renewal with us, we may cancel for any reason. Except as provided in b.(1), we will let you know 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 the notice of cancellation is received by you (120 days or more if the policy covers a secondary residence expected to be continuously

unoccupied for 3 or more months in an annual period), 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 to us, would have substantially altered the terms of this 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 this policy if it is not removed;
- (h) An unfenced or improperly fenced swimming pool 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 this policy if it is not removed or fenced as required by law;
- (i) A loss caused by dog bite, and the dog whose bite caused the loss remains after you receive from us our notice of intent to cancel the policy;
- (j) Your failure to comply with reasonable loss control recommendations within 90 days after you receive notice of loss control recommendations from us; or
- (k) Violation of the terms or conditions of this policy.

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

When this Special Provisions – Maine is used with form **HQ-D88**:

**4. Cancellation** paragraphs **a.** and **b.** are replaced by the following:

**4. Cancellation.**

- a. A named "insured" shown in the Declarations may cancel this policy by:
  - (1) Returning this policy to us; or
  - (2) Giving us advance notice of the date cancellation is to take effect.

We may accept another form of notice from a named "insured". The cancellation by a named "insured" will be binding on any other named "insured".

- b. We may cancel this policy only for the reasons stated below by letting you know 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 at your mailing address shown in the Declarations. A postal service certificate of mailing to you will be conclusive proof of notification on the fifth calendar day after mailing. We will also deliver or mail a copy of the notice to any Additional Insured named in the Declarations.
  - (1) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect. The notice will be mailed or electronically transmitted prior to the 60<sup>th</sup> day; or
  - (2) When this policy has been in effect for 60 days or more or at any time if it is a renewal with us, we may cancel only for one or more of the following reasons:
    - (a) Nonpayment of premium;
    - (b) Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining this policy, continuing the policy or in pursuing a claim under this policy;
    - (c) Substantial change in the risk which increases the risk of loss after insurance coverage has been issued or renewed, including an increase in exposure due to regulation, legislation or court decision;
    - (d) Failure to comply with reasonable loss control recommendations;
    - (e) Substantial breach of a contractual duty, condition or warranty; or

- (f) Determination by the superintendent that the continuation of a class or block of business to which this policy belongs will jeopardize a company's solvency or will place the insurer in violation of the insurance laws of this State or any other state.

This can be done by letting you know at least 10 days before the date cancellation takes effect.

When this Special Provisions – Maine is used with form **HQ-D77**:

- 5. **Nonrenewal** is replaced by the following:
- 5. **Nonrenewal.** We may elect not to renew this policy. We may do so by delivering to you or mailing to you at the mailing address shown in the Declarations, written notice of our intent not to renew, together with our reason for nonrenewal, at least 30 days before the expiration date of this policy. A post office department certificate of mailing will be sufficient proof of notice on the third calendar day after mailing. We will also deliver or mail a copy of the notice to any Additional Insured named in the Declarations.

If we offer to renew, and you or your representative do not accept this offer, this policy will automatically terminate without notice of termination at the end of the current policy period. Failure to pay the required renewal premium when due will mean that you have not accepted our offer.

When this Special Provisions – Maine is used with form **HQ-D88**:

- 5. **Nonrenewal** is replaced by the following:
- 5. **Nonrenewal.** We may elect not to renew this policy. We may do so by delivering to you or mailing to you at the mailing address shown in the Declarations, written notice of our intent not to renew, together with our reason for nonrenewal, at least 30 days before the expiration date of this policy. A post office department certificate of mailing will be sufficient proof of notice on the third calendar day after mailing. We will also deliver or mail a copy of the notice to any Additional Insured named in the Declarations.

When this Special Provisions – Maine is used with forms **HQ-D77** or **HQ-D88**, the following is added under **POLICY CONDITIONS**:

**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.

When this Special Provisions – Maine is used with forms **HQ-D77** or **HQ-D88**, the following is added under **POLICY CONDITIONS**:

**Limitation of Liability – Insurance Inspection Services.**

**The Following Limits Our Liability:**

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.

**PROPERTY COVERAGE SECTION**

**PROPERTY – ADDITIONAL COVERAGES**

- 5. **Fire Department Service Charge** (this is Property – Additional Coverage 4. in forms **HQ-P53** and **HQ-P56**) is replaced by the following:
- 5. **Fire Department Service Charge.** We will pay up to the amount shown in the Declarations for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against.

No deductible applies to this coverage.

**PROPERTY – EXCLUSIONS**

9. **Intentional Loss** is replaced by the following:

9. **Intentional Loss**, meaning:

Any loss arising out of an 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.

11. **“Fungi” or Other Microbes** is replaced by the following:

11. **“Fungi”, Other Microbes or Rot**, meaning any loss or cost resulting from, arising out of, caused by, consisting of or related to “fungi”, other microbes or rot.

This exclusion does not apply to:

- a. “Fungi” or other microbes remediation coverage that may be afforded under Property – Additional Coverage **16. Limited “Fungi” or Other Microbes Remediation** (this is Property – Additional Coverage **11. Limited “Fungi” or Other Microbes Remediation** in forms **HQ-P53** and **HQ-P56**); or
- b. “Fungi”, other microbes or rot that results from fire or lightning.

**PROPERTY – CONDITIONS**

When this Special Provisions – Maine is used with forms **HQ-P02**, **HQ-P03** and **HQ-P53**, **3. Loss Settlement** paragraphs **c.(2)** and **c.(3)** are deleted.

6. **Loss Payment** is replaced by the following with respect to non-fire-related losses:

6. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

- a. Reach an agreement with you;
- b. There is an entry of a final judgment; or
- c. There is a filing of an appraisal award with us.

12. **Mortgage Clause** paragraph **c.** is replaced by the following:

12. **Mortgage Clause.**

c. If we decide to cancel this policy, the mortgagee will be notified:

- (1) At least 10 days before the date cancellation takes effect if we cancel for nonpayment of premium; or

(2) At least 20 days before the date cancellation takes effect in all other cases.

If we decide not to renew this policy, the mortgagee will be notified at least 30 days before the date nonrenewal takes effect.

Property – Condition **12. Mortgage Clause** is not applicable in form **HQ-04P**.

The following is added under **12. Mortgage Clause**:

**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 10 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 60 days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit.

If we claim that no liability existed as to the mortgagor or owner, we will, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee’s rights of recovery, but without impairing the mortgagee’s right to sue; or we 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.

17. **Concealment or Fraud** (this is Property – Condition **16.** in form **HQ-04P**) is deleted.

**LIABILITY COVERAGE SECTION**

When this Special Provisions – Maine is used with form **HQ-L77**, **LIABILITY COVERAGE E – PERSONAL LIABILITY** paragraph **1.** is replaced by the following, and when this Special Provisions – Maine is used with form **HQ-L88**, **LIABILITY COVERAGE E – PREMISES LIABILITY** paragraph **1.** is replaced by the following:

1. Pay up to our limit of liability for the damages for which an “insured” is legally liable; and

**LIABILITY – ADDITIONAL COVERAGES**

The following is added under **1. Claim Expenses**:

1. **Claim Expenses.**

- e. Prejudgment interest awarded against an “insured” on that part of the judgment we pay.

If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.

**LIABILITY – EXCLUSIONS**

When this Special Provisions – Maine is used with form **HQ-L77, A.4.** under **A. Liability Coverage E – Personal Liability and Coverage F – Medical Payments to Others**, and when this Special Provisions – Maine is used with form **HQ-L88, A.4.** under **A. Liability Coverage E – Premises Liability and Coverage F – Medical Payments to Others**, is deleted.

When this Special Provisions – Maine is used with form **HQ-L77, A.5.** under **A. Liability Coverage E – Personal Liability and Coverage F – Medical Payments to Others**, and when this Special Provisions – Maine is used with form **HQ-L88, A.5.** under **A. Liability Coverage E – Premises Liability and Coverage F – Medical Payments to Others**, is replaced by the following:

- 5. “Bodily injury” or “property damage” which is intended or reasonably expected by an “insured” even if the resulting “bodily injury” or “property damage” is:
  - a. Of a different kind, quality or degree than a reasonable person would have expected or intended; or
  - b. Sustained by a different person, entity, real or personal property, than a reasonable person would have expected or intended.

This exclusion does not apply to “bodily injury” resulting from the use of reasonable force by an “insured” to protect persons or property.

When this Special Provisions – Maine is used with form **HQ-L77, A.6.** under **A. Liability Coverage E – Personal Liability and Coverage F – Medical Payments to Others**, and when this Special Provisions – Maine is used with form **HQ-L88, A.6.** under **A. Liability Coverage E – Premises Liability and Coverage F – Medical Payments to Others** is deleted.

When this Special Provisions – Maine is used with form **HQ-L77, A.11.** paragraph **a.** under **A. Liability Coverage E – Personal Liability and Coverage F – Medical Payments to Others**, and when this Special Provisions – Maine is used with form **HQ-L88, A.12.** paragraph **a.** under **A. Liability Coverage E – Premises Liability and Coverage F – Medical Payments to Others**, is replaced by the following:

- a. Illegal growing of plants;

When this Special Provisions – Maine is used with form **HQ-L77, A.12.** under **A. Liability Coverage E – Personal Liability and Coverage F – Medical Payments to Others**, and when this Special Provisions – Maine is used with form **HQ-L88, A.13.** under **A. Liability Coverage E – Premises Liability and Coverage F – Medical Payments to Others** is replaced by the following:

“Bodily injury” to a person, caused by an “occurrence” of lead poisoning, starting:

- a. 31 days or more after either the State of Maine Department of Human Services or a lead inspector licensed by that department has given notice of the existence of an environmental lead hazard to either an “insured” or any person authorized to enter into a residential rental agreement on behalf of the “insured” and ordered that the lead-based substances at the “insured location” be remove, replaced or securely and permanently covered within 30 days of receipt of the notice; or
- b. Upon the expiration of an extension of that order granted by either the Department of Human Services or a lead inspector licensed by that department.

This exclusion does not apply to “bodily injury” which starts after the Department of Human Services states that the environmental lead hazard described in the notice no longer exists.

When this Special Provisions – Maine is used with form **HQ-L77,** under **A. Liability Coverage E – Personal Liability and Coverage F – Medical Payments to Others**, and when this Special Provisions – Maine is used with form **HQ-L88,** under **A. Liability Coverage E – Premises Liability and Coverage F – Medical Payments to Others**, the following is added:

Liability Coverage E and F do not apply to “bodily injury” or “property damage” arising out of or in connection with a child care business conducted from an “insured location”, whether or not the child care business is owned or operated by an “insured” or employs an “insured”.

This exclusion applies to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the child care business.

**LIABILITY – CONDITIONS**

When this Special Provisions – Maine is used with form HQ-L77 and HQ-L88, **1. Limit of Liability** is replaced by the following:

**1. Limit of Liability.**

- a. Our total liability under Liability Coverage E for all damages resulting from any one “occurrence” will not be more than the limit of liability for Liability Coverage E shown in the Declarations. This limit is the same regardless of the number of “insureds”, claims made or persons injured. All “bodily injury” and “property damage” resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one “occurrence”.
- b. **Lead Liability.** Our total liability for all “bodily injury” or “property damage” arising out of the actual or alleged presence of or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead pigment, lead compounds or lead in any form which is or was contained or incorporated into any material or substance resulting from any one “occurrence” will not be more than \$50,000. This limit is the aggregate limit we will pay during each policy period and is the same regardless of the number of “insureds”, claims made or persons injured. This limit of liability is part of and does not increase the Coverage E limit of liability shown in the Declarations.

This applies to any:

- (1) Supervision, instructions, recommendations, warnings or advice given in connection with the above;
- (2) Obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such “bodily injury” or “property damage”, damages, loss, cost, payment or expense;

- (3) Request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of lead, lead pigment, lead compounds or materials or substances containing lead in any form; or

- (4) Loss, cost, payment or expense related to any claim, suit, order, defense, demand or investigation of any kind incurred in connection with the above.

- c. Our total liability under Liability Coverage F for all medical expense payable for “bodily injury” to one person as the result of one accident will not be more than the Liability Coverage F limit of liability shown in the Declarations.

**10. Concealment or Fraud** is deleted.

All other provisions of this policy apply.