This policy is one of the broadest forms available today, and provides you with outstanding value for your insurance dollars. However, we want to point out that every policy contains limitations and exclusions. Please read your policy carefully, especially “Losses Not Insured” and all exclusions.
# HOMEOWNERS POLICY

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**HOMEOWNERS POLICY AGREEMENT**

*We* agree to provide the insurance described in this policy:

1. based on *your* payment of premium for the coverages *you* chose;
2. based on *your* compliance with all applicable provisions of this policy; and
3. based on the information *you* have given *us* and *your* statements in this agreement.

*You* agree, by acceptance of this policy, that *you* will pay premiums when due and comply with the provisions of this policy.

When *you* request changes to this policy, or the information or factors used to calculate the premium for this policy changes during the policy period, *we* may adjust the premium in accordance with the change during the policy period and *you* must pay any additional premium due within the time *we* specify.

**DEFINITIONS**

*We* define the following words and phrases for use throughout this policy. These definitions apply to the singular, plural, and possessive forms of these words and phrases. Defined words and phrases are printed in bold italics.

1. **“actual cash value”** means the replacement cost of damaged property at the time of loss, less the value of physical depreciation as to the damaged property. The term "physical depreciation" means a value as determined according to standard business practices.
2. **“bodily injury”** means physical injury, sickness, or disease to a person. This includes required care, loss of services, and death resulting therefrom.

   **Bodily injury** does not include:
   a. any of the following which are communicable:
      (1) disease;
      (2) bacteria;
      (3) parasite;
      (4) virus; or
      (5) other organism;
   b. the actual or alleged exposure to any such:
      (1) disease;
      (2) bacteria;
      (3) parasite;
      (4) virus; or
      (5) other organism
   c. emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury unless it arises out of actual physical injury to some person.
3. **“building structure”** means a structure fully enclosed with permanent walls and a roof. A permanent wall or roof does not include any kind of temporary materials including but not limited to tarps, plastic sheeting, or other similar material. A structure that is otherwise fully enclosed with permanent walls and a roof, that is undergoing repairs due to a recent *loss insured*, using materials such as tarps, plastic sheeting, or other similar material, is still considered a **building structure**.

   **A building structure** includes:
a. the foundation supporting the structure, including:
   (1) slabs;
   (2) basement walls;
   (3) crawl space walls;
   (4) footings; and
   (5) gravel, stone, or sand, used as fill material and located not more than 12 inches directly below a slab described in item a.(1), including water supply lines, domestic water pipes, and sewer pipes located within this fill material; and
b. wall-to-wall carpeting attached to the structure.

4. “business” means any full-time or part-time activity, trade, profession, employment, or occupation or a commercial, mercantile, or industrial undertaking of an economic nature. It does not matter whether it is continuous or regular, is a secondary or supplemental source of income, or is an insured’s principal means of livelihood. Profit and profit motive are irrelevant.

   Business does not include:

   a. volunteer activities for a not-for-profit or non-profit organization or public agency for which no money is received other than payment of expenses;
   b. incidental and infrequent personal economic activity such as a hobby, garage or yard sale, or traditional farm activities when the farm products are intended only for the personal use of the insured;
   c. any occasional or part-time self-employed activity by a person under 19 years of age that involves no employees or subcontracted independent contractors and is a type of activity normally performed by persons under 19 years of age, including but not limited to, child care, lawn mowing, or paper delivery;
   d. the ownership, maintenance, or use of systems and equipment used to generate electrical power up to but not exceeding 125 percent of the actual electrical power usage by the residence premises in the 12-month period prior to the date of the loss; or
   e. ownership of the residence premises by the person or organization shown in the Declarations as Additional Insured.

5. “Declarations” means the policy Declarations, any amended Declarations, the most recent renewal Declarations, an Evidence of Insurance form, or any endorsement changing any of these.

6. “diminution in value” means any reduction in the value of any covered property prior to or following repair or replacement as compared to the value of that property immediately before the loss.

7. “dwelling” means the building structure on the residence premises used as the primary private residence and includes structures attached to the dwelling.

8. “fungus” means any type or form of fungus, including:
   a. mold;
   b. mildew;
   c. mycotoxins;
   d. spores;
   e. scents; or
   f. byproducts; produced or released by fungi.

9. “insured” means:
   a. you;
   b. your relatives; and
   c. any other person under the age of 21 in the care of a person described above.

Under Section II, insured also means:
   d. the person or organization legally responsible for animals or watercraft to which this policy applies. However, the animal or watercraft must be owned by you or a person included in 9.b. or 9.c. above. A person or organization using or having custody of these animals or watercraft in the course of a business, or without permission of the owner, is not an insured; and
   e. with respect to any vehicle to which this policy applies, any person while engaged in your employment or the employment of a person included in 9.b. or 9.c. above.
10. “insured location” means:
   a. the residence premises;
   b. the part of any other premises, other structures, and grounds used by you as a residence. This includes premises, structures, and grounds you acquire while this policy is in effect for your use as a residence;
   c. any premises used by you in connection with the premises included in 10.a. or 10.b. above;
   d. any part of a premises not owned by an insured but where an insured is temporarily residing;
   e. land owned or rented to an insured on which a one or two family dwelling is being constructed as a residence for an insured;
   f. individual or family cemetery plots or burial vaults owned by an insured;
   g. any part of a premises occasionally rented to an insured for purposes other than business;
   h. vacant land owned by or rented to an insured. For the purposes of this definition, vacant land does not include:
      (1) farm land;
      (2) land containing a residence; or
      (3) land containing fences, corrals, boat docks, tool sheds, barns, grain bins, and similar structures, unless they are used solely for the personal use of the insured; or
   i. farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

11. “loss insured” means a loss as described under SECTION I – LOSSES INSURED, COVERAGE A – DWELLING and SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY.

12. “motor vehicle”, when used in Section II of this policy, means:
   a. a land motor vehicle designed for travel on public roads or subject to motor vehicle registration;
   b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
   c. a “recreational or utility vehicle” while off an insured location. “Recreational or utility vehicle” means a motorized vehicle designed for recreation or utility purposes, used principally off public roads, and that is owned or leased by an insured. This includes, but is not limited to, a motorized:
      (1) all-terrain vehicle;
      (2) side-by-side vehicle;
      (3) utility work vehicle;
      (4) amphibious vehicle;
      (5) dune buggy;
      (6) go-cart;
      (7) golf cart;
      (8) snowmobile;
      (9) trailbike;
      (10) minibike; and
      (11) personal assistive mobility device.
   d. a “locomotive” while off an insured location. “Locomotive” means a self-propelled vehicle for pulling or pushing freight or passenger cars on tracks that is large enough to carry a person and is owned or leased by an insured. “Leased” does not include temporary rental;
   e. a bulldozer, track loader, backhoe, high-hoe, trencher, grader, crane, self-propelled scraper, excavator, pipe-layer, cherry picker, telehandler, logging vehicle, mining vehicle, or road building vehicle that is owned or leased by an insured while off an insured location. “Leased” does not include temporary rental; and
   f. any vehicle while being towed or pushed by or carried on a vehicle included in 12.a. through 12.e. above.

The following are not motor vehicles:
   a. a boat, camper, home, or utility trailer not being towed or pushed by or carried on a vehicle included in 12.a. through 12.e. above;
   b. a motorized land vehicle in storage on an insured location not intended to be operated for
an extended period of time and rendered inoperable by placing the vehicle on blocks or removing parts essential for its operation;

c. a motorized golf cart while used for golfing purposes;

d. a motorized vehicle or trailer designed to assist persons with disabilities that is not designed for travel on public roads or subject to motor vehicle registration; or

e. a commercially manufactured two, three, or four wheeled personal conveyance powered only by or assisted by an unmodified motor or engine with a manufacturer’s power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour.

13. “occurrence”, when used in Section II of this policy, means an accident, including accidental exposure to conditions, which first results in:

a. bodily injury; or

b. property damage;

during the policy period. All bodily injury and property damage resulting from one accident, series of related accidents, or from continuous or repeated exposure to the same general conditions is considered to be one occurrence.

14. “property damage” means physical damage to or destruction of tangible property, including loss of use of this property. Theft or conversion of property by any insured is not property damage.

15. “relative” means any person related to you by:

a. blood;

b. adoption;

c. marriage; or

d. civil union, domestic partnership, or other substantially similar legal relationship that is recognized and valid in the state where, and at the time when, the legal relationship was established;

and who resides primarily with you.

16. “residence employee” means an employee of an insured, or an employee leased to an insured by a labor leasing firm under an agreement between an insured and the labor leasing firm, who performs duties, including household or domestic services, in connection with the maintenance or use of the residence premises. This includes employees who perform similar duties elsewhere for you. This does not include employees while performing duties in connection with the business of an insured.

17. “residence premises” means:

a. the one, two, three, or four family dwelling, other structures and grounds; or

b. that part of any other building structure; where you reside and which is shown in the Declarations.

18. “similar construction”, when used in SECTION I – LOSS SETTLEMENT, means:

a. using the same kind and quality of construction techniques and building materials, if available, on the date of loss; or

b. if the same kind or quality of construction techniques or building materials is not available, construction techniques and building materials of similar kind and quality available on the date of loss.

19. “State Farm Companies” means one or more of the following:

a. State Farm Mutual Automobile Insurance Company;

b. State Farm Fire and Casualty Company; and

c. subsidiaries or affiliates of either 19.a. or 19.b. above.

20. “vacant dwelling” means:

a. a dwelling:

(1) that has not been occupied as a residence for more than 60 consecutive days immediately before the loss; and

(2) where a predominant amount of personal property has been removed or is absent such that the dwelling is not functional as a habitual place of residence.

A dwelling will be considered occupied only if it is being used as a habitual place of residence with your knowledge and approval.
b. A dwelling that is under active construction will not be considered a vacant dwelling. A dwelling is under active construction when it is:
   (1) being built as a new structure;
   (2) being repaired due to damage otherwise covered by this policy; or
   (3) undergoing substantial improvements, renovations, remodeling, or modifications;
   and the construction results in substantial continuing activities by persons associated with the construction project at the premises during the relevant time periods.

21. “we”, “us”, and “our” mean the Company shown in the Declarations.

22. “you” and “your” mean the person or persons shown as “Named Insured” in the Declarations. If a “Named Insured” shown in the Declarations is a human being, then you and your include:
   a. a spouse of a “Named Insured”;
   b. a party to a civil union with a “Named Insured”;
   c. a domestic partner of a “Named Insured”; or
   d. a person in a substantially similar legal relationship with a “Named Insured”;
   if such relationship is recognized and valid in the state where, and at the time when, the legal relationship was established, so long as the person in the above relationship resides primarily with that “Named Insured”.

DEDUCTIBLE

In case of loss under this policy, we will pay, subject to specified policy limits, only that part of the amount of the loss that exceeds the deductible amount shown in the Declarations. Deductibles will be applied per occurrence. Deductibles apply to specific losses as described in this policy.

SECTION I – PROPERTY COVERAGES

COVERAGE A – DWELLING

1. Dwelling. We cover the dwelling and materials and supplies located on or adjacent to the residence premises for use in the construction, alteration, or repair of the dwelling or other structures on the residence premises.

2. Other Structures. We cover other structures on the residence premises, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

   We do not cover other structures:
   a. not permanently attached to or otherwise forming a part of the realty;
   b. used either completely or in part for business purposes unless such use consists solely of office space for paperwork, computer work, or use of a telephone, and consists solely of activities that are:
      (1) duties of the insured’s employment by another; and
      (2) performed solely by the insured; or
   c. rented or held for rental unless:
      (1) rented to a person who is a tenant of the dwelling;
      (2) rented for use solely as a private garage; or
      (3) rented either completely or in part, for exclusive use as a residence, for no more than 30 nights in the 12-month period prior to the date of the loss.

3. Property Not Covered. We do not cover:
   a. land, including the land necessary to support any Coverage A property. We also do not cover:
      (1) any costs required to replace, rebuild, stabilize, or otherwise restore the land; or
      (2) the costs of repair techniques designed to compensate for or prevent land instability to any property, whether or not insured under Coverage A;
   b. trees, shrubs, live or artificial plants, lawns, or artificial grass, except as provided in SECTION I –
ADDITIONAL COVERAGES, Trees, Shrubs, and Landscaping; or

c. systems and equipment used to generate electrical power exceeding 125 percent of the actual electrical power usage by the residence premises in the 12-month period prior to the date of the loss.

COVERAGE B – PERSONAL PROPERTY

1. Property Covered.

a. We cover personal property owned or used by an insured while it is anywhere in the world. This includes structures not permanently attached to or otherwise forming a part of the reality. At your request, we will cover personal property:

   (1) owned by others while the property is on the part of the residence premises occupied exclusively by an insured;
   (2) owned by a guest or a residence employee, while the property is in any other residence occupied by an insured; and
   (3) owned by roomers, boarders, tenants, and other residents, any of whom are related to you.

b. We cover personal property usually located at an insured’s residence, other than the residence premises, for up to $1,000 or 10% of the Coverage B limit, whichever is greater. This limitation does not apply to personal property:

   (1) in a newly acquired principal residence for the first 30 days after you start moving the property there. If the residence premises is a newly acquired principal residence, personal property in your immediate past principal residence is not subject to this limitation for the first 30 days after the inception of this policy; and
   (2) of a student who is an insured while located at a residence away from the residence premises.

Special Limits of Liability. These limits do not increase the Coverage B limit. The special limit for each of the following categories is the total limit for each loss for all property in that category:

a. $200 on:

   (1) money, coins, and medals, including any of these that are a part of a collection;
   (2) bank notes;
   (3) bullion;
   (4) gold other than goldware;
   (5) silver other than silverware; and
   (6) platinum;

b. $1,500 on property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, while on the residence premises. This coverage is limited to $750 on such property away from the residence premises.

Electronic data processing system equipment or the recording or storage media used with that equipment is not included under this coverage, and is addressed in item c. below;

c. $10,000 in the aggregate on electronic data processing system equipment used or intended for use in a business, including but not limited to:

   (1) computers;
   (2) tablets;
   (3) mobile personal communication equipment;
   (4) global positioning systems;
   (5) mobile personal electronic devices used for the reproduction of sound; and
   (6) standard media or non-media equipment for use with the above devices;

d. $1,500 in the aggregate on:

   (1) securities, checks, cashiers checks, travelers checks, money orders;
   (2) gift certificates, gift cards, rechargeable debit cards, phone cards, and other negotiable instruments;
   (3) accounts;
   (4) deeds;
   (5) evidences of debt;
(6) letters of credit;
(7) notes other than bank notes;
(8) manuscripts;
(9) passports; and
(10) tickets;

(e) $1,500 on watercraft of all types and outboard motors, including their trailers, furnishings, and equipment;

(f) $1,500 on trailers not used with watercraft;

(g) $2,500 on stamps, trading cards, and comic books, including any of these that are a part of a collection;

(h) $2,500 for loss by theft of firearms;

(i) $2,500 for loss by theft of silverware and goldware;

(j) $5,000 on any one article and $10,000 in the aggregate for loss by theft of any: 

(1) rug;
(2) carpet (except wall-to-wall carpet);
(3) tapestry;
(4) wall-hanging; or
(5) other similar article;

(k) $1,000 on commercially manufactured two, three, or four wheeled personal conveyances powered only by or assisted by an unmodified motor or engine with a manufacturer’s power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour. This does not include such conveyances that are:

(1) designed for assisting persons with disabilities;
(2) not designed for travel on public roads; and
(3) not subject to motor vehicle registration; and

(l) $1,000 for loss by theft of jewelry, watches, fur garments and garments trimmed with fur, and precious and semi-precious stones.

2. **Property Not Covered.** *We* do not cover:

a. articles separately described and specifically insured in this or any other insurance;

b. animals, birds, or fish;

c. any engine-propelled or motor-propelled vehicle or machine, including parts, designed for movement on land, except as provided in Special Limits of Liability, item k. However, *we* do cover those vehicles or machines:

(1) that are:

(a) not designed for travel on public roads; and
(b) not subject to motor vehicle registration;

(2) and that are:

(a) used primarily to service the *insured location*; or
(b) designed for assisting persons with disabilities;

d. any electronic equipment, devices, or accessories designed for the recording, reproduction, or storage of audio, video, photos, or other data that is:

(1) permanently installed in or permanently fastened to an engine-propelled or motor-propelled vehicle; or
(2) hard-wired directly to the vehicle’s electrical system.

*We* also do not cover removable products that may be used with the equipment or devices described above, including but not limited to tapes, discs, videos, or memory cards while in an engine-propelled or motor-propelled vehicle;

e. aircraft and parts. This does not apply to unmanned aircraft systems used as model aircraft and operated solely for recreational or hobby purposes;

f. property of roomers, boarders, tenants, and other residents not related to *you*;
g. property regularly rented or held for rental to others by an insured. This does not apply to property of an insured:

(1) in a sleeping room when the dwelling is rented in part, for use as a permanent residence, by either one or two full-time roomers or boarders; or

(2) on the residence premises if it is rented, either completely or in part, for exclusive use as a residence, for no more than 30 nights in the 12-month period prior to the date of the loss;

h. property rented or held for rental to others away from the residence premises;

i. any radio devices or transmitters, global positioning systems, radar or laser detectors, antennas, and all other similar equipment that is:

(1) permanently installed in or permanently fastened to an engine-propelled or motor-propelled vehicle; or

(2) that is hard-wired directly to the vehicle’s electrical system;

j. (1) books or records of accounts receivable;

(2) abstracts or other journals;

(3) architectural or technical drawings;

(4) card index systems; or

(5) other records.

This does not apply to any recording or storage media for electronic data processing. We will cover the cost of blank books, cards, or other blank material plus the cost of labor you incur for transcribing or copying such records;

k. recording or storage media for electronic data processing that cannot be replaced with property of like kind and quality on the current retail market;

l. purchased or created audio, video, photos, or other data that:

(1) cannot be replaced with like kind and quality on the current retail market; and

(2) is transferred or downloaded onto:

(a) mobile communication equipment;

(b) global positioning systems; or

(c) electronic devices designed for the recording, reproduction, or storage of audio, video, photos, or other data;

m. contraband, or any property used in the course of illegal consumption, possession, import, export, or trade;

n. outdoor hardscape property used for aesthetic purposes except as provided in SECTION I – ADDITIONAL COVERAGE, Trees, Shrubs, and Landscaping; or

o. electronic currency, digital currency, virtual currency, crypto-currency, and other similar mediums of exchange.

COVERAGE C – LOSS OF USE

The most we will pay for the sum of all losses combined under Additional Living Expense, Fair Rental Value, and Prohibited Use is the limit of liability shown in the Declarations for Coverage C – Loss of Use.

1. Additional Living Expense. When a loss insured causes the residence premises to become uninhabitable, we will pay the reasonable and necessary increase in the cost incurred by an insured to maintain their normal standard of living for up to 24 months. Our payment is limited to incurred costs for the shortest of:

a. the time required to repair or replace the premises;

b. the time required for your household to settle elsewhere; or

c. 24 months.

This period of time is not limited by the expiration of this policy.

We will not pay more than the limit of liability shown in the Declarations for Coverage C – Loss of Use. Any normal expenses that are reduced or discontinued due to a loss insured will be subtracted from any amount owed.

2. Fair Rental Value. When a loss insured causes that part of the residence premises rented to others or held for rental by you to become uninhabitable, we will
pay its fair rental value. Payment will be for the shortest time required to repair or replace the part of the premises rented or held for rental, but not to exceed 12 months. This period of time is not limited by the expiration of this policy. Fair rental value will not include any expense that does not continue while that part of the residence premises rented or held for rental is uninhabitable.

3. Prohibited Use. We will pay Additional Living Expense and Fair Rental Value, for a continuous period not to exceed two weeks, beginning when a civil authority issues an order of evacuation or prohibits your use of the residence premises, provided that:
   a. direct physical damage occurs to any property, other than covered property located on the residence premises, arising from a cause of loss that would be a loss insured under this policy if the damage had occurred to property on the residence premises;
   b. the residence premises is within one mile of property damaged by a cause of loss identified in 3.a. above; and
   c. the action of the civil authority is taken in response to:
      (1) dangerous physical conditions resulting from the continuation of the cause of loss identified in 3.a. above;
      (2) dangerous physical conditions resulting from the damage caused by the cause of loss identified in 3.a. above; or
      (3) the need to gain free access to property damaged by the cause of loss identified in 3.a. above.

   We will not pay for loss or expense due to cancellation of a lease or agreement.

SECTION I – ADDITIONAL COVERAGES

The following Additional Coverages are subject to all the terms, provisions, exclusions, and conditions of this policy.

1. Debris Removal. We will pay the reasonable expenses you incur in the removal of debris of covered property damaged by a loss insured. This expense is included in the limit applying to the damaged property. The following coverages and limits also apply:
   a. When the amount payable for the property damage plus the debris removal exceeds the limit for damaged property, an additional 5% of that limit is available for debris removal expense. This additional amount of insurance does not apply to SECTION I – ADDITIONAL COVERAGES, Trees, Shrubs, and Landscaping.
   b. We will also pay up to $1,000 total for each loss to cover the reasonable expenses you incur in the removal of tree debris and stumps from the residence premises, unless otherwise excluded. This coverage applies when:
      (1) the tree has caused a loss insured to Coverage A property; or
      (2) the tree debris felled by windstorm, hail, or weight of snow or ice blocks:
         (a) the driveway, on the residence premises, and prevents land motor vehicle access to or from the dwelling; or
         (b) a ramp designed to assist persons with disabilities, on the residence premises, and prevents access to or from a building structure.

2. Temporary Repairs. If damage is caused by a loss insured, we will pay the reasonable and necessary cost you incur for temporary repairs to covered property to protect the property from further immediate damage or loss. This coverage does not increase the limit applying to the property being repaired.

3. Trees, Shrubs, and Landscaping. We will pay for accidental direct physical loss to outdoor:
   a. trees, shrubs, live or artificial plants, and lawns;
   b. artificial grass; and
   c. hardscape property used for aesthetic purposes not permanently affixed to realty;

   on the residence premises, caused by the following perils: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles (not owned or operated by a resident of the residence premises), Vandalism or malicious mischief, or Theft.

   The limit for this coverage, including the removal of debris, will not exceed 5% of the amount shown in the Declarations for COVERAGE A – DWELLING. We
will not pay more than $750 for any one outdoor tree, shrub, plant, or hardscape item, including debris removal expense. This coverage may increase the limit otherwise applicable. We will not pay for any loss to property grown for business purposes.

4. Fire Department Service Charge. We will pay up to $500 per occurrence for fire department charges incurred when the fire department is called to save or protect Coverage A property from fire, lightning, or explosion. No deductible applies to this coverage. This coverage may increase the limit otherwise applicable.

5. Property Removed. We will pay for any accidental direct physical loss to covered property while being removed from a premises endangered by a loss insured. This coverage also applies to the property for up to 30 days while removed. We will also pay for reasonable expenses incurred by you for the removal and return of the covered property. This coverage does not increase the limit applying to the property being removed.

   a. We will pay up to $1,000 for:
      (1) the legal obligation of an insured to pay because of the theft or unauthorized use of credit cards and bank fund transfer cards issued to or registered in an insured’s name. If an insured has not complied with all terms and conditions under which the cards are issued, we will not pay for use by an insured or anyone else;
      (2) loss to an insured caused by forgery or alteration of any check or negotiable instrument; and
      (3) loss to an insured through acceptance in good faith of counterfeit United States or Canadian paper currency.

   No deductible applies to this coverage.

   We will not pay more than the limit stated above for forgery or alteration committed by any one person. This limit applies when the forgery or alteration involves one or more instruments in the same loss.

   b. We will not pay for loss arising out of business pursuits or dishonesty of an insured.

   c. Defense:
      (1) We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend claims or suits ends when the amount we pay for the loss equals our limit of liability.
      (2) If claim is made or a suit is brought against an insured for liability under the Credit Card or Bank Fund Transfer Card coverage, we will provide a defense. This defense is at our expense by counsel of our choice.
      (3) We have the option to defend at our expense an insured or an insured’s bank against any suit for the enforcement of payment under the Forgery coverage.

7. Power Interruption. We will pay for accidental direct physical loss caused directly or indirectly by a change of temperature that results from power interruption that takes place on the residence premises. The power interruption must be caused by a loss insured occurring on the residence premises. The power lines off the residence premises must remain energized. This coverage does not increase the limit applying to the damaged property.

8. Refrigerated Products. Coverage B is extended to cover the contents of deep freeze or refrigerated units on the residence premises for loss due to power failure or mechanical failure. If mechanical failure or power failure is known to you, all reasonable means must be used to protect the property insured from further damage or no coverage will be provided. Power failure or mechanical failure does not include:
   a. removal of a plug from an electrical outlet; or
   b. turning off an electrical switch unless caused by a loss insured.

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

9. Arson Reward. We will pay $1,000 for information that leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable. However, the $1,000 limit will not be increased regardless of the number of persons providing information.
10. **Volcanic Action.** We will pay for accidental direct physical loss to a covered building structure or covered property contained in a building structure resulting from the eruption of a volcano when the loss is directly and immediately caused by:
   a. airborne volcanic shock waves;
   b. ash, dust, or particulate matter; or
   c. lava flow.

   We will also pay for the removal of that ash, dust, or particulate matter that has caused accidental direct physical loss to a covered building structure or covered property contained in a building structure.

   All volcanic eruptions that occur within any 168-hour period will be considered one volcanic eruption.

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

11. **Collapse.** We will pay for accidental direct physical loss to covered property involving the abrupt, entire collapse of a building structure or any part of a building structure.

   a. Collapse means the abrupt and entire falling down, caving in, or falling into pieces of a building structure or any part of a building structure. Collapse does not include any of the following:
      (1) settling, cracking, crumbling, deterioration, shrinking, bulging, expansion, sagging, bowing, leaning, or bending;
      (2) substantial structural impairment;
      (3) imminent or threatened collapse;
      (4) a building structure or any part of a building structure that is in danger of falling down or caving in; or
      (5) a part of a building structure that is standing even if:
         (a) it has separated from another part of the building structure; or
         (b) it shows evidence of settling, cracking, crumbling, deterioration, shrinking, bulging, expansion, sagging, bowing, leaning, or bending.

   b. The collapse must be directly and immediately caused by one or more of the following:
      (1) perils described in SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY. These perils apply to building structures covered under Coverage A or Coverage B for loss insured by this Additional Coverage;
      (2) decay or deterioration of, or damage from animals, birds, or insects to:
         (a) a connector; or
         (b) a structural member of a building structure;

         The decay, deterioration, or damage must be hidden from view and unknown to all insureds prior to the collapse;
      (3) weight of contents, equipment, animals, or people;
      (4) weight of ice, snow, sleet, or rain that collects on a roof, porch, or deck; or
      (5) use of defective material or methods in the construction (includes remodeling or renovation) of the building structure, if the collapse occurs during the course of the construction of the building structure.

   Loss to awnings, fences, patios, pavement, swimming pools, underground pipes, flues, drains, cesspools, septic tanks, foundations (including slabs, basement walls, and crawl space walls), retaining walls, bulkheads, piers, wharfs, docks, trellises, or antennas and their supporting structures is not included under items (2), (3), and (4) immediately above unless the loss is the direct and immediate result of the collapse of a building structure or any part of a building structure.

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

12. **Locks and Remote Devices.** We will pay up to $1,000 for each loss for the reasonable expenses you incur to rekey, replace, recode, program, or reprogram locks on exterior doors to the dwelling or other structures located on the residence premises when the keys or remote devices used with those
doors are part of a covered theft loss. This coverage includes remote devices designed solely for locking, unlocking, opening, or closing doors, including garage doors and gates.

No deductible applies to this coverage.

13. **Fuel Oil Release.** We will pay up to $10,000 for each loss for accidental direct physical loss to covered property caused by the abrupt and accidental escape of liquid fuel oil from a fixed household tank, apparatus, or pipes that are part of a heating unit for the dwelling. This includes damage to covered property resulting from an accidental spill or overflow of fuel oil in the course of filling a fixed household tank.

This coverage includes surface clean up only. We will not pay for:

a. the cost to repair or replace the fuel oil tank, apparatus, and pipes; or
b. the cost of testing, monitoring, removing, treating, or detoxifying of soil, air, or water.

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

14. **Tear Out.** If a loss insured to Coverage A property is caused by water, steam, or sewage escaping from a system or appliance, we will also pay the reasonable cost you incur to tear out and replace only that particular part of the building structure necessary to gain access to the specific point of that system or appliance from which the water, steam, or sewage escaped. We will not pay for the cost of repairing or replacing the system or appliance itself. This coverage does not increase the limit applying to Coverage A property.

15. **Home Certification.** If damage to covered property is caused by a loss insured, we will pay the reasonable increase in cost to repair or replace only the damaged property to maintain the dwelling's FORTIFIED HOME or FORTIFIED FOR SAFER LIVING certification in place at the time of the loss. This coverage does not increase the limit applying to the damaged property.

We will not pay:

a. any increase in cost until the repair or replacement of the property is complete; or
b. for increased costs resulting from enforcement of any ordinance or law regulating the construction or repair of the dwelling except as provided under OPTIONAL POLICY PROVISIONS, Option OL – Building Ordinance or Law.

This coverage does not apply if Loss Settlement provision A2 – Replacement Cost Loss Settlement – Common Construction is shown in the Declarations.

**INFLATION COVERAGE**

The limits of liability shown in the Declarations for Coverage A, Coverage B, and when applicable, Option ID will be increased at the same rate as the increase in the Inflation Coverage Index shown in the Declarations.

To find the limits on a given date:

1. divide the Index on that date by the Index as of the effective date of this Inflation Coverage provision; then
2. multiply the resulting factor by the limits of liability for Coverage A, Coverage B, and Option ID separately.

The limits of liability will not be reduced to less than the amounts shown in the Declarations.

If during the term of this policy the Coverage A limit of liability is changed at your request, the effective date of this Inflation Coverage provision is changed to coincide with the effective date of such change.

**SECTION I – LOSSES INSURED**

**COVERAGE A – DWELLING**

*We* will pay for accidental direct physical loss to the property described in Coverage A, unless the loss is excluded or limited in **SECTION I – LOSSES NOT INSURED** or otherwise excluded or limited in this policy. However, loss does not include and *we* will not pay for, any diminution in value.

**COVERAGE B – PERSONAL PROPERTY**

*We* will pay for accidental direct physical loss to the property described in Coverage B caused by the following perils, unless the loss is excluded or limited in **SECTION I – LOSSES NOT INSURED** or otherwise excluded or limited in this policy. However, loss does not include and *we* will not pay for, any diminution in value.
1. **Fire or lightning.**

2. **Windstorm or hail.** This peril does not include loss to property contained in a structure caused by rain, snow, sleet, sand, or dust. This limitation does not apply when the direct force of wind or hail damages the structure causing an opening in a roof or wall and the rain, snow, sleet, sand, or dust enters through this opening.

   This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard motors, only while inside a **building structure.**

3. **Explosion.**

4. **Riot or civil commotion.**

5. **Aircraft,** including self-propelled missiles and space-craft.

6. **Vehicles,** meaning accidental direct physical loss to covered property caused by the weight, force, power, or movement of a vehicle.

   a. This includes:
      
      (1) the impact of a vehicle;
      
      (2) an object propelled from the tire or body of a vehicle;
      
      (3) the upset or collision of a vehicle with a stationary object or other vehicle, including damage to personal property carried on the exterior of the vehicle; or
      
      (4) a vehicle door or trunk lid being closed on personal property.

   b. This peril does not include loss:
      
      (1) to personal property that falls off a vehicle and strikes the ground, any other surface, or any object;
      
      (2) caused by shifting of the load being carried in or on a vehicle; or
      
      (3) to the vehicle itself unless the vehicle is property covered under **COVERAGE B – PERSONAL PROPERTY** and the loss is caused by the weight, force, power, or movement of another vehicle.

7. **Smoke,** meaning abrupt and accidental damage from smoke.

   This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. **Vandalism or malicious mischief,** meaning only willful and malicious damage to or destruction of property.

9. **Theft,** including attempted theft and loss of property from a known location when it is probable that the property has been stolen.

   This peril does not include:

   a. loss of a precious or semi-precious stone from its setting;

   b. loss caused by theft:
      
      (1) committed by an **insured** or by any other person regularly residing on the **insured location.** Property of a student who is an **insured** is covered while located at a residence away from the **residence premises,** if the theft is committed by a person who is not an **insured**;
      
      (2) in or to a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and occupied; or
      
      (3) from the part of a **residence premises** rented to others:
         
         (a) caused by a tenant, members of the tenant’s household, or the tenant’s employees unless the **residence premises** is rented, either completely or in part, for exclusive use as a residence, for no more than 30 nights in the 12-month period prior to the date of the loss;
         
         (b) of money, bank notes, bullion, gold, goldware, silver, silverware, pewterware, platinum, coins, and medals;
         
         (c) of:
            
            (i) securities, checks, cashier checks, travelers checks, money orders;
            
            (ii) gift certificates, gift cards, rechargeable debit cards, phone
cards, and other negotiable instruments;

(iii) accounts, deeds, evidences of debt, letters of credit, notes other than bank notes;

(iv) manuscripts, passports, tickets; and

(v) stamps; or

(d) of jewelry, watches, fur garments and garments trimmed with fur, and precious and semi-precious stones; or

c. loss caused by theft that occurs away from the **residence premises** of:

(1) property while at any other residence owned, rented to, or occupied by an **insured**, except while an **insured** is temporarily residing there. Property of a student who is an **insured** is covered while at a residence away from the **residence premises**;

(2) watercraft of all types, including their furnishings, equipment, and outboard motors; or

(3) trailers and campers designed to be pulled by or carried on a vehicle.

If the **residence premises** is a newly acquired principal residence, property in the immediate past principal residence will not be considered property away from the **residence premises** for the first 30 days after the inception of this policy.

10. **Falling objects.** This peril does not include loss to property contained in a structure unless the roof or an exterior wall of the structure is first damaged by a falling object. Damage to the falling object itself is not included.

11. **Weight of ice, snow, or sleet** that causes damage to property contained in a structure.

12. **Abrupt and accidental discharge or overflow** of water, steam, or sewage from within a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or from within a household appliance.

This peril does not include loss:

a. to the system or appliance from which the water, steam, or sewage escaped;

b. caused by or resulting from:

(1) freezing;

(2) water or sewage from outside the **residence premises** plumbing system that enters through sewers or drains, or water that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area; or

(3) the pressure from or presence of tree, shrub, or plant roots; or

c. that occurs or develops over a period of time and is caused by or resulting from:

(1) condensation or the presence of humidity, moisture, or vapor; or

(2) seepage or leakage of water, steam, or sewage that is:

(a) continuous;

(b) repeating;

(c) gradual;

(d) intermittent;

(e) slow; or

(f) trickling.

13. **Abrupt and accidental tearing asunder, cracking, burning, or bulging** of a steam or hot water heating system, an air conditioning system, an automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss:

a. caused by or resulting from freezing; or

b. that occurs or develops over a period of time and is caused by or resulting from:

(1) condensation or the presence of humidity, moisture, or vapor; or

(2) seepage or leakage of water or steam that is:

(a) continuous;

(b) repeating;
14. Freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include:

a. loss to a portable hot tub or portable spa unless you have used reasonable care to prevent freezing; or
b. loss on the residence premises unless you have used reasonable care to:
   (1) maintain heat in the building structure at 55 degrees Fahrenheit or higher; or
   (2) shut off the water supply and drain the system and appliances of water.

15. Abrupt and accidental damage to electrical appliances, devices, fixtures, and wiring from an increase or decrease of artificially generated electrical current. We will pay up to $3,000 under this peril for each damaged item described above.

16. Breakage of glass, meaning damage to personal property caused by breakage of glass that is a part of a structure on the residence premises. We will not pay for loss or damage to the glass.

17. Wild bears or deer, meaning damage caused by wild bears or deer to property located in a building structure.

SECTION I – LOSSES NOT INSURED

1. We will not pay for any loss to the property described in Coverage A that consists of, or is directly and immediately caused by, one or more of the perils listed in items a. through m. below, regardless of whether the loss occurs abruptly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

a. collapse, except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Collapse;

b. freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system or of a household appliance; or discharge, leakage, or overflow from within the system or appliance caused by freezing. This does not apply if you have used reasonable care to:
   (1) maintain heat in the building structure at 55 degrees Fahrenheit or higher; or
   (2) shut off the water supply and drain the system and appliances of water.

However, if the building structure is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building structure at 55 degrees Fahrenheit or higher for coverage to apply.

15. Abrupt and accidental damage to electrical appliances, devices, fixtures, and wiring from an increase or decrease of artificially generated electrical current. We will pay up to $3,000 under this peril for each damaged item described above.

16. Breakage of glass, meaning damage to personal property caused by breakage of glass that is a part of a structure on the residence premises. We will not pay for loss or damage to the glass.

17. Wild bears or deer, meaning damage caused by wild bears or deer to property located in a building structure.
d. theft in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and occupied;

e. theft, vandalism, malicious mischief, or breakage of glass and safety glazing materials if the dwelling is a *vacant dwelling*;

f. seepage or leakage of water, steam, or sewage that occurs or develops over a period of time:

(1) and is:

(a) continuous;

(b) repeating;

(c) gradual;

(d) intermittent;

(e) slow; or

(f) trickling; and

(2) from a:

(a) heating, air conditioning, or automatic fire protective sprinkler system;

(b) household appliance; or

(c) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings, or floors.

We also will not pay for losses arising from condensation or the presence of humidity, moisture, or vapor that occurs or develops over a period of time;

g. wear, tear, decay, marring, scratching, deterioration, inherent vice, latent defect, or mechanical breakdown;

h. corrosion, electrolysis, or rust;

i. wet or dry rot;

j. contamination or pollution, meaning the presence, discharge, dispersal, seepage, migration, release, or escape of contaminants or pollutants at or from any source. This does not apply if the presence, discharge, dispersal, seepage, migration, release, or escape is itself caused by a peril described in **SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY**.

(1) Contaminants and pollutants include but are not limited to any:

(a) solid, liquid, gaseous, or thermal irritant, including smoke from agricultural smudging or industrial operations, smog, soot, vapor, fumes, acids, alka-lis, chemicals, pathogens, noxious substances, asbestos, or lead;

(b) contaminants or pollutants resulting from any natural resource extraction activities; or

(c) fuel oil except as specifically provided in **SECTION I – ADDITIONAL COVERAGES, Fuel Oil Release**.

(2) We also will not pay for:

(a) losses arising from contamination or pollution caused by or resulting from defective building materials, nuclear substances, and waste. Waste includes materials to be recycled, re-conditioned, or reclaimed;

(b) the cost to extract contaminants or pollutants from land, water, or air, or the cost to remove, restore, or replace contaminated or polluted land, water, or air; or

(c) the cost of testing, monitoring, cleaning, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or assessing the effects of contaminants or pollutants;

k. settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations (including slabs, basement walls, crawl space walls, and footings), walls, floors, roofs, or ceilings;

l. all animals, birds, or insects.

(1) This includes:

(a) nesting, infestation, gnawing, feeding, breeding, or discharge or release of waste products or secretions by animals, birds, or insects;

(b) costs to remove animals, birds, or insects from the covered property; and
(c) costs to prevent the animals, birds, or insects from returning to the property;

(2) However, we will pay for:

(a) losses caused by wild bears or deer; and
(b) the breakage of glass or safety glazing material that is a part of a building structure, when caused by animals, birds, or insects; or

m. pressure from or presence of tree, shrub, or plant roots.

However, we will pay for any resulting loss from items a. through l. unless the resulting loss is itself a Loss Not Insured as described in this Section.

2. We will not pay for, under any part of this policy, any loss that would not have occurred in the absence of one or more of the following excluded events. We will not pay for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs abruptly or gradually, involves isolated or widespread damage, occurs on or off the residence premises, arises from any natural or external forces, or occurs as a result of any combination of these:

a. Ordinance or Law, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building structure or other structure.

b. Earth Movement, meaning the sinking, rising, shifting, expanding, or contracting of earth, all regardless of whether combined with water, sewage, or any material carried by, or otherwise moved by the earth. Earth movement includes but is not limited to:

(1) earthquake;
(2) landslide, mudslide, or mudflow;
(3) sinkhole or subsidence;
(4) movement resulting from:
   (a) improper compaction;
   (b) site selection;
   (c) natural resource extraction activities; or
   (d) excavation;

(5) erosion;
(6) pressure by surface or subsurface earth or fill; or
(7) any volcanic activity, except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Volcanic Action.

However, we will pay for any accidental direct physical loss by fire resulting from earth movement, provided the resulting fire loss is itself a loss insured.

c. Water, meaning:

(1) flood;
(2) surface water. This does not include water solely caused by the release of water from a swimming pool, spigot, sprinkler system, hose, or hydrant;
(3) waves (including tidal wave, tsunami, and seiche);
(4) tides or tidal water;
(5) overflow of any body of water (including any release, escape, or rising of any body of water, or any water held, contained, controlled, or diverted by a dam, levee, dike, or any type of water containment, diversion, or flood control device);
(6) spray or surge from any of the items c.(1) through c.(5) described above, all whether driven by wind or not;
(7) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water or sewage that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area;
(8) water or sewage below the surface of the ground, including water or sewage that exerts pressure on, or seeps or leaks through a building structure, sidewalk, driveway, swimming pool, or other structure; or
(9) material carried or otherwise moved by any of the water or sewage, as described in items c.(1) through c.(8) above.

However, we will pay for any accidental direct physical loss by fire, explosion, or theft resulting from water, provided the resulting loss is itself a loss insured.

d. **Neglect**, meaning neglect of the insured to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.

e. **War**, including any:

1. undeclared war;
2. civil war;
3. insurrection;
4. rebellion;
5. revolution;
6. warlike act by a military force or military personnel;
7. destruction or seizure or use for a military purpose;
and including any consequence of any of these. Discharge of a nuclear weapon will be considered a warlike act even if accidental.

f. **Nuclear Hazard**, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke.

However, we will pay for any accidental direct physical loss by fire resulting from the nuclear hazard, provided the resulting fire loss is itself a loss insured.

g. **Fungus**, including:

1. any loss of use or delay in rebuilding, repairing, or replacing covered property, including any associated cost or expense, due to interference at the residence premises or location of the rebuilding, repair, or replacement, by fungus;

2. any remediation of fungus, including the cost to:
   a. remove the fungus from covered property or to repair, restore, or replace that property; or
   b. tear out and replace any part of the building structure or other property as needed to gain access to the fungus; or
   c. contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the fungus;

3. the cost of any testing or monitoring of air or property to confirm the type, absence, presence, or level of fungus, whether performed prior to, during, or after removal, repair, restoration, or replacement of covered property.

However, this exclusion does not apply if fungus results from an accidental direct physical loss caused by fire or lightning.

h. **Intentional Losses.** If any insured intentionally causes or procures a loss to property covered under this policy, we will not pay any insured for this loss. This applies regardless of whether the insured is charged with or convicted of a crime.

This does not apply to an insured who did not participate in, cooperate in, or contribute to causing or procuring the loss.

3. **We** will not pay for, under any part of this policy, any loss consisting of one or more of the items below. Further, we will not pay for any loss described in paragraphs 1. and 2. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to, or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:

a. conduct, act, failure to act, or decision of any person, group, organization, or governmental body whether intentional, wrongful, negligent, or without fault;

b. defect, weakness, inadequacy, fault, or unsoundness in:
(1) planning, zoning, development, surveying, or siting;
(2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;
(3) materials used in repair, construction, renovation, remodeling, grading, or compaction; or
(4) maintenance;

doing any property (including land, structures, or improvements of any kind) whether on or off the residence premises; or

c. weather conditions.

However, we will pay for any resulting loss from items 3.a., 3.b., and 3.c. unless the resulting loss is itself a Loss Not Insured as described in this Section.

SECTION I – LOSS SETTLEMENT

Only the Loss Settlement Provisions shown in the Declarations apply. We will settle covered property losses according to the following. However, the valuation of any covered property losses does not include, and we will not pay, any amount for diminution in value.

COVERAGE A – DWELLING


   a. We will pay the cost to repair or replace with similar construction and for the same use on the premises shown in the Declarations, the damaged part of the property covered under SECTION I – PROPERTY COVERAGES, COVERAGE A – DWELLING, except for wood fences, subject to the following:

   (1) until actual repair or replacement is completed, we will pay only the actual cash value of the damaged part of the property, up to the applicable limit of liability shown in the Declarations, not to exceed the cost to repair or replace the damaged part of the property;

   (2) when the repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or an amount up to the applicable limit of liability shown in the Declarations, whichever is less;

   (3) to receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within two years after the date of loss, and notify us within 30 days after the work has been completed; and

   (4) we will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair, or demolition of a building structure or other structure, except as provided under OPTIONAL POLICY PROVISIONS, Option OL – Building Ordinance or Law.

   b. Wood Fences: We will pay the actual cash value for loss or damage to wood fences, not to exceed the limit of liability shown in the Declarations for COVERAGE A – Other Structures.


   a. We will pay the cost to repair or replace with common construction and for the same use on the premises shown in the Declarations, the damaged part of the property covered under SECTION I – PROPERTY COVERAGES, COVERAGE A – DWELLING, except for wood fences, subject to the following:

   (1) we will pay only for repair or replacement of the damaged part of the property with common construction techniques and materials commonly used by the building trades in standard new construction. We will not pay the cost to repair or replace obsolete, antique, or custom construction with like kind and quality;

   (2) until actual repair or replacement is completed, we will pay only the actual cash value of the damaged part of the property, up to the applicable limit of liability shown in the Declarations, not to exceed the cost
to repair or replace the damaged part of the property as described in a.(1) above;

(3) when the repair or replacement is actually completed as described in a.(1) above, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or an amount up to the applicable limit of liability shown in the Declarations, whichever is less;

(4) to receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within two years after the date of loss, and notify us within 30 days after the work has been completed; and

(5) we will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair, or demolition of a building structure or other structure, except as provided under OPTIONAL POLICY PROVISIONS, Option OL – Building Ordinance or Law.

b. Wood Fences: We will pay the actual cash value for loss or damage to wood fences, not to exceed the limit of liability shown in the Declarations for COVERAGE A – Other Structures.

COVERAGE B – PERSONAL PROPERTY

   a. We will pay the cost to repair or replace property covered under SECTION I – PROPERTY COVERAGE, COVERAGE B – PERSONAL PROPERTY, except for property listed in item b. below, subject to the following:
      (1) until repair or replacement is completed, we will pay only the actual cash value of the damaged property;
      (2) after repair or replacement is completed, we will pay the difference between the actual cash value and the cost you have actually and necessarily spent to repair or replace the property; and
      (3) if property is not repaired or replaced within two years after the date of loss, we will pay only the actual cash value.

b. We will pay market value at the time of loss for:
   (1) antiques, fine arts, paintings, statuary, and similar articles which by their inherent nature cannot be replaced with new articles; and
   (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs, and collectors items.

Market Value means the amount a willing buyer would offer and a willing seller would accept in a cash sale on an open market.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:
   (1) our cost to replace at the time of loss;
   (2) the full cost of repair;
   (3) any special limit of liability described in this policy; or
   (4) any applicable Coverage B limit of liability.

   a. We will pay the actual cash value for property covered under SECTION I – PROPERTY COVERAGE, COVERAGE B – PERSONAL PROPERTY, except for property listed in item b. below.

   b. We will pay market value at the time of loss for:
      (1) antiques, fine arts, paintings, statuary, and similar articles which by their inherent nature cannot be replaced with new articles; and
      (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs, and collectors items.

Market Value means the amount a willing buyer would offer and a willing seller would accept in a cash sale on an open market.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:
   (1) our cost to replace at the time of loss;
   (2) the full cost of repair;
   (3) any special limit of liability described in this policy; or
   (4) any applicable Coverage B limit of liability.
SECTION I – CONDITIONS

1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable:
   a. to the **insured** for an amount greater than the **insured’s** interest; or
   b. for more than the applicable limit of liability.

2. **Your Duties After Loss.** After a loss to which this insurance may apply, **you** must cooperate with **us** in the investigation of the claim and also see that the following duties are performed:
   a. give immediate notice to **us** or **our** agent and also notify:
      (1) the police if the loss is caused by theft, vandalism, or any other criminal act; and
      (2) the credit card company or bank if the loss involves a credit card or bank fund transfer card;
   b. protect the property from further damage or loss and also:
      (1) make reasonable and necessary temporary repairs required to protect the property; and
      (2) keep an accurate record of repair expenses;
   c. prepare an inventory of damaged or stolen personal property:
      (1) showing in detail the quantity, description, age, replacement cost, and amount of loss; and
      (2) attaching all bills, receipts, and related documents that substantiate the figures in the inventory;
   d. as often as **we** reasonably require:
      (1) exhibit the damaged property;
      (2) provide **us** with any requested records and documents and allow **us** to make copies;
   e. **submit to us**, within 60 days after the loss, **your** signed, sworn proof of loss that sets forth, to the best of **your** knowledge and belief:
      (1) the time and cause of loss;
      (2) interest of the **insured** and all others in the property involved and all encumbrances on the property;
      (3) other insurance that may cover the loss;
      (4) changes in title or occupancy of the property during the term of this policy;
      (5) specifications of any damaged structure and detailed estimates for repair of the damage;
      (6) an inventory of damaged or stolen personal property described in 2.c.;
      (7) receipts for additional living expenses incurred and records supporting the fair rental value loss; and
      (8) evidence or affidavit supporting a claim under **SECTION I – ADDITIONAL COVERAGES**, Credit Card, Bank Fund Transfer Card, Forgery, and Counterfeit Money coverage, stating the amount and cause of loss.

3. **Loss to a Pair or Set.** In case of loss to a pair or set, **we** may choose to:
   a. repair or replace any part to restore the pair or set to its value before the loss; or
   b. pay the difference between the depreciated value of the property before the loss and the depreciated value of the property after the loss.

4. **Appraisal.** If **you** and **we** fail to agree on the amount of loss, either party can demand that the amount of the loss be set by appraisal. Only **you** or **we** may demand appraisal. A demand for appraisal must be

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You must comply with SECTION I – CONDITIONS, Your Duties After Loss before making a demand for appraisal. At least 10 days before demanding appraisal, the party seeking appraisal must provide the other party with written, itemized documentation of a specific dispute as to the amount of the loss, identifying separately each item being disputed.

a. Each party will select a competent, disinterested appraiser and notify the other party of the appraiser’s identity within 20 days of receipt of the written demand for appraisal.

b. The appraisers will then attempt to set the amount of the loss of each item in dispute as specified by each party, and jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement will be itemized and state separately the actual cash value, replacement cost, and if applicable, the market value of each item in dispute.

The written report of agreement will set the amount of the loss of each item in dispute and will be binding upon you and us.

c. If the two appraisers fail to agree upon the amount of the loss within 30 days, unless the period of time is extended by mutual agreement, they will select a competent, disinterested umpire and will submit their differences to the umpire. If the appraisers are unable to agree upon an umpire within 15 days:

1. you or we may make a written application for a judge of a court of record in the same state and county (or city if the city is not within a county) where the residence premises is located to select an umpire;

2. the party requesting the selection described in item c.(1) must provide the other party:

   a. written notice of the intent to file, identifying the specific location and identity of the court at least 10 days prior to submission of the written application; and

   b. a copy of the written application; and

3. a written report of agreement, as required in item b., signed by any two (appraisers or appraiser and umpire) will set the amount of the loss of each item in dispute and will be binding upon you and us. In all instances the written report of agreement will be itemized and state separately the actual cash value, replacement cost, and if applicable, the market value of each item in dispute.

d. To qualify as an appraiser or umpire for a loss to property described in COVERAGE A – Dwelling, a person must be one of the following and be licensed or certified as required by the applicable jurisdiction:

1. an engineer or architect with experience and training in building construction, repair, estimating, or investigation of the type of property damage in dispute;

2. an adjuster or public adjuster with experience and training in estimating the type of property damage in dispute; or

3. a contractor with experience and training in the construction, repair, and estimating of the type of property damage in dispute.

e. A person may not serve as an appraiser or umpire if that person, any employee of that person, that person’s employer, or any employee of their employer:

1. has performed services for either party with respect to the claim at issue in the appraisal; or

2. has a financial interest in the outcome of the claim at issue in the appraisal.

f. Each party will be responsible for the compensation of their selected appraiser. Reasonable expenses of the appraisal and the reasonable compensation of the umpire will be paid equally by you and us.

g. You and we do not waive any rights by demanding or submitting to an appraisal, and retain all contractual rights to determine if coverage applies to each item in dispute.
h. Appraisal is only available to determine the amount of the loss of each item in dispute. The appraisers and the umpire have no authority to decide:

(1) any other questions of fact;
(2) questions of law;
(3) questions of coverage;
(4) other contractual issues; or
(5) to conduct appraisal on a class-wide basis.

i. Appraisal is a non-judicial proceeding and does not provide for or require arbitration. Neither party will be awarded attorney fees. The appraisal award may not be entered as a judgment in a court.

j. A party may not demand appraisal after that party brings suit or action against the other party relating to the amount of loss.

5. Other Insurance. If a loss covered by this policy is also covered by other insurance, we will pay only our share of the loss. Our share is the proportion of the loss that the applicable limit under this policy bears to the total amount of insurance covering the loss.

6. Suit Against Us. No action will be brought against us unless there has been full compliance with all of the policy provisions. Any action by any party must be started within two years after the date of loss or damage.

7. Our Option. We may repair or replace any part of the property damaged or stolen with similar property. Any property we pay for or replace becomes our property.

8. 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 agreement with you;

b. there is an entry of a final judgment; or

c. there is a filing of an appraisal award with us.

9. Abandonment of Property. We need not accept any property abandoned by an insured.

10. Mortgagee Clause. The word “mortgagee” includes trustee.

a. If a mortgagee is named in this policy, any loss payable under Coverage A will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgagors.

b. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

(1) notifies us of any change in ownership, occupancy, or substantial change in risk of which the mortgagee is aware;

(2) pays on demand any premium due under this policy, if you have not paid the premium; and

(3) submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us, and Loss Payment apply to the mortgagee.

c. If we cancel this policy, the mortgagee will be notified at least 20 days before the date cancellation takes effect. A post office certificate of mailing will be conclusive proof of receipt of notice on the fifth calendar day after mailing. If we elect not to renew this policy, the mortgagee will be notified at least 30 days before the expiration date of this policy. A post office certificate of mailing will be conclusive proof of receipt of notice on the third calendar day after mailing.

d. If we pay the mortgagee for any loss and deny payment to you:

(1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

(2) at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

e. Subrogation does not impair the right of the mortgagee to recover the full amount of the mortgagee’s claim.
11. **No Benefit to Bailee.** We will not recognize an assignment or grant coverage for the benefit of a person or organization holding, storing, or transporting property for a fee. This applies regardless of any other provision of this policy.

12. **Recovered Property.** If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may keep the property or we will return it to you. Otherwise, it will become our property. If you choose to keep the property, the loss payment will be adjusted based on the amount you received for the recovered property.

13. **Assignment of Claim.** Assignment to another party of any of your rights or duties under this policy regarding any claim, or any part of any claim, will be invalid and we will not recognize any such assignment, unless we give our written consent. However, once you have complied with all policy provisions, you may assign to another party, in writing, payment of claim proceeds otherwise payable to you.

### SECTION II – LIABILITY COVERAGES

**COVERAGE L – PERSONAL LIABILITY**

If a claim is made or a suit is brought against an insured for damages because of bodily injury or property damage to which this coverage applies, caused by an occurrence, we will:

1. pay up to our limit of liability for the damages for which the insured is legally liable. We will not pay for criminal restitution; and

2. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any suit ends when the amount we pay for damages, to effect settlement or satisfy a judgment resulting from the occurrence, equals our limit of liability. We will not provide a defense to any insured for criminal prosecution or proceedings.

**COVERAGE M – MEDICAL PAYMENTS TO OTHERS**

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing bodily injury. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, rehabilitation, pharmaceuticals, orthopedic devices, prosthetic devices, and funeral services. This coverage applies only:

1. to a person on the insured location with the permission of an insured;

2. to a person off the insured location, if the bodily injury:
   a. arises out of a condition on the insured location or the ways immediately adjoining;
   b. is caused by the activities of an insured;
   c. is caused by a residence employee in the course of the residence employee’s employment by an insured; or
   d. is caused by an animal owned by or in the care of an insured; or

3. to a residence employee if the occurrence causing bodily injury occurs off the insured location and arises out of or in the course of the residence employee’s employment by an insured.

### SECTION II – ADDITIONAL COVERAGES

The following Additional Coverages are subject to all the terms, provisions, exclusions, and conditions of this policy.

We will pay for the following in addition to the limits of liability:

**1. Claim Expenses.** We will pay:

   a. expenses we incur and costs taxed against an insured in suits we defend. Taxed costs do not include attorney fees;
   b. premiums on bonds required in suits we defend, but not for bond amounts greater than the Coverage L limit. We are not obligated to apply for or furnish any bond;
c. reasonable expenses an insured incurs at our request. This includes actual loss of earnings (but not loss of other income) up to $250 per day for aiding us in the investigation or defense of claims or suits;

d. interest the insured is legally liable to pay on damages payable under Coverage L above before a judgment, but only the interest on the lesser of:
   (1) that part of the damages we pay; or
   (2) the Coverage L limit; and

e. interest on the entire judgment that accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment that does not exceed the limit of liability that applies.

2. First Aid Expenses. We will pay expenses for first aid to others incurred by an insured for bodily injury covered under this policy. We will not pay for first aid to you or any other insured.

3. Damage to Property of Others.
   a. We will pay for property damage to property of others caused by the activities of an insured.
   b. We will not pay more than the smallest of the following amounts:
      (1) replacement cost at the time of loss;
      (2) full cost of repair; or
      (3) the limit of liability shown in the Declarations for Damage to Property of Others for any one occurrence.

c. We will not pay for property damage:
   (1) for a loss that is recoverable under Section I of this policy. We also will not pay for any applicable deductible regardless of whether the amount of the loss exceeds the deductible;
   (2) caused intentionally by an insured 13 years of age or older;
   (3) to property, other than a rented golf cart, owned by, or rented to an insured, a tenant of an insured, or a resident in your household;
   (4) arising out of:
      (a) business pursuits;
      (b) any act or omission in connection with a premises an insured owns, rents, or controls, other than the insured location;
      (c) a condition on the insured location or the ways immediately adjoining; or
      (d) the ownership, maintenance, or use of a motor vehicle, aircraft, or watercraft, including airboat, air cushion, personal watercraft, sail board, or similar type watercraft; or
   (5) if a payment is made under COVERAGE L – PERSONAL LIABILITY for the same property damage.

SECTION II – EXCLUSIONS

1. Coverage L and Coverage M do not apply to:
   a. bodily injury or property damage that:
      (1) was a result of a:
         (a) willful and malicious; or
         (b) criminal;
         act or omission of the insured;
      (2) was intended by the insured; or
         (3) would have been expected by the insured based on a reasonable person standard.
   However, exclusions a.(2) and a.(3) above do not apply to bodily injury or property damage resulting from the use of reasonable force to protect persons or property.
   Exclusions a.(1), a.(2), and a.(3) above apply to all bodily injury or property damage even if the:
(1) **bodily injury** or **property damage** was sustained by a different person, entity, or property than was expected or intended;

(2) **bodily injury** or **property damage** was of a different kind, quality, or degree than was expected or intended;

(3) **insured** lacked the mental capacity to control his or her conduct;

(4) **insured** was not charged with or convicted of a criminal act or omission; or

(5) **insured** was impaired by drugs or alcohol;

b. **bodily injury** or **property damage** arising out of **business** pursuits of any **insured**, except as provided in item c. below. This exclusion does not apply to activities that are ordinarily incident to non-**business** pursuits;

c. **bodily injury** or **property damage** arising out of the rental of any part of any premises by any **insured**. This exclusion does not apply:

   (1) to the rental of the **residence premises**:  
      (a) either completely or in part, for exclusive use as a residence, for up to 30 nights in the 12-month period prior to the date of the loss;  
      (b) in part, for use as a permanent residence, by either one or two full-time roomers or boarders; or  
      (c) in part, as an office, school, studio, or private garage;

   (2) when the **dwelling** on the **residence premises** is a two, three, or four family **dwelling** and **you** occupy one part and rent the other part to others;

   (3) to farm land (without buildings), rented to others, but not to exceed a total of 500 acres, regardless of the number of locations; or

   (4) to activities that are ordinarily incident to non-**business** pursuits;

d. **bodily injury** or **property damage** arising out of the rendering or failing to render professional services;

e. **bodily injury** or **property damage** arising out of any premises currently owned or rented to any **insured** which is not an **insured location**. This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**;

f. **bodily injury** or **property damage** arising out of the ownership, maintenance, use, loading, or unloading:

   (1) an aircraft. This exclusion does not apply to the ownership, maintenance, use, loading, or unloading of unmanned aircraft systems used as model aircraft:
      (a) solely for recreational or hobby purposes;  
      (b) designed to be operated within the visual line of sight of the operator and operated within the visual line of sight of the operator; and  
      (c) weighing not more than 55 pounds at the time of operation;  
      unless the ownership, maintenance, use, loading, or unloading of such aircraft results in:
         (a) **property damage** to any aircraft; or  
         (b) **bodily injury** or **property damage** resulting from interference with an aircraft carrying people regardless of whether the **bodily injury** or **property damage** is sustained by people or property on the aircraft or not;

   (2) a **motor vehicle** owned or operated by or rented or loaned to any **insured**;

   (3) a **watercraft**:
      (a) owned by or rented to any **insured** if it has inboard or inboard-outdrive motor power of more than 50 horsepower;  
      (b) owned by or rented to any **insured** if it is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;  
      (c) powered by one or more outboard motors with more than 25 total horsepower owned by any **insured**.
(d) designated as an airboat, air cushion, or similar type of craft; or
(e) owned by any insured if it is a personal watercraft using a water jet pump powered by an internal combustion engine as the primary source of propulsion.

This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee’s employment by an insured. Exclusion f.(3) does not apply while the watercraft is on the residence premises;

(g) bodily injury or property damage arising out of:
   (1) the entrustment by any insured to any person;
   (2) the supervision by any insured of any person;
   (3) any liability statutorily imposed on any insured; or
   (4) any liability assumed through an unwritten or written agreement by any insured, with regard to the ownership, maintenance, or use of any aircraft, watercraft, or motor vehicle not covered under Section II of this policy;

(h) bodily injury or property damage caused directly or indirectly by war, including undeclared war, or any warlike act including destruction, seizure, or use for a military purpose, or any consequence of these. Discharge of a nuclear weapon will be considered a warlike act even if accidental;

(i) any claim made or suit brought against any insured by:
   (1) any person in the care of any insured because of child care services provided by or at the direction of:
      (a) any insured;
      (b) any employee of any insured; or
      (c) any other person actually or apparently acting on behalf of any insured; or
   (2) any person who makes a claim because of bodily injury to any person in the care of any insured because of child care services provided by or at the direction of:
      (a) any insured;
      (b) any employee of any insured; or
      (c) any other person actually or apparently acting on behalf of any insured.

This exclusion does not apply to the occasional child care services provided by any insured, or to the part-time child care services provided by any insured under 19 years of age;

(j) bodily injury or property damage arising out of an insured’s participation in, or preparation or practice for, any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized land vehicle or motorized watercraft. This exclusion does not apply to a sailing vessel less than 26 feet in overall length with or without auxiliary power;

(k) bodily injury or property damage arising out of the use, sale, manufacture, distribution, delivery, transfer, or possession, by any insured, of any substance that is illegal or is a controlled substance under either federal or state law. This exclusion does not apply to the legitimate use of legally prescribed drugs, under either federal or state law, by a person following orders of a licensed health care professional;

(l) bodily injury or property damage arising out of the actual, alleged, or threatened presence, discharge, dispersal, seepage, migration, release, escape of, or exposure to contaminants or pollutants at or from any source or location. Contaminants and pollutants include but are not limited to any solid, liquid, gaseous, or thermal irritant, including smoke from agricultural smudging or industrial operations, smog, soot, vapor, fumes, acids, alkalis, chemicals, pathogens, noxious substances, fuel oil, or asbestos.

This exclusion does not apply to bodily injury or property damage arising out of smoke or fumes caused by fire or explosion.

We also do not cover:

(1) any loss, cost, or expense arising out of any request, demand, order, or statutory or
regulatory requirement that any **insured** or others:
(a) test for;
(b) monitor;
(c) clean up;
(d) remove;
(e) contain;
(f) treat;
(g) detoxify;
(h) neutralize;
(i) remediate;
(j) dispose of; or
(k) in any way respond to or assess the effects of;
contaminants or pollutants;
(2) any loss, cost, or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of:
(a) testing for;
(b) monitoring;
(c) cleaning up;
(d) removing;
(e) containing;
(f) treating;
(g) detoxifying;
(h) neutralizing;
(i) remediating;
(j) disposing of; or
(k) in any way responding to or assessing the effects of;
contaminants or pollutants; or
(3) contamination or pollution arising out of actually or allegedly defective building materials, nuclear substances, or waste. Waste includes materials to be recycled, reconditioned, or reclaimed;

m. **bodily injury** or **property damage** arising out of any actual, alleged, or threatened:
(1) sexual harassment, sexual molestation, or sexual misconduct;
(2) physical or mental abuse; or
(3) corporal punishment;
by the insured;

n. **bodily injury** or **property damage** arising out of the actual, alleged, or threatened inhalation of, ingestion of, contact with, existence of, or presence of any **fungus** at or from any source or location.

**We** also do not cover any loss, cost, or expense arising out of any:
(1) request, demand, order, or statutory or regulatory requirement that any **insured** or others:
(a) test for;
(b) monitor;
(c) clean up;
(d) remove;
(e) contain;
(f) treat;
(g) detoxify;
(h) neutralize;
(i) remediate;
(j) dispose of; or
(k) in any way respond to or assess the effects of;
**fungus**; or
(2) claim or suit for damages because of:
(a) testing for;
(b) monitoring;
(c) cleaning up;
(d) removing;
(e) containing;
(f) treating;
(g) detoxifying;
(h) neutralizing;
(i) remediating;
(j) disposing of; or
(k) in any way responding to or assessing the effects of;
**fungus**; or

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o. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of systems and equipment used to generate electrical power exceeding 125 percent of the actual electrical power usage by the **residence premises** in the 12-month period prior to the date of the loss; or

p. **bodily injury** to a person, caused by an occurrence of lead poisoning, starting:

   (1) 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 an **insured** and ordered that the lead-based substances at the **insured location** be removed, replaced or securely and permanently covered within 30 days of receipt of the notice; or

   (2) upon expiration of an extension of that order granted either by the Department of Human Services or a lead inspector licensed by that department.

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

2. Coverage L does not apply to:

   a. liability:

      (1) for your share of any loss assessment charged against all members of any type of association of property owners; or

      (2) imposed on or assumed by any **insured** through any unwritten or written contract or agreement. This exclusion does not apply to liability for damages that the **insured** would have in absence of the contract or agreement;

   b. **property damage** to property owned by any **insured** at the time of the occurrence;

   c. **property damage** to property rented to, used or occupied by, or in the care, custody, or control of any **insured** at the time of the occurrence.

   This exclusion does not apply to **property damage** caused by fire, smoke, explosion, or abrupt and accidental damage from water;

   d. **bodily injury** to a person eligible to receive any benefits required to be provided or voluntarily provided by an **insured** under a workers’ compensation, non-occupational disability, or occupational disease law;

   e. **bodily injury** or **property damage** for which an **insured** under this policy is also an insured under a nuclear energy liability policy or would be an insured for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by:

      (1) Nuclear Energy Liability Insurance Association;

      (2) Mutual Atomic Energy Liability Underwriters;

      (3) Nuclear Insurance Association of Canada;

      or

      (4) any of their successors; or

   f. **bodily injury** or **property damage** arising out of any real property any **insured** has sold or transferred. This includes but is not limited to **bodily injury** or **property damage** arising out of known, unknown, hidden, or alleged property conditions, problems, or defects.

   This exclusion also applies to any **property damage** to the sold or transferred real property itself.

   However, this exclusion does not apply to:

      (1) **bodily injury** arising out of fire, smoke, explosion, electrocution, or carbon monoxide poisoning; or

      (2) **property damage** arising out of fire, smoke, or explosion.

   g. **bodily injury** to the Named Insured, spouse or resident children.

3. Coverage M does not apply to **bodily injury**:

   a. to a **residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee’s employment** by an **insured**;
b. to a person eligible to receive any benefits required to be provided or voluntarily provided under any workers' compensation, non-occupational disability, or occupational disease law;

c. to a person other than a residence employee of an insured, regularly residing on any part of the insured location; or

d. from nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

e. to any insured within the meaning of part 9.a., 9.b., or 9.c. of the definition of insured.

SECTION II – CONDITIONS

1. Limit of Liability. The Coverage L limit is shown in the Declarations. This is the limit for all damages from each occurrence for the policy period in which the bodily injury or property damage first occurs, regardless of the number of insureds, claims made, or persons injured. No additional limits or coverage will be available for the occurrence under any additional policy periods while this policy remains in force.

The Coverage M limit is shown in the Declarations. This is our limit for all medical expenses for bodily injury to one person as the result of one accident.

2. Severability of Insurance. This insurance applies separately to each insured. This condition does not increase our limit of liability for any one occurrence.

3. Duties After Loss. In case of an accident or occurrence, the insured must cooperate with us in the investigation, settlement, or defense of any claim or suit and also perform the following duties that apply. You must cooperate with us in seeing that these duties are performed:

   a. give written notice to us or our agent as soon as possible, which sets forth:
      (1) the identity of this policy and the insured;
      (2) reasonably available information on the time, place, and circumstances of the accident or occurrence; and
      (3) names and addresses of any claimants and available witnesses;

   b. immediately forward to us every notice, demand, summons, or other process relating to the accident or occurrence;

   c. at our request, assist in:
      (1) making settlement;

   d. under SECTION II – ADDITIONAL COVERAGES, Damage to Property of Others, exhibit the damaged property if within the insured’s control; and

   e. the insured must not, except at the insured’s own cost, voluntarily make payments, assume obligations, or incur expenses. This does not apply to expense for first aid to others at the time of the bodily injury.

4. Coverage M Requirements. We may require the following in regard to any Coverage M claim:

   a. written proof of claim, under oath if required, as soon as possible from the injured person, or when appropriate, someone acting on behalf of that person;

   b. the injured person’s submission to physical examinations by a physician selected by us when and as often as we reasonably require; and

   c. any authorizations from the injured person as we may require.

5. Payment of Claim – Coverage M or Damage to Property of Others. Payment under either of these is not an admission of liability by an insured or us.

6. Suit Against Us. No action will be brought against us unless there has been compliance with the policy provisions.

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No one will have the right to join us as a party to an action against an insured. Further, no action with respect to Coverage L will be brought against us until the obligation of the insured has been determined by final judgment on the merits, after an actual trial or by an agreement signed by us; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Liability.

7. Bankruptcy of an Insured. Bankruptcy or insolvency of an insured will not relieve us of our obligation under this policy.

8. Other Insurance – Coverage L. This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTION I AND SECTION II – CONDITIONS

1. Policy Period. This policy applies only to loss under Section I or bodily injury or property damage under Section II that occurs during the period this policy is in effect.

2. Concealment or Fraud. We do not provide coverage to you or any other insured if you or any other insured under this policy has intentionally concealed or misrepresented any material fact or circumstance, engage in fraudulent conduct, or made false statements relating to this insurance, whether before or after a loss.

3. Liberalization Clause. If we adopt any revision that would broaden coverage under this policy without additional premium, within 60 days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.

4. Waiver or Change of Policy Provisions. A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination does not waive any of our rights.

5. Cancellation.
   a. You may cancel this policy at any time by giving us advance written notice of the date cancellation is to take effect. We may waive the requirement that the notice be in writing by confirming the date and time of cancellation to you in writing.
   b. We may cancel this policy only for the reasons stated in this condition. We will notify you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to the last mailing address known to us.

(1) When you have not paid the premium, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect. This condition applies whether the premium is payable to us or our agent or under any finance or credit plan.

(2) When this policy has been in effect for less than 90 days at the time notice of cancellation is received, and is not a renewal with us, we may cancel for any reason. We may cancel by notifying you at least 25 days before the date cancellation takes effect.

(3) When this policy has been in effect for 90 days or more, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons and then only by mailing or delivering written notice to you stating when, not less than 30 days thereafter, such cancellation shall be effective:
   (a) your conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;
   (b) discovery of fraud or material misrepresentation by either of the following:
      (i) you or your representative in obtaining this insurance;
      (ii) you in pursuing a claim under this policy;
   (c) discovery of negligent acts or omissions by you substantially increasing any of the hazards insured against;
(d) physical changes in the insured property which result in the property becoming uninsurable;

(e) the insured property is vacant and custodial care is not maintained on the property;

(f) the presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the date of notice;

(g) the presence of a swimming pool upon the insured property that is not fenced in, in accordance with the standards established in Title 22, section 1631, if the pool remains in non-compliance with those standards for 30 days after notice by us of the defective condition and intent to cancel the policy;

(h) a loss occasioned by a dog bite, unless, after notice of cancellation or nonrenewal is received, the insured removes the dog; or

(i) failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer.

6. Nonrenewal. We may elect not to renew this policy. If we elect not to renew, a written notice will be delivered to you, or mailed to the last mailing address known to us. The notice will be mailed or delivered such that it will be received by you at least 30 days before the expiration date of this policy. If notice is mailed, a post office certificate of mailing will be conclusive proof of receipt of notice on the third calendar day after mailing.

This condition does not apply:

a. if we have manifested our willingness to renew; or

b. if you fail to pay any premium when due whether such premium is payable directly or indirectly under any premium finance plan or extension of credit or any advance premium required by us for renewal.

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

7. Assignment of Policy. Assignment of this policy will be invalid and we will not recognize any such assignment, unless we give our written consent.

8. Subrogation and Reimbursement.

a. Subrogation.

(1) Applicable to SECTION I:

If any insured to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That insured must do everything necessary to secure our rights and must do nothing after loss to impair them. However before a loss, an insured may waive in writing all rights of recovery against any person.

(2) Applicable to SECTION II:

If any insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair them. At our request, an insured will bring suit or transfer those rights to us and help us enforce them.
Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

b. Reimbursement.

If we make payment under this policy and any insured to or for whom we make payment recovers or has recovered from another person or organization, then the insured to or for whom we make payment must:

(1) hold in trust for us the proceeds of any recovery; and

(2) reimburse us to the extent of our payment.

9. Death. If you die:

a. we insure the legal representative of the deceased. This condition applies only with respect to the premises and property of the deceased covered under this policy at the time of death;

b. insured includes:

(1) any member of your household who is an insured at the time of your death, but only while a resident of the residence premises; and

(2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

10. Conformity to State Law. When a policy provision is in conflict with the applicable law of the state in which this policy is issued, the law of the state will apply.

11. Premium.

a. Unless as otherwise provided by an alternative payment plan in effect with the State Farm Companies with respect to the premium for this policy, the premium is due and payable in full on or before the first day of the policy period shown in the most recently issued Declarations.

b. The renewal premium for this policy will be based upon the rates in effect, the coverages carried, the applicable limits, deductibles, and other elements that affect the premium applicable at the time of renewal.

c. The premium for this policy may vary based upon:

(1) the purchase of other products or services from the State Farm Companies; or

(2) an agreement, concerning the insurance provided by this policy, that the State Farm Companies has with an organization of which you are a member, employee, subscriber, licensee, or franchisee.

d. Your purchase of this policy may allow you to purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products from the State Farm Companies, subject to their applicable eligibility rules.

12. Right to Inspect.

a. We have the right but are not obligated to perform the following:

(1) make inspections and surveys of the insured location at any time;

(2) provide you with reports on conditions we find; or

(3) recommend changes.

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.

b. We do not:

(1) make safety inspections;

(2) undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;

(3) warrant that conditions are safe or healthful; or

(4) warrant that conditions comply with laws, regulations, codes, or standards.

This condition applies to us and to any rating, advisory, rate service, or similar organization that makes insurance inspections, surveys, reports, or recommendations on our behalf.
13. **Joint and Individual Interests.** When there are two or more Named Insureds, each acts for all to cancel or change this policy.

14. **Change of Policy Address.** We may change the Named Insured’s policy address as shown in the Declarations and in our records to the most recent address provided to us by:

- you; or
- the United States Postal Service.

15. **Electronic Delivery.** With your consent, we may electronically deliver any document or notice, including a notice to renew, nonrenew, or cancel, instead of mailing it or delivering it by other means.

16. **Our Rights Regarding Claim Information.**

   a. We will collect, receive, obtain, use, and retain all the items described in item b.(1) below and use and retain the information described in item b.(3)(b) below, in accordance with applicable federal and state laws and regulations and consistent with the performance of our business functions.

   b. Subject to 16.a. above, we will not be restricted in or prohibited from:

      (1) collecting, receiving, or obtaining records, receipts, invoices, medical bills, medical records, wage information, salary information, employment information, data, and any other information;

      (2) using any of the items described in item b.(1) above; or

      (3) retaining:

         (a) any of the items in item b.(1) above; or

         (b) any other information we have in our possession as a result of our processing, handling, or otherwise resolving claims submitted under this policy.

   c. We may disclose any of the items in b.(1) above and any of the information described in item b.(3)(b) above:

      (1) to enable performance of our business functions;

      (2) to meet our reporting obligations to insurance regulators;

      (3) to meet our reporting obligations to insurance data consolidators;

      (4) to meet other obligations required by law; and

      (5) as otherwise permitted by law.

   d. Our rights under 16.a., 16.b., and 16.c. above will not be impaired by any:

      (1) authorization related to any claim submitted under this policy; or

      (2) act or omission of an insured or a legal representative acting on an insured’s behalf.

17. **Duties Regarding Claim Information.** An insured or a legal representative acting on an insured’s behalf must provide us with any requested authorizations related to the claim. Our rights as set forth under Our Rights Regarding Claim Information of this policy will not be impaired by any:

   a. authorization related to the claim; or

   b. act or omission of an insured or a legal representative acting on an insured’s behalf.

18. **Insurance Inspection Services Exemption From Liability.** 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 related to 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 the 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.

OPTIONAL POLICY PROVISIONS

Each Optional Policy Provision applies only as shown in the Declarations and is subject to all the terms, provisions, exclusions, and conditions of this policy.

**Option AI – Additional Insured.** The definition of insured is extended to include the person or organization shown in the Declarations as an Additional Insured or whose name is on file with us. Coverage is with respect to:

1. SECTION I – Coverage A, Coverage B, or Coverage C; or

2. SECTION II – Coverage L and Coverage M but only with respect to the residence premises. This coverage does not apply to bodily injury to an employee arising out of or in the course of the employee’s employment by the person or organization.

This option applies only with respect to the location shown in the Declarations.

**Option BP – Business Property.** The COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability, item b., for property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, is changed as follows:

The $1,500 limit is replaced with the amount shown in the Declarations for this option.

**Option BU – Business Pursuits.** SECTION II – EXCLUSIONS, item 1.b. is modified as follows:

1. Section II coverage applies to the business pursuits of an insured who is a:

   a. clerical office employee, salesperson, collector, messenger; or

   b. teacher (except college, university, and professional athletic coaches), school principal, or school administrator;

   while acting within the scope of the above listed occupations.

2. However, no coverage is provided:

   a. for bodily injury or property damage arising out of a business owned or financially controlled by the insured or by a partnership of which the insured is a partner or member;

   b. for bodily injury or property damage arising out of the rendering of or failure to render professional services of any nature (other than teaching or school administration). This exclusion includes but is not limited to:

      (1) computer programming, architectural, engineering, or industrial design services;

      (2) medical, surgical, dental, or other services or treatment conducive to the health of persons or animals; and

      (3) beauty or barber services or treatment;

   c. for bodily injury to a fellow employee of the insured injured in the course of employment; or

   d. when the insured is a member of the faculty or teaching staff of a school or college:
(1) for **bodily injury** or **property damage** arising out of the maintenance, use, loading, or unloading of:

(a) draft or saddle animals, including vehicles for use with them; or

(b) aircraft, **motor vehicles**, recreational **motor vehicles** or watercraft, airboats, air cushions, or personal watercraft which use a water jet pump powered by an internal combustion engine as the primary source of propulsion; owned, operated, or hired by or for the **insured** or employer of the **insured** or used by the **insured** for the purpose of instruction in the use thereof; or

(2) under **Coverage M** for **bodily injury** to a student arising out of corporal punishment administered by or at the direction of the **insured**.

Option FA – Firearms. Firearms are covered for accidental direct physical loss or damage.

The limits for this option are shown in the **Declarations**. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:

1. **We** will not pay for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
   a. mechanical breakdown, wear and tear, or gradual deterioration;
   b. all animals, birds, or insects, including:
      (1) nesting;
      (2) infestation;
      (3) gnawing;
      (4) feeding;
      (5) breeding;
      (6) discharge or release of waste products or secretions by animals, birds, or insects. However, **we** will pay for losses caused by wild bears or deer;
   c. any process of refinishing, renovating, or repairing;
   d. dampness of atmosphere or extremes of temperatures;
   e. inherent defect or faulty manufacture;
   f. rust, fouling, or explosion of firearms;
   g. breakage, marring, scratching, tearing, or denting unless caused by fire, thieves, or accidents to conveyances; or
   h. infidelity of an **insured’s** employees or persons to whom the insured property may be entrusted or rented;

2. **Our** limit for loss by any **Coverage B** peril except theft is the limit shown in the **Declarations** for **Coverage B**, plus the aggregate limit;

3. **Our** limits for loss by theft are those shown in the **Declarations** for this option. These limits apply in lieu of the **Coverage B** theft limit; and

4. **Our** limits for loss by any covered peril except those in items 2. and 3. above are those shown in the **Declarations** for this option.

Option ID – Increased Dwelling Limit. **We** will settle losses to damaged **building structures** covered under **COVERAGE A – DWELLING** according to the **Loss Settlement Provision** shown in the **Declarations**.

1. If the amount **you** actually and necessarily spend to repair or replace the damaged **dwelling** exceeds the limit of liability shown in the **Declarations** for **Coverage A – Dwelling**, **we** will pay the additional amounts not to exceed the Option ID limit shown in the **Declarations**.

2. If the amount **you** actually and necessarily spend to repair or replace damaged **building structures** covered under **COVERAGE A – DWELLING**, **Other Structures** exceeds the limit of liability shown in the **Declarations** for **Other Structures**, **we** will pay the additional amounts not to exceed 10% of the Option ID limit shown in the **Declarations**.

Report Increased Values. **You** must notify **us** within 90 days of the start of construction on any new **building structure** costing $5,000 or more; or any additions to or remodeling of **building structures** that increase their values by $5,000 or more. **You** must pay any additional premium due for the increased value. **We** will not pay more...
than the applicable limit of liability shown in the Declarations if you fail to notify us of the increased value within 90 days.

Option IO – Incidental Business. The coverage provided by this option applies only to that incidental business occupancy on file with us.

1. COVERAGE A – DWELLING, Other Structures, item 2.b. is deleted.

2. COVERAGE B – PERSONAL PROPERTY is extended to include equipment, supplies, and furnishings usual and incidental to this business occupancy. This Optional Policy Provision does not include electronic data processing system equipment or the recording or storage media used with that equipment or merchandise held as samples or for sale or for delivery after sale.

The Option IO limits are shown in the Declarations. The first limit applies to property on the residence premises. The second limit applies to property while off the residence premises. These limits are in addition to the COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability on property used or intended for use in a business.

3. Under Section II, the residence premises is not considered business property because an insured occupies a part of it as an incidental business.

4. SECTION II – EXCLUSIONS, item 1.b. is replaced with the following:

b. bodily injury or property damage arising out of business pursuits of any insured, except as provided in item c. below. This exclusion does not apply to activities that are ordinarily incident to non-business pursuits or to business pursuits of an insured that are necessary or incidental to the use of the residence premises as an incidental business;

5. This insurance does not apply to:

a. bodily injury to an employee of an insured arising out of the residence premises as an incidental business other than to a residence employee while engaged in the employee’s employment by an insured;

b. bodily injury to a student arising out of corporal punishment administered by or at the direction of the insured;

c. liability arising out of any acts, errors, or omissions of an insured or any other person for whose acts an insured is liable, resulting from the preparation or approval of:

(1) data;
(2) plans;
(3) designs;
(4) opinions;
(5) reports;
(6) programs;
(7) specifications;
(8) supervisory inspections; or
(9) engineering services;

in the conduct of an insured’s incidental business involving data processing, computer consulting, or computer programming; or

d. any claim made or suit brought against any insured by:

(1) any person in the care of any insured because of child care services provided by or at the direction of:

(a) any insured;
(b) any employee of any insured; or
(c) any other person actually or apparently acting on behalf of any insured;

or

(2) any person who makes a claim because of bodily injury to any person in the care of any insured because of child care services provided by or at the direction of:

(a) any insured;
(b) any employee of any insured; or
(c) any other person actually or apparently acting on behalf of any insured.

Coverage M does not apply to any person indicated in d.(1) and d.(2) above.
This exclusion does not apply to the occasional child care services provided by any **insured**, or to the part-time child care services provided by any **insured** under 19 years of age.

**Option JF – Jewelry and Furs.** Jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones, gold other than goldware, silver other than silverware, and platinum are covered for accidental direct physical loss or damage.

The limits for this option are shown in the **Declarations**. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss. All provisions and exclusions of **SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY, Theft** apply to Option JF.

The following additional provisions apply:

1. **We** will not pay for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
   a. mechanical breakdown, wear and tear, or gradual deterioration;
   b. all animals, birds, or insects, including:
      (1) nesting;
      (2) infestation;
      (3) gnawing;
      (4) feeding;
      (5) breeding, or
      (6) discharge or release of waste products or secretions by animals, birds, or insects.
   However, **we** will pay for losses caused by wild bears or deer;
   c. inherent vice; or
   d. seizure or destruction under quarantine or customs regulations;

2. **Our** limit for loss by any Coverage B peril except theft is the limit shown in the **Declarations** for Coverage B, plus the aggregate limit;

3. **Our** limits for loss by theft are those shown in the **Declarations** for this option. These limits apply in lieu of the Coverage B theft limit; and

4. **Our** limits for loss by any covered peril except those in items 2. and 3. above are those shown in the **Declarations** for this option.

**Option OL – Building Ordinance or Law.**

1. **Coverage Provided.** The total limit of insurance provided by this option will not exceed an amount equal to the Option OL percentage shown in the **Declarations** of the Coverage A limit shown in the **Declarations** at the time of the loss, as adjusted by the Inflation Coverage provisions of this policy. This is an additional amount of insurance and applies to **building structures** on the residence premises.

2. **Damaged Portions of Building Structure.** When a **building structure** covered under **COVERAGE A – DWELLING** is damaged by a **loss insured**, **we** will pay for the increased cost to repair or rebuild the physically damaged portion of the **building structure** caused by the enforcement of a building, zoning, or land use ordinance or law if the enforcement is directly caused by the same **loss insured** and the requirement is in effect at the time the **loss insured** occurs.

3. **Undamaged Portions of Damaged Building Structure.** When a **building structure** covered under **COVERAGE A – DWELLING** is damaged by a **loss insured**, **we** will also pay for:
   a. the cost to demolish and clear the site of the undamaged portions of the **building** caused by the enforcement of a building, zoning, or land use ordinance or law if the enforcement is directly caused by the same **loss insured** and the requirement is in effect at the time the **loss insured** occurs; and
   b. loss to the undamaged portion of the **building structure** caused by enforcement of any ordinance or law if:
      (1) the enforcement is directly caused by the same **loss insured**;
      (2) the enforcement requires the demolition of portions of the same **building structure** not damaged by the same **loss insured**;
      (3) the ordinance or law regulates the construction or repair of the **building structure**, or establishes zoning or land use requirements at the described premises; and
(4) the ordinance or law is in force at the time of the occurrence of the same loss insured; or

c. legally required changes to the undamaged portion of the building structure caused by the enforcement of a building, zoning, or land use ordinance or law, if:

(1) the enforcement is directly caused by the same loss insured;
(2) the requirement is in effect at the time the loss insured occurs; and
(3) the legally required changes are made to the undamaged portions of specific building structure features, systems, or components that have been physically damaged by the loss insured.

We will not pay for legally required changes to specific building structure features, systems, or components that have not been physically damaged by the loss insured.

4. Building Ordinance or Law Coverage Limitations.

a. We will not pay for any increased cost of construction:

(1) until the building structure is actually repaired or replaced at the same or another premises in the same general vicinity;
(2) unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years; and

(3) due to any original or subsequent construction, addition, modification, renovation, remodel, or repair to a building structure that did not comply with a building, zoning, or land use ordinance or law in effect when the construction, addition, modification, renovation, remodel, or repair was performed.

b. We will not pay more under this coverage than the amount you actually spend:

(1) for the increased cost to repair or rebuild the building structure at the same or another premises in the same general vicinity if relocation is required by ordinance or law; and
(2) to demolish and clear the site of the undamaged portions of the building structure caused by enforcement of building, zoning, or land use ordinance or law.

We will not pay for more than a building structure of the same height, floor area, and style on the same or similar premises as the building structure, subject to the limit provided in paragraph 1. Coverage Provided of this option.

Option SG – Silverware and Goldware Theft. The COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability, item i., for theft of silverware and goldware is increased to be the amount shown in the Declarations for this option.

STANDARD FIRE CONTRACT

This form contains the provisions of the Standard Fire Policy. Whenever the conditions of this form provide liberalization of conditions found in Section I coverage, the terms and conditions of the Standard Fire Policy shall apply.

In Consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Above Specified (or specified in endorsement(s) made a part hereof), this Company, for the term shown above from inception date shown above at 12:01 a.m. (Standard Time) to expiration date shown above at 12:01 a.m. (Standard Time) at location of property involved, to an amount not exceeding the limit of liability above specified, does insure the Insured named in the Declarations above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the Insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN
THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described herein while located or contained in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

Concealment, fraud.

This entire policy shall be void if, whether before or after a loss, the insured has wilfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property.

This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included.

This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.

Other Insurance.

Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or (c) as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

Other perils or subjects.

Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions.

The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver provisions.

No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

Cancellation of policy.

This policy shall be cancelled at any time at the request of the insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this Company by giving to the insured a ten days’ written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.
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.

Pro rata liability.

This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case a loss occurs.

The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal.

In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

Company’s options.

It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention to do so within thirty days after the receipt of the proof of loss herein required.
Abandonment.
There can be no abandonment to this Company of any property.

When loss payable.
The amount of a loss for which this Company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

Suit.
No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within two years next after inception of the loss.

Subrogation.
This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.
This policy is one of the broadest forms available today, and provides you with outstanding value for your insurance dollars. However, we want to point out that every policy contains limitations and exclusions. Please read your policy carefully, especially “Losses Not Insured” and all exclusions.

State Farm® Renters Policy

Maine
H4-2119
# Renters Policy

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RENTERS POLICY AGREEMENT

We agree to provide the insurance described in this policy:

1. based on your payment of premium for the coverages you chose;
2. based on your compliance with all applicable provisions of this policy; and
3. based on the information you have given us and your statements in this agreement.

You agree, by acceptance of this policy, that you will pay premiums when due and comply with the provisions of this policy.

When you request changes to this policy, or the information or factors used to calculate the premium for this policy changes during the policy period, we may adjust the premium in accordance with the change during the policy period and you must pay any additional premium due within the time we specify.

DEFINITIONS

We define the following words and phrases for use throughout this policy. These definitions apply to the singular, plural, and possessive forms of these words and phrases. Defined words and phrases are printed in bold italics.

1. "actual cash value" means the replacement cost of damaged property at the time of loss, less the value of physical depreciation as to the damaged property. The term "physical depreciation" means a value as determined according to standard business practices.

2. "bodily injury" means physical injury, sickness, or disease to a person. This includes required care, loss of services, and death resulting therefrom. Bodily injury does not include:
   a. any of the following which are communicable:
      (1) disease;
      (2) bacteria;
      (3) parasite;
      (4) virus; or
      (5) other organism;
   any of which are transmitted by any insured to any other person;
   b. the actual or alleged exposure to any such:
      (1) disease;
      (2) bacteria;
      (3) parasite;
      (4) virus; or
      (5) other organism;
   by any insured to any other person; or
   c. emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury unless it arises out of actual physical injury to some person.

3. "building structure" means a structure fully enclosed with permanent walls and a roof. A permanent wall or roof does not include any kind of temporary materials including but not limited to tarps, plastic sheeting, or other similar material. A structure that is otherwise fully enclosed with permanent walls and a roof, that is undergoing repairs due to a recent loss insured, using materials such as tarps, plastic sheeting, or other similar material, is still considered a building structure.
A building structure includes:

a. the foundation supporting the structure, including:
   (1) slabs;
   (2) basement walls;
   (3) crawl space walls;
   (4) footings; and
   (5) gravel, stone, or sand, used as fill material and located not more than 12 inches directly below a slab described in item a.(1), including water supply lines, domestic water pipes, and sewer pipes located within this fill material; and

b. wall-to-wall carpeting attached to the structure.

4. “business” means any full-time or part-time activity, trade, profession, employment, or occupation or a commercial, mercantile, or industrial undertaking of an economic nature. It does not matter whether it is continuous or regular, is a secondary or supplemental source of income, or is an insured’s principal means of livelihood. Profit and profit motive are irrelevant.

Business does not include:

a. volunteer activities for a not-for-profit or non-profit organization or public agency for which no money is received other than payment of expenses;

b. incidental and infrequent personal economic activity such as a hobby, garage or yard sale, or traditional farm activities when the farm products are intended only for the personal use of the insured;

c. any occasional or part-time self-employed activity by a person under 19 years of age that involves no employees or subcontracted independent contractors and is a type of activity normally performed by persons under 19 years of age, including but not limited to, child care, lawn mowing, or paper delivery;

d. the ownership, maintenance, or use of systems and equipment used to generate electrical power up to but not exceeding 125 percent of the actual electrical power usage by the residence premises in the 12-month period prior to the date of the loss; or

e. ownership of the residence premises by the person or organization shown in the Declarations as Additional Insured.

5. “Declarations” means the policy Declarations, any amended Declarations, the most recent renewal Declarations, an Evidence of Insurance form, or any endorsement changing any of these.

6. “diminution in value” means any reduction in the value of any covered property prior to or following repair or replacement as compared to the value of that property immediately before the loss.

7. “dwelling” means that part of the building structure on the residence premises used as the primary private residence.

8. “fungus” means any type or form of fungus, including:
   a. mold;
   b. mildew;
   c. mycotoxins;
   d. spores;
   e. scents; or
   f. byproducts; produced or released by fungi.

9. “insured” means:
   a. you;
   b. your relatives; and
   c. any other person under the age of 21 in the care of a person described above.

Under Section II, insured also means:

d. the person or organization legally responsible for animals or watercraft to which this policy applies. However, the animal or watercraft must be owned by you or a person included in 9.b. or 9.c. above. A person or organization using or having custody of these animals or watercraft in the course of a business, or without permission of the owner, is not an insured; and
e. with respect to any vehicle to which this policy applies, any person while engaged in your employment or the employment of a person included in 9.b. or 9.c. above.

10. “insured location” means:
   a. the residence premises;
   b. the part of any other premises, other structures, and grounds used by you as a residence. This includes premises, structures, and grounds you acquire while this policy is in effect for your use as a residence;
   c. any premises used by you in connection with the premises included in 10.a. or 10.b. above;
   d. any part of a premises not owned by an insured but where an insured is temporarily residing;
   e. land owned by or rented to an insured on which a one or two family dwelling is being constructed as a residence for an insured;
   f. individual or family cemetery plots or burial vaults owned by an insured;
   g. any part of a premises occasionally rented to an insured for purposes other than business;
   h. vacant land owned by or rented to an insured. For the purposes of this definition, vacant land does not include:
      (1) farm land;
      (2) land containing a residence; or
      (3) land containing fences, corrals, boat docks, tool sheds, barns, grain bins, and similar structures, unless they are used solely for the personal use of the insured; or
   i. farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

11. “loss insured” means a loss as described under SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY.

12. “motor vehicle”, when used in Section II of this policy, means:
   a. a land motor vehicle designed for travel on public roads or subject to motor vehicle registration;
   b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
   c. a “recreational or utility vehicle” while off an insured location. “Recreational or utility vehicle” means a motorized vehicle designed for recreation or utility purposes, used principally off public roads, and that is owned or leased by an insured. This includes, but is not limited to, a motorized:
      (1) all-terrain vehicle;
      (2) side-by-side vehicle;
      (3) utility work vehicle;
      (4) amphibious vehicle;
      (5) dune buggy;
      (6) go-cart;
      (7) golf cart;
      (8) snowmobile;
      (9) trailbike;
      (10) minibike; and
      (11) personal assistive mobility device.
   “Leased” does not include temporary rental;
   d. a “locomotive” while off an insured location. “Locomotive” means a self-propelled vehicle for pulling or pushing freight or passenger cars on tracks that is large enough to carry a person and is owned or leased by an insured. “Leased” does not include temporary rental;
   e. a bulldozer, track loader, backhoe, high-hoe, trencher, grader, crane, self-propelled scraper, excavator, pipe-layer, cherry picker, telehandler, logging vehicle, mining vehicle, or road building vehicle that is owned or leased by an insured while off an insured location. “Leased” does not include temporary rental; and
   f. any vehicle while being towed or pushed by or carried on a vehicle included in 12.a. through 12.e. above.
The following are not **motor vehicles**:

- a boat, camper, home, or utility trailer not being towed or pushed by or carried on a vehicle included in 12.a. through 12.e. above;
- a motorized land vehicle in storage on an **insured location** not intended to be operated for an extended period of time and rendered inoperable by placing the vehicle on blocks or removing parts essential for its operation;
- a motorized golf cart while used for golfing purposes;
- a motorized vehicle or trailer designed to assist persons with disabilities that is not designed for travel on public roads or subject to motor vehicle registration; or
- a commercially manufactured two, three, or four wheeled personal conveyance powered only by or assisted by an unmodified motor or engine with a manufacturer’s power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour.

13. **“occurrence”,** when used in Section II of this policy, means an accident, including accidental exposure to conditions, which first results in:

   - **bodily injury,** or
   - **property damage,**

   during the policy period. All **bodily injury** and **property damage** resulting from one accident, series of related accidents, or from continuous or repeated exposure to the same general conditions is considered to be one **occurrence.**

14. **“property damage”** means physical damage to or destruction of tangible property, including loss of use of this property. Theft or conversion of property by any **insured** is not **property damage.**

15. **“relative”** means any person related to **you** by:

   - blood;
   - adoption;
   - marriage; or
   - civil union, domestic partnership, or other substantially similar legal relationship that is recognized and valid in the state where, and at the time when, the legal relationship was established; and who resides primarily with **you.**

16. **“residence employee”** means an employee of an **insured,** or an employee leased to an **insured** by a labor leasing firm under an agreement between an **insured** and the labor leasing firm, who performs duties, including household or domestic services, in connection with the maintenance or use of the **residence premises.** This includes employees who perform similar duties elsewhere for **you.** This does not include employees while performing duties in connection with the **business** of an **insured.**

17. **“residence premises”** means:

   - the one, two, three, or four family dwelling, other structures and grounds; or
   - that part of any other **building structure;**

   where **you** reside and which is shown in the **Declarations.**

18. **“State Farm Companies”** means one or more of the following:

   - State Farm Mutual Automobile Insurance Company;
   - State Farm Fire and Casualty Company; and
   - subsidiaries or affiliates of either 18.a. or 18.b. above.

19. **“vacant dwelling”** means:

   - a dwelling:

     1. that has not been occupied as a residence for more than 60 consecutive days immediately before the loss; and

     2. where a predominant amount of personal property has been removed or is absent such that the dwelling is not functional as a habitual place of residence.

   A dwelling will be considered occupied only if it is being used as a habitual place of residence with **your** knowledge and approval.

   b. A dwelling that is under active construction will not be considered a **vacant dwelling.** A dwelling is under active construction when it is:
(1) being built as a new structure;
(2) being repaired due to damage otherwise covered by this policy; or
(3) undergoing substantial improvements, renovations, remodeling, or modifications;
and the construction results in substantial continuing activities by persons associated with the construction project at the premises during the relevant time periods.

20. “we”, “us”, and “our” mean the Company shown in the Declarations.

21. “you” and “your” mean the person or persons shown as “Named Insured” in the Declarations. If a “Named Insured” shown in the Declarations is a human being, then you and your include:
   a. a spouse of a “Named Insured”;
   b. a party to a civil union with a “Named Insured”;
   c. a domestic partner of a “Named Insured”; or
   d. a person in a substantially similar legal relationship with a “Named Insured”;
   if such relationship is recognized and valid in the state where, and at the time when, the legal relationship was established, so long as the person in the above relationship resides primarily with that “Named Insured”.

DEDUCTIBLE

In case of loss under this policy, we will pay, subject to specified policy limits, only that part of the amount of the loss that exceeds the deductible amount shown in the Declarations. Deductibles will be applied per occurrence. Deductibles apply to specific losses as described in this policy.

SECTION I – PROPERTY COVERAGES

COVERAGE B – PERSONAL PROPERTY

1. Property Covered.
   a. We cover personal property owned or used by an insured while it is anywhere in the world. This includes structures not permanently attached to or otherwise forming a part of the realty. At your request, we will cover personal property:
      (1) owned by others while the property is on the part of the residence premises occupied exclusively by an insured;
      (2) owned by a guest or a residence employee, while the property is in any other residence occupied by an insured; and
      (3) owned by roomers, boarders, tenants, and other residents, any of whom are related to you.
   b. We cover personal property usually located at an insured’s residence, other than the residence premises, for up to $1,000 or 10% of the Coverage B limit, whichever is greater. This limitation does not apply to personal property:
      (1) in a newly acquired principal residence for the first 30 days after you start moving the property there. If the residence premises is a newly acquired principal residence, personal property in your immediate past principal residence is not subject to this limitation for the first 30 days after the inception of this policy; and
      (2) of a student who is an insured while located at a residence away from the residence premises.

Special Limits of Liability. These limits do not increase the Coverage B limit. The special limit for each of the following categories is the total limit for each loss for all property in that category:
   a. $200 on:
      (1) money, coins, and medals, including any of these that are a part of a collection;
      (2) bank notes;
      (3) bullion;
      (4) gold other than goldware;
      (5) silver other than silverware; and
      (6) platinum;
b. $1,500 on property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, while on the residence premises. This coverage is limited to $750 on such property away from the residence premises.

Electronic data processing system equipment or the recording or storage media used with that equipment is not included under this coverage, and is addressed in item c. below;

c. $10,000 in the aggregate on electronic data processing system equipment used or intended for use in a business, including but not limited to:

(1) computers;
(2) tablets;
(3) mobile personal communication equipment;
(4) global positioning systems;
(5) mobile personal electronic devices used for the reproduction of sound; and
(6) standard media or non-media equipment for use with the above devices;

d. $1,500 in the aggregate on:

(1) securities, checks, cashier checks, travelers checks, money orders;
(2) gift certificates, gift cards, rechargeable debit cards, phone cards, and other negotiable instruments;
(3) accounts;
(4) deeds;
(5) evidences of debt;
(6) letters of credit;
(7) notes other than bank notes;
(8) manuscripts;
(9) passports; and
(10) tickets;

e. $1,500 on watercraft of all types and outboard motors, including their trailers, furnishings, and equipment;

f. $1,500 on trailers not used with watercraft;

g. $2,500 on stamps, trading cards, and comic books, including any of these that are a part of a collection;

h. $2,500 for loss by theft of firearms;

i. $2,500 for loss by theft of silverware and goldware;

j. $5,000 on any one article and $10,000 in the aggregate for loss by theft of any:

(1) rug;
(2) carpet (except wall-to-wall carpet);
(3) tapestry;
(4) wall-hanging; or
(5) other similar article;

k. $1,000 on commercially manufactured two, three, or four wheeled personal conveyances powered only by or assisted by an unmodified motor or engine with a manufacturer’s power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour. This does not include such conveyances that are:

(1) designed for assisting persons with disabilities;
(2) not designed for travel on public roads; and
(3) not subject to motor vehicle registration; and

l. $1,000 for loss by theft of jewelry, watches, fur garments and garments trimmed with fur, and precious and semi-precious stones.

2. Property Not Covered. We do not cover:

a. articles separately described and specifically insured in this or any other insurance;

b. animals, birds, or fish;

c. any engine-propelled or motor-propelled vehicle or machine, including parts, designed for movement on land, except as provided in Special Limits of Liability, item k. However, we do cover those vehicles or machines:

(1) that are:
(a) not designed for travel on public roads; and
(b) not subject to motor vehicle registration;
(2) and that are:
(a) used primarily to service the insured location; or
(b) designed for assisting persons with disabilities;

d. any electronic equipment, devices, or accessories designed for the recording, reproduction, or storage of audio, video, photos, or other data that is:
(1) permanently installed in or permanently fastened to an engine-propelled or motor-propelled vehicle; or
(2) hard-wired directly to the vehicle’s electrical system.

We also do not cover removable products that may be used with the equipment or devices described above, including but not limited to tapes, discs, videos, or memory cards while in an engine-propelled or motor-propelled vehicle;

e. aircraft and parts. This does not apply to unmanned aircraft systems used as model aircraft and operated solely for recreational or hobby purposes;

f. property of roomers, boarders, tenants, and other residents not related to you;

g. property regularly rented or held for rental to others by an insured. This does not apply to property of an insured:
(1) in a sleeping room when the dwelling is rented in part, for use as a permanent residence, by either one or two full-time roomers or boarders; or
(2) on the residence premises if it is rented, either completely or in part, for exclusive use as a residence, for no more than 30 nights in the 12-month period prior to the date of the loss;

h. property rented or held for rental to others away from the residence premises;
i. any radio devices or transmitters, global positioning systems, radar or laser detectors, antennas, and all other similar equipment that is:
(1) permanently installed in or permanently fastened to an engine-propelled or motor-propelled vehicle; or
(2) that is hard-wired directly to the vehicle’s electrical system;

j. (1) books or records of accounts receivable;
(2) abstracts or other journals;
(3) architectural or technical drawings;
(4) card index systems; or
(5) other records.

This does not apply to any recording or storage media for electronic data processing. We will cover the cost of blank books, cards, or other blank material plus the cost of labor you incur for transcribing or copying such records;

k. recording or storage media for electronic data processing that cannot be replaced with property of like kind and quality on the current retail market;

l. purchased or created audio, video, photos, or other data that:
(1) cannot be replaced with like kind and quality on the current retail market; and
(2) is transferred or downloaded onto:
   (a) mobile communication equipment;
   (b) global positioning systems; or
   (c) electronic devices designed for the recording, reproduction, or storage of audio, video, photos, or other data;

m. contraband, or any property used in the course of illegal consumption, possession, import, export, or trade;

n. outdoor hardscape property used for aesthetic purposes except as provided in SECTION I – ADDITIONAL COVERAGES, Trees, Shrubs, and Landscaping; or

o. electronic currency, digital currency, virtual currency, crypto-currency, and other similar mediums of exchange.
COVERAGE C – LOSS OF USE
The most we will pay for the sum of all losses combined under Additional Living Expense, Fair Rental Value, and Prohibited Use is the limit of liability shown in the Declarations for Coverage C – Loss of Use.

1. Additional Living Expense. When a loss insured causes the residence premises to become uninhabitable, we will pay the reasonable and necessary increase in cost incurred by an insured to maintain their normal standard of living for up to 24 months. Our payment is limited to incurred costs for the shortest of:
   a. The time required to repair or replace the premises;
   b. The time required for your household to settle elsewhere; or
   c. 24 months.

   This period of time is not limited by the expiration of this policy.

   We will not pay more than the limit of liability shown in the Declarations for Coverage C – Loss of Use. Any normal expenses that are reduced or discontinued due to a loss insured will be subtracted from any amount owed.

2. Fair Rental Value. When a loss insured causes that part of the residence premises rented to others or held for rental by you to become uninhabitable, we will pay its fair rental value. Payment will be for the shortest time required to repair or replace the part of the premises rented or held for rental, but not to exceed 12 months. This period of time is not limited by the expiration of this policy. Fair rental value will not include any expense that does not continue while that part of the residence premises rented or held for rental is uninhabitable.

3. Prohibited Use. We will pay Additional Living Expense and Fair Rental Value, for a continuous period not to exceed two weeks, beginning when a civil authority issues an order of evacuation or prohibits your use of the residence premises, provided that:
   a. direct physical damage occurs to any property, other than covered property located on the residence premises, arising from a cause of loss that would be a loss insured under this policy if the damage had occurred to property on the residence premises;
   b. the residence premises is within one mile of property damaged by a cause of loss identified in 3.a. above; and
   c. the action of the civil authority is taken in response to:
      (1) dangerous physical conditions resulting from the continuation of the cause of loss identified in 3.a. above;
      (2) dangerous physical conditions resulting from the damage caused by the cause of loss identified in 3.a. above; or
      (3) the need to gain free access to property damaged by the cause of loss identified in 3.a. above.

   We will not pay for loss or expense due to cancellation of a lease or agreement.

SECTION I – ADDITIONAL COVERAGES
The following Additional Coverages are subject to all the terms, provisions, exclusions, and conditions of this policy.

1. Debris Removal. We will pay the reasonable expenses you incur in the removal of debris of covered property damaged by a loss insured. This expense is included in the limit applying to the damaged property.

   When the amount payable for the property damage plus the debris removal exceeds the limit for damaged property, an additional 5% of that limit is available for debris removal expense. This additional amount of insurance does not apply to SECTION I – ADDITIONAL COVERAGES, Trees, Shrubs, and Landscaping.

2. Temporary Repairs. If damage is caused by a loss insured, we will pay the reasonable and necessary cost you incur for temporary repairs to covered property to protect the property from further immediate damage or loss. This coverage does not increase the limit applying to the property being repaired.

3. Trees, Shrubs, and Landscaping. We will pay for accidental direct physical loss to outdoor:
   a. trees, shrubs, live or artificial plants, and lawns;
   b. artificial grass; and
c. hardscape property used for aesthetic purposes not permanently affixed to realty;

on the **residence premises**, caused by the following perils: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles (not owned or operated by a resident of the **residence premises**), Vandalism or malicious mischief, or Theft.

The limit for this coverage, including the removal of debris, will not exceed 10% of the amount shown in the **Declarations** for COVERAGE B – PERSONAL PROPERTY. **We** will not pay more than $750 for any one outdoor tree, shrub, plant, or hardscape item, including debris removal expense. This coverage may increase the limit otherwise applicable. **We** will not pay for any loss to property grown for **business** purposes.

4. **Building Additions and Alterations.** **We** will pay, under Coverage B, for a **loss insured** to building additions, alterations, fixtures, improvements, or installations made or acquired at **your** expense. The following conditions apply:

a. This coverage applies only to that part of the **residence premises** used exclusively by **you**; and

b. The limit for this coverage will not exceed 15% of the limit of liability shown in the **Declarations** for COVERAGE B – PERSONAL PROPERTY. This coverage does not increase the **Coverage B** limit.

5. **Property Removed.** **We** will pay for any accidental direct physical loss to covered property while being removed from a premises endangered by a **loss insured**. This coverage also applies to the property for up to 30 days while removed. **We** will also pay for reasonable expenses incurred by **you** for the removal and return of the covered property. This coverage does not increase the limit applying to the property being removed.

6. **Credit Card, Bank Fund Transfer Card, Forgery, and Counterfeit Money.**

a. **We** will pay up to $1,000 for:

   1. the legal obligation of an **insured** to pay because of the theft or unauthorized use of credit cards and bank fund transfer cards issued to or registered in an **insured’s** name. If an **insured** has not complied with all terms and conditions under which the cards are issued, **we** will not pay for use by an **insured** or anyone else;

   2. loss to an **insured** caused by forgery or alteration of any check or negotiable instrument; and

   3. loss to an **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency.

   No deductible applies to this coverage. **We** will not pay more than the limit stated above for forgery or alteration committed by any one person. This limit applies when the forgery or alteration involves one or more instruments in the same loss.

b. **We** will not pay for loss arising out of **business** pursuits or dishonesty of an **insured**.

c. **Defense:**

   1. **We** may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend claims or suits ends when the amount **we** pay for the loss equals our limit of liability.

   2. If claim is made or a suit is brought against any suit for the enforcement of payment an **insured** for liability under the Credit Card or Bank Fund Transfer Card coverage, **we** will provide a defense. This defense is at **our** expense by counsel of our choice.

   3. **We** have the option to defend at **our** expense an **insured** or an **insured’s** bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Power Interruption.** **We** will pay for accidental direct physical loss caused directly or indirectly by a change of temperature that results from power interruption that takes place on the **residence premises.** The power interruption must be caused by a **loss insured** occurring on the **residence premises.** The power lines off the **residence premises** must remain energized. This coverage does not increase the limit applying to the damaged property.
8. **Refrigerated Products.** Coverage B is extended to cover the contents of deep freeze or refrigerated units on the residence premises for loss due to power failure or mechanical failure. If mechanical failure or power failure is known to you, all reasonable means must be used to protect the property insured from further damage or no coverage will be provided. Power failure or mechanical failure does not include:
   a. removal of a plug from an electrical outlet; or
   b. turning off an electrical switch unless caused by a loss insured.

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

9. **Arson Reward.** We will pay $1,000 for information that leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable. However, the $1,000 limit will not be increased regardless of the number of persons providing information.

10. **Volcanic Action.** We will pay for accidental direct physical loss to a covered building structure or covered property contained in a building structure resulting from the eruption of a volcano when the loss is directly and immediately caused by:
   a. airborne volcanic shock waves;
   b. ash, dust, or particulate matter; or
   c. lava flow.

We will also pay for the removal of that ash, dust, or particulate matter that has caused accidental direct physical loss to a covered building structure or covered property contained in a building structure.

All volcanic eruptions that occur within any 168-hour period will be considered one volcanic eruption.

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

11. **Collapse.** We will pay for accidental direct physical loss to covered property involving the abrupt, entire collapse of a building structure or any part of a building structure.

   a. Collapse means the abrupt and entire falling down, caving in, or falling into pieces of a building structure or any part of a building structure. Collapse does not include any of the following:
      (1) settling, cracking, crumbling, deterioration, shrinking, bulging, expansion, sagging, bowing, leaning, or bending;
      (2) substantial structural impairment;
      (3) imminent or threatened collapse;
      (4) a building structure or any part of a building structure that is in danger of falling down or caving in; or
      (5) a part of a building structure that is standing even if:
         (a) it has separated from another part of the building structure; or
         (b) it shows evidence of settling, cracking, crumbling, deterioration, shrinking, bulging, expansion, sagging, bowing, leaning, or bending.

   b. The collapse must be directly and immediately caused by one or more of the following:
      (1) perils described in SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY. These perils apply to building structures covered under Coverage B for loss insured by this Additional Coverage;
      (2) decay or deterioration of, or damage from animals, birds, or insects to:
         (a) a connector; or
         (b) a structural member of a building structure;

The decay, deterioration, or damage must be hidden from view and unknown to all insureds prior to the collapse;

   (3) weight of contents, equipment, animals, or people;
   (4) weight of ice, snow, sleet, or rain that collects on a roof, porch, or deck; or
(5) use of defective material or methods in the construction (includes remodeling or renovation) of the building structure, if the collapse occurs during the course of the construction of the building structure.

Loss to awnings, fences, patios, pavement, swimming pools, underground pipes, flues, drains, cesspools, septic tanks, foundations (including slabs, basement walls, and crawl space walls), retaining walls, bulkheads, piers, wharfs, docks, trellises, or antennas and their supporting structures is not included under items (2), (3), and (4) immediately above unless the loss is the direct and immediate result of the collapse of a building structure or any part of a building structure.

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

12. Locks and Remote Devices. We will pay up to $1,000 for each loss for the reasonable expenses you incur to rekey, replace, recode, program, or reprogram locks on exterior doors to the dwelling or other structures located on the residence premises when the keys or remote devices used with those doors are part of a covered theft loss. This coverage includes remote devices designed solely for locking, unlocking, opening, or closing doors, including garage doors and gates.

No deductible applies to this coverage.

13. Fuel Oil Release. We will pay up to $10,000 for each loss for accidental direct physical loss to covered property caused by the abrupt and accidental escape of liquid fuel oil from a fixed household tank, apparatus, or pipes that are part of a heating unit for the dwelling. This includes damage to covered property resulting from an accidental spill or overflow of fuel oil in the course of filling a fixed household tank.

This coverage includes surface clean up only. We will not pay for:

a. the cost to repair or replace the fuel oil tank, apparatus, and pipes; or
b. the cost of testing, monitoring, removing, treating, or detoxifying of soil, air, or water.

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

INFLATION COVERAGE
The limit of liability shown in the Declarations for Coverage B will be increased at the same rate as the increase in the Inflation Coverage Index shown in the Declarations.

To find the limit on a given date:

1. divide the Index on that date by the Index as of the effective date of this Inflation Coverage provision; then
2. multiply the resulting factor by the limit of liability for Coverage B.

The limit of liability will not be reduced to less than the amounts shown in the Declarations.

If during the term of this policy the Coverage B limit of liability is changed at your request, the effective date of this Inflation Coverage provision is changed to coincide with the effective date of such change.

SECTION I – LOSSES INSURED

COVERAGE B – PERSONAL PROPERTY
We will pay for accidental direct physical loss to the property described in Coverage B caused by the following perils, unless the loss is excluded or limited in SECTION I – LOSSES NOT INSURED or otherwise excluded or limited in this policy. However, loss does not include and we will not pay for, any diminution in value.

1. Fire or lightning.
2. Windstorm or hail. This peril does not include loss to property contained in a structure caused by rain, snow, sleet, sand, or dust. This limitation does not apply when the direct force of wind or hail damages the structure causing an opening in a roof or wall and the rain, snow, sleet, sand, or dust enters through this opening.

3. Explosion.
4. Riot or civil commotion.
5. **Aircraft**, including self-propelled missiles and spacecraft.

6. **Vehicles**, meaning accidental direct physical loss to covered property caused by the weight, force, power, or movement of a vehicle.
   a. This includes:
      (1) the impact of a vehicle;
      (2) an object propelled from the tire or body of a vehicle;
      (3) the upset or collision of a vehicle with a stationary object or other vehicle, including damage to personal property carried on the exterior of the vehicle; or
      (4) a vehicle door or trunk lid being closed on personal property.
   b. This peril does not include loss:
      (1) to personal property that falls off a vehicle and strikes the ground, any other surface, or any object;
      (2) caused by shifting of the load being carried in or on a vehicle; or
      (3) to the vehicle itself unless the vehicle is property covered under **COVERAGE B – PERSONAL PROPERTY** and the loss is caused by the weight, force, power, or movement of another vehicle.

7. **Smoke**, meaning abrupt and accidental damage from smoke.
   This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. **Vandalism or malicious mischief**, meaning only willful and malicious damage to or destruction of property.

9. **Theft**, including attempted theft and loss of property from a known location when it is probable that the property has been stolen.
   This peril does not include:
   a. loss of a precious or semi-precious stone from its setting;
   b. loss caused by theft:
      (1) committed by an **insured** or by any other person regularly residing on the **insured location**. Property of a student who is an **insured** is covered while located at a residence away from the **residence premises**, if the theft is committed by a person who is not an **insured**;
      (2) in or to a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and occupied; or
      (3) from the part of a **residence premises** rented to others:
         (a) caused by a tenant, members of the tenant’s household, or the tenant’s employees unless the **residence premises** is rented, either completely or in part, for exclusive use as a residence, for no more than 30 nights in the 12-month period prior to the date of the loss;
         (b) of money, bank notes, bullion, gold, goldware, silver, silverware, pewterware, platinum, coins, and medals;
         (c) of:
            (i) securities, checks, cashier’s checks, travelers checks, money orders;
            (ii) gift certificates, gift cards, rechargeable debit cards, phone cards, and other negotiable instruments;
            (iii) accounts, deeds, evidences of debt, letters of credit, notes other than bank notes;
            (iv) manuscripts, passports, tickets; and
            (v) stamps; or
         (d) of jewelry, watches, fur garments and garments trimmed with fur, and precious and semi-precious stones; or
   c. loss caused by theft that occurs away from the **residence premises** of:
(1) property while at any other residence owned, rented to, or occupied by an insured, except while an insured is temporarily residing there. Property of a student who is an insured is covered while at a residence away from the residence premises;

(2) watercraft of all types, including their furnishings, equipment, and outboard motors; or

(3) trailers and campers designed to be pulled by or carried on a vehicle.

If the residence premises is a newly acquired principal residence, property in the immediate past principal residence will not be considered property away from the residence premises for the first 30 days after the inception of this policy.

10. Falling objects. This peril does not include loss to property contained in a structure unless the roof or an exterior wall of the structure is first damaged by a falling object. Damage to the falling object itself is not included.

11. Weight of ice, snow, or sleet that causes damage to property contained in a structure.

12. Abrupt and accidental discharge or overflow of water, steam, or sewage from within a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or from within a household appliance.

This peril does not include loss:

a. to the system or appliance from which the water, steam, or sewage escaped;

b. caused by or resulting from:

(1) freezing;

(2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area; or

(3) the pressure from or presence of tree, shrub, or plant roots; or

c. that occurs or develops over a period of time and is caused by or resulting from:

(1) condensation or the presence of humidity, moisture, or vapor; or

(2) seepage or leakage of water, steam, or sewage that is:

(a) continuous;

(b) repeating;

(c) gradual;

(d) intermittent;

(e) slow; or

(f) trickling.

13. Abrupt and accidental tearing asunder, cracking, burning, or bulging of a steam or hot water heating system, an air conditioning system, an automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss:

a. caused by or resulting from freezing; or

b. that occurs or develops over a period of time and is caused by or resulting from:

(1) condensation or the presence of humidity, moisture, or vapor; or

(2) seepage or leakage of water or steam that is:

(a) continuous;

(b) repeating;

(c) gradual;

(d) intermittent;

(e) slow; or

(f) trickling.

14. Freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include:

a. loss to a portable hot tub or portable spa unless you have used reasonable care to prevent freezing; or
b. loss on the residence premises unless you have used reasonable care to:
   (1) maintain heat in the building structure at 55 degrees Fahrenheit or higher;
   (2) shut off the water supply and drain the system and appliances of water.

However, if the building structure is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building structure at 55 degrees Fahrenheit or higher for coverage to apply.

15. Abrupt and accidental damage to electrical appliances, devices, fixtures, and wiring from an increase or decrease of artificially generated electrical current. We will pay up to $3,000 under this peril for each damaged item described above.

16. Breakage of glass, meaning damage to personal property caused by breakage of glass that is a part of a structure on the residence premises. We will not pay for loss or damage to the glass.

17. Wild bears or deer, meaning damage caused by wild bears or deer to property located in a building structure.

18. Breakage of glass or safety glazing material that is part of a building, storm door, or storm window and is covered under SECTION I – ADDITIONAL COVERAGES, Building Additions and Alterations.

This peril does not include loss on the residence premises if the dwelling is a vacant dwelling.

SECTION I – LOSSES NOT INSURED

1. We will not pay for, under any part of this policy, any loss that would not have occurred in the absence of one or more of the following excluded events. We will not pay for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs abruptly or gradually, involves isolated or widespread damage, occurs on or off the residence premises, arises from any natural or external forces, or occurs as a result of any combination of these:

   a. Ordinance or Law, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building structure or other structure.

   b. Earth Movement, meaning the sinking, rising, shifting, expanding, or contracting of earth, all regardless of whether combined with water, sewage, or any material carried by, or otherwise moved by the earth. Earth movement includes but is not limited to:
      (1) earthquake;
      (2) landslide, mudslide, or mudflow;
      (3) sinkhole or subsidence;
      (4) movement resulting from:
      (a) improper compaction;
      (b) site selection;
      (c) natural resource extraction activities; or
      (d) excavation;
      (5) erosion;
      (6) pressure by surface or subsurface earth or fill; or
      (7) any volcanic activity, except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Volcanic Action.

   However, we will pay for any accidental direct physical loss by fire resulting from earth movement, provided the resulting fire loss is itself a loss insured.

   c. Water, meaning:
      (1) flood;
      (2) surface water. This does not include water solely caused by the release of water from a swimming pool, spigot, sprinkler system, hose, or hydrant;
      (3) waves (including tidal wave, tsunami, and seiche);
      (4) tides or tidal water;
(5) overflow of any body of water (including any release, escape, or rising of any body of water, or any water held, contained, controlled, or diverted by a dam, levee, dike, or any type of water containment, diversion, or flood control device);

(6) spray or surge from any of the items c.(1) through c.(5) described above, all whether driven by wind or not;

(7) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water or sewage that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area;

(8) water or sewage below the surface of the ground, including water or sewage that exerts pressure on, or seeps or leaks through a building structure, sidewalk, driveway, swimming pool, or other structure; or

(9) material carried or otherwise moved by any of the water or sewage, as described in items c.(1) through c.(8) above.

However, we will pay for any accidental direct physical loss by fire, explosion, or theft resulting from water, provided the resulting loss is itself a loss insured.

d. Neglect, meaning neglect of the insured to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.

e. War, including any:

1. undeclared war;
2. civil war;
3. insurrection;
4. rebellion;
5. revolution;
6. warlike act by a military force or military personnel;
7. destruction or seizure or use for a military purpose;

and including any consequence of any of these. Discharge of a nuclear weapon will be considered a warlike act even if accidental.

f. Nuclear Hazard, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke.

However, we will pay for any accidental direct physical loss by fire resulting from the nuclear hazard, provided the resulting fire loss is itself a loss insured.

g. Fungus, including:

1. any loss of use or delay in rebuilding, repairing, or replacing covered property, including any associated cost or expense, due to interference at the residence premises or location of the rebuilding, repair, or replacement, by fungus;

2. any remediation of fungus, including the cost to:
   a. remove the fungus from covered property or to repair, restore, or replace that property;
   b. tear out and replace any part of the building structure or other property as needed to gain access to the fungus;
   c. contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the fungus;

3. the cost of any testing or monitoring of air or property to confirm the type, absence, presence, or level of fungus, whether performed prior to, during, or after removal, repair, restoration, or replacement of covered property.

However, this exclusion does not apply if fungus results from an accidental direct physical loss caused by fire or lightning.
h. **Intentional Losses.** If any insured intentionally causes or procures a loss to property covered under this policy, we will not pay any insured for this loss. This applies regardless of whether the insured is charged with or convicted of a crime.

This does not apply to an insured who did not participate in, cooperate in, or contribute to causing or procuring the loss.

2. **We** will not pay for, under any part of this policy, any loss consisting of one or more of the items below. Further, we will not pay for any loss described in paragraph 1. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to, or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:

   a. conduct, act, failure to act, or decision of any person, group, organization, or governmental body whether intentional, wrongful, negligent, or without fault;

   b. defect, weakness, inadequacy, fault, or unsoundness in:

      (1) planning, zoning, development, surveying, or siting;

      (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;

      (3) materials used in repair, construction, renovation, remodeling, grading, or compaction; or

      (4) maintenance;

   c. weather conditions.

   However, we will pay for any resulting loss from items 2.a., 2.b., and 2.c. unless the resulting loss is itself a Loss Not Insured as described in this Section.

### SECTION I – LOSS SETTLEMENT

Only the Loss Settlement Provision shown in the Declarations applies. We will settle covered property losses according to the following. However, the valuation of any covered property losses does not include, and we will not pay, any amount for **diminution in value**.

**COVERAGE B – PERSONAL PROPERTY**

1. **B1 – Limited Replacement Cost Loss Settlement.**

   a. **We** will pay the cost to repair or replace property covered under **SECTION I – PROPERTY COVERAGES, COVERAGE B – PERSONAL PROPERTY**, except for property listed in item b. below, subject to the following:

      (1) until repair or replacement is completed, we will pay only the actual cash value of the damaged property;

      (2) after repair or replacement is completed, we will pay the difference between the actual cash value and the cost you have actually and necessarily spent to repair or replace the property; and

      (3) if property is not repaired or replaced within two years after the date of loss, we will pay only the actual cash value.

   b. **We** will pay market value at the time of loss for:

      (1) antiques, fine arts, paintings, statuary, and similar articles which by their inherent nature cannot be replaced with new articles; and

      (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs, and collectors items.

   Market Value means the amount a willing buyer would offer and a willing seller would accept in a cash sale on an open market.

   However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:

      (1) our cost to replace at the time of loss;

      (2) the full cost of repair;

      (3) any special limit of liability described in this policy; or

      (4) any applicable Coverage B limit of liability.
2. **B2 – Depreciated Loss Settlement.**

   a. *We* will pay the **actual cash value** for property covered under **SECTION I – PROPERTY COVERAGE, COVERAGE B – PERSONAL PROPERTY**, except for property listed in item b. below.

   b. *We* will pay market value at the time of loss for:

      (1) antiques, fine arts, paintings, statuary, and similar articles which by their inherent nature cannot be replaced with new articles; and

      (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs, and collectors items.

      Market Value means the amount a willing buyer would offer and a willing seller would accept in a cash sale on an open market.

      However, *we* will not pay an amount exceeding the smallest of the following for items a. and b. above:

      (1) *our* cost to replace at the time of loss;

      (2) the full cost of repair;

      (3) any special limit of liability described in this policy; or

      (4) any applicable Coverage B limit of liability.

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**SECTION I – CONDITIONS**

1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, *we* will not be liable:

   a. to the **insured** for an amount greater than the **insured’s** interest; or

   b. for more than the applicable limit of liability.

2. **Your Duties After Loss.** After a loss to which this insurance may apply, **you** must cooperate with **us** in the investigation of the claim and also see that the following duties are performed:

   a. give immediate notice to **us** or **our** agent and also notify:

      (1) the police if the loss is caused by theft, vandalism, or any other criminal act; and

      (2) the credit card company or bank if the loss involves a credit card or bank fund transfer card;

   b. protect the property from further damage or loss and also:

      (1) make reasonable and necessary temporary repairs required to protect the property; and

      (2) keep an accurate record of repair expenses;

   c. prepare an inventory of damaged or stolen personal property:

      (1) showing in detail the quantity, description, age, replacement cost, and amount of loss; and

      (2) attaching all bills, receipts, and related documents that substantiate the figures in the inventory;

   d. as often as **we** reasonably require:

      (1) exhibit the damaged property;

      (2) provide **us** with any requested records and documents and allow **us** to make copies;

      (3) while not in the presence of any other **insured**:

          (a) give statements; and

          (b) submit to examinations under oath; and

      (4) produce employees, members of the **insured’s** household, or others for examination under oath to the extent it is within the **insured’s** power to do so; and

   e. submit to **us**, within 60 days after the loss, **your** signed, sworn proof of loss that sets forth, to the best of **your** knowledge and belief:

      (1) the time and cause of loss;

      (2) interest of the **insured** and all others in the property involved and all encumbrances on the property;

      (3) other insurance that may cover the loss;

      (4) changes in title or occupancy of the property during the term of this policy;
(5) specifications of any damaged structure and detailed estimates for repair of the damage;

(6) an inventory of damaged or stolen personal property described in 2.c.;

(7) receipts for additional living expenses incurred and records supporting the fair rental value loss; and

(8) evidence or affidavit supporting a claim under SECTION I – ADDITIONAL COVERAGES, Credit Card, Bank Fund Transfer Card, Forgery, and Counterfeit Money coverage, stating the amount and cause of loss.

3. Loss to a Pair or Set. In case of loss to a pair or set, we may choose to:
   a. repair or replace any part to restore the pair or set to its value before the loss; or
   b. pay the difference between the depreciated value of the property before the loss and the depreciated value of the property after the loss.

4. Appraisal. If you and we fail to agree on the amount of loss, either party can demand that the amount of the loss be set by appraisal. Only you or we may demand appraisal. A demand for appraisal must be in writing. You must comply with SECTION I – CONDITIONS, Your Duties After Loss before making a demand for appraisal. At least 10 days before demanding appraisal, the party seeking appraisal must provide the other party with written, itemized documentation of a specific dispute as to the amount of the loss, identifying separately each item being disputed.
   a. Each party will select a competent, disinterested appraiser and notify the other party of the appraiser’s identity within 20 days of receipt of the written demand for appraisal.
   b. The appraisers will then attempt to set the amount of the loss of each item in dispute as specified by each party, and jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement will be itemized and state separately the actual cash value, replacement cost, and if applicable, the market value of each item in dispute.

The written report of agreement will set the amount of the loss of each item in dispute and will be binding upon you and us.

c. If the two appraisers fail to agree upon the amount of the loss within 30 days, unless the period of time is extended by mutual agreement, they will select a competent, disinterested umpire and will submit their differences to the umpire. If the appraisers are unable to agree upon an umpire within 15 days:
   (1) you or we may make a written application for a judge of a court of record in the same state and county (or city if the city is not within a county) where the residence premises is located to select an umpire;
   (2) the party requesting the selection described in item c.(1) must provide the other party:
      (a) written notice of the intent to file, identifying the specific location and identity of the court at least 10 days prior to submission of the written application; and
      (b) a copy of the written application; and
   (3) a written report of agreement, as required in item b., signed by any two (appraisers or appraiser and umpire) will set the amount of the loss of each item in dispute and will be binding upon you and us. In all instances the written report of agreement will be itemized and state separately the actual cash value, replacement cost, and if applicable, the market value of each item in dispute.

   d. To qualify as an appraiser or umpire for a loss to building property, a person must be one of the following and be licensed or certified as required by the applicable jurisdiction:
      (1) an engineer or architect with experience and training in building construction, repair, estimating, or investigation of the type of property damage in dispute;
(2) an adjuster or public adjuster with experience and training in estimating the type of property damage in dispute; or
(3) a contractor with experience and training in the construction, repair, and estimating of the type of property damage in dispute.

e. A person may not serve as an appraiser or umpire if that person, any employee of that person, that person’s employer, or any employee of their employer:
   (1) has performed services for either party with respect to the claim at issue in the appraisal; or
   (2) has a financial interest in the outcome of the claim at issue in the appraisal.

f. Each party will be responsible for the compensation of their selected appraiser. Reasonable expenses of the appraisal and the reasonable compensation of the umpire will be paid equally by you and us.

g. You and we do not waive any rights by demanding or submitting to an appraisal, and retain all contractual rights to determine if coverage applies to each item in dispute.

h. Appraisal is only available to determine the amount of the loss of each item in dispute. The appraisers and the umpire have no authority to decide:
   (1) any other questions of fact;
   (2) questions of law;
   (3) questions of coverage;
   (4) other contractual issues; or
   (5) to conduct appraisal on a class-wide basis.

i. Appraisal is a non-judicial proceeding and does not provide for or require arbitration. Neither party will be awarded attorney fees. The appraisal award may not be entered as a judgment in a court.

j. A party may not demand appraisal after that party brings suit or action against the other party relating to the amount of loss.

5. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, **we** will pay only our share of the loss. **Our** share is the proportion of the loss that the applicable limit under this policy bears to the total amount of insurance covering the loss.

6. **Suit Against Us.** No action will be brought against us unless there has been full compliance with all of the policy provisions. Any action by any party must be started within two years after the date of loss or damage.

7. **Our Option.** We may repair or replace any part of the property damaged or stolen with similar property. Any property we pay for or replace becomes our property.

8. **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 agreement with you;
   b. there is an entry of a final judgment; or
   c. there is a filing of an appraisal award with us.

9. **Abandonment of Property.** We need not accept any property abandoned by an insured.

10. **Glass Replacement.** Loss for damage to glass caused by a **loss insured** will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

11. **No Benefit to Bailee.** We will not recognize an assignment or grant coverage for the benefit of a person or organization holding, storing, or transporting property for a fee. This applies regardless of any other provision of this policy.

12. **Recovered Property.** If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may keep the property or we will return it to you. Otherwise, it will become our property. If you choose to keep the property, the loss payment will be adjusted based on the amount you received for the recovered property.
13. **Assignment of Claim.** Assignment to another party of any of your rights or duties under this policy regarding any claim, or any part of any claim, will be invalid and we will not recognize any such assignment, unless we give our written consent. However, once you have complied with all policy provisions, you may assign to another party, in writing, payment of claim proceeds otherwise payable to you.

**SECTION II – LIABILITY COVERAGES**

**COVERAGE L – PERSONAL LIABILITY**

If a claim is made or a suit is brought against an insured for damages because of bodily injury or property damage to which this coverage applies, caused by an occurrence, we will:

1. pay up to our limit of liability for the damages for which the insured is legally liable. We will not pay for criminal restitution; and
2. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any suit ends when the amount we pay for damages, to effect settlement or satisfy a judgment resulting from the occurrence, equals our limit of liability. We will not provide a defense to any insured for criminal prosecution or proceedings.

**COVERAGE M – MEDICAL PAYMENTS TO OTHERS**

*We* will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing bodily injury. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, rehabilitation, pharmaceuticals, orthopedic devices, prosthetic devices, and funeral services. This coverage applies only:

1. to a person on the *insured location* with the permission of an insured;
2. to a person off the *insured location*, if the *bodily injury*:
   a. arises out of a condition on the *insured location* or the ways immediately adjoining;
   b. is caused by the activities of an insured;
   c. is caused by a *residence employee* in the course of the *residence employee’s* employment by an insured; or
   d. is caused by an animal owned by or in the care of an insured; or
3. to a *residence employee* if the occurrence causing bodily injury occurs off the *insured location* and arises out of or in the course of the *residence employee’s* employment by an insured.

**SECTION II – ADDITIONAL COVERAGES**

The following Additional Coverages are subject to all the terms, provisions, exclusions, and conditions of this policy.

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

1. **Claim Expenses.** We will pay:
   a. expenses we incur and costs taxed against an insured in suits we defend. Taxed costs do not include attorney fees;
   b. premiums on bonds required in suits we defend, but not for bond amounts greater than the Coverage L limit. We are not obligated to apply for or furnish any bond;
   c. reasonable expenses an insured incurs at our request. This includes actual loss of earnings (but not loss of other income) up to $250 per day for aiding us in the investigation or defense of claims or suits;
   d. interest the insured is legally liable to pay on damages payable under Coverage L above before a judgment, but only the interest on the lesser of:
      (1) that part of the damages we pay; or
      (2) the Coverage L limit; and
   e. interest on the entire judgment that accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment that does not exceed the limit of liability that applies.

2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by an insured for bodily injury covered under this policy. *We* will not pay for first aid to you or any other insured.
3. **Damage to Property of Others.**
   a. We will pay for property damage to property of others caused by the activities of an insured.
   b. We will not pay more than the smallest of the following amounts:
      (1) replacement cost at the time of loss;
      (2) full cost of repair; or
      (3) the limit of liability shown in the Declarations for Damage to Property of Others for any one occurrence.
   c. We will not pay for property damage:
      (1) for a loss that is recoverable under Section I of this policy. We also will not pay for any applicable deductible regardless of whether the amount of the loss exceeds the deductible;
      (2) caused intentionally by an insured 13 years of age or older;
      (3) to property, other than a rented golf cart, owned by, or rented to an insured, a tenant of an insured, or a resident in your household;
   d. (4) arising out of:
      (a) business pursuits;
      (b) any act or omission in connection with a premises an insured owns, rents, or controls, other than the insured location;
      (c) a condition on the insured location or the ways immediately adjoining; or
      (d) the ownership, maintenance, or use of a motor vehicle, aircraft, or watercraft, including airboat, air cushion, personal watercraft, sail board, or similar type watercraft; or
   e. (5) if a payment is made under COVERAGE L – PERSONAL LIABILITY for the same property damage.

**SECTION II – EXCLUSIONS**

1. Coverage L and Coverage M do not apply to:
   a. bodily injury or property damage that:
      (1) was a result of a:
         (a) willful and malicious; or
         (b) criminal;
         act or omission of the insured;
      (2) was intended by the insured; or
      (3) would have been expected by the insured based on a reasonable person standard.
   However, exclusions a.(2) and a.(3) above do not apply to bodily injury or property damage resulting from the use of reasonable force to protect persons or property.
   Exclusions a.(1), a.(2), and a.(3) above apply to all bodily injury or property damage even if the:
      (1) bodily injury or property damage was sustained by a different person, entity, or property than was expected or intended;
      (2) bodily injury or property damage was of a different kind, quality, or degree than was expected or intended;
      (3) insured lacked the mental capacity to control his or her conduct;
      (4) insured was not charged with or convicted of a criminal act or omission; or
      (5) insured was impaired by drugs or alcohol;
   b. bodily injury or property damage arising out of business pursuits of any insured, except as provided in item c. below. This exclusion does not apply to activities that are ordinarily incident to non-business pursuits;
   c. bodily injury or property damage arising out of the rental of any part of any premises by any insured. This exclusion does not apply:
      (1) to the rental of the residence premises:
         (a) either completely or in part, for exclusive use as a residence, for up to 30
nights in the 12-month period prior to the date of the loss;
(b) in part, for use as a permanent residence, by either one or two full-time roomers or boarders; or
(c) in part, as an office, school, studio, or private garage;
(2) when the dwelling on the residence premises is a two, three, or four family dwelling and you occupy one part and rent the other part to others;
(3) to farm land (without buildings), rented to others, but not to exceed a total of 500 acres, regardless of the number of locations; or
(4) to activities that are ordinarily incident to non-business pursuits;
d. bodily injury or property damage arising out of the rendering or failing to render professional services;
e. bodily injury or property damage arising out of any premises currently owned or rented to any insured which is not an insured location. This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee’s employment by an insured;
f. bodily injury or property damage arising out of the ownership, maintenance, use, loading, or unloading of:
(1) an aircraft. This exclusion does not apply to the ownership, maintenance, use, loading, or unloading of unmanned aircraft systems used as model aircraft:
   (a) solely for recreational or hobby purposes;
   (b) designed to be operated within the visual line of sight of the operator and operated within the visual line of sight of the operator; and
   (c) weighing not more than 55 pounds at the time of operation;
unless the ownership, maintenance, use, loading, or unloading of such aircraft results in:
(a) property damage to any aircraft; or
(b) bodily injury or property damage resulting from interference with an aircraft carrying people regardless of whether the bodily injury or property damage is sustained by people or property on the aircraft or not;
(2) a motor vehicle owned or operated by or rented or loaned to any insured; or
(3) a watercraft:
   (a) owned by or rented to any insured if it has inboard or inboard-outdrive motor power of more than 50 horsepower;
   (b) owned by or rented to any insured if it is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;
   (c) powered by one or more outboard motors with more than 25 total horsepower owned by any insured;
   (d) designated as an airboat, air cushion, or similar type of craft; or
   (e) owned by any insured if it is a personal watercraft using a water jet pump powered by an internal combustion engine as the primary source of propulsion.
This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee’s employment by an insured. Exclusion f.(3) does not apply while the watercraft is on the residence premises;
g. bodily injury or property damage arising out of:
(1) the entrustment by any insured to any person;
(2) the supervision by any insured of any person;
(3) any liability statutorily imposed on any insured; or

(4) any liability assumed through an unwritten or written agreement by any insured; with regard to the ownership, maintenance, or use of any aircraft, watercraft, or motor vehicle not covered under Section II of this policy;

h. bodily injury or property damage caused directly or indirectly by war, including undeclared war, or any warlike act including destruction, seizure, or use for a military purpose, or any consequence of these. Discharge of a nuclear weapon will be considered a warlike act even if accidental;

i. any claim made or suit brought against any insured by:

   (1) any person in the care of any insured because of child care services provided by or at the direction of:

       (a) any insured;

       (b) any employee of any insured; or

       (c) any other person actually or apparently acting on behalf of any insured; or

   (2) any person who makes a claim because of bodily injury to any person in the care of any insured because of child care services provided by or at the direction of:

       (a) any insured;

       (b) any employee of any insured; or

       (c) any other person actually or apparently acting on behalf of any insured.

This exclusion does not apply to the occasional child care services provided by any insured under 19 years of age;

j. bodily injury or property damage arising out of an insured’s participation in, or preparation or practice for, any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized land vehicle or motorized watercraft. This exclusion does not apply to a sailing vessel less than 26 feet in overall length with or without auxiliary power;

k. bodily injury or property damage arising out of the use, sale, manufacture, distribution, delivery, transfer, or possession, by any insured, of any substance that is illegal or is a controlled substance under either federal or state law.

This exclusion does not apply to the legitimate use of legally prescribed drugs, under either federal or state law, by a person following orders of a licensed health care professional;

l. bodily injury or property damage arising out of the actual, alleged, or threatened presence, discharge, dispersal, seepage, migration, release, escape of, or exposure to contaminants or pollutants at or from any source or location.

Contaminants and pollutants include but are not limited to any solid, liquid, gaseous, or thermal irritant, including smoke from agricultural smudging or industrial operations, smog, soot, vapor, fumes, acids, alkalis, chemicals, pathogens, noxious substances, fuel oil, or asbestos.

This exclusion does not apply to bodily injury or property damage arising out of smoke or fumes caused by fire or explosion.

We also do not cover:

(1) any loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that any insured or others:

       (a) test for;

       (b) monitor;

       (c) clean up;

       (d) remove;

       (e) contain;

       (f) treat;

       (g) detoxify;

       (h) neutralize;

       (i) remediate;

       (j) dispose of; or

       (k) in any way respond to or assess the effects of;

       contaminants or pollutants;
(2) any loss, cost, or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of:
(a) testing for;
(b) monitoring;
(c) cleaning up;
(d) removing;
(e) containing;
(f) treating;
(g) detoxifying;
(h) neutralizing;
(i) remediating;
(j) disposing of; or
(k) in any way responding to or assessing the effects of;
contaminants or pollutants; or
(3) contamination or pollution arising out of actually or allegedly defective building materials, nuclear substances, or waste. Waste includes materials to be recycled, reconditioned, or reclaimed;
m. bodily injury or property damage arising out of any actual, alleged, or threatened:
(1) sexual harassment, sexual molestation, or sexual misconduct;
(2) physical or mental abuse; or
(3) corporal punishment;
by the insured;

n. bodily injury or property damage arising out of the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungus at or from any source or location.

We also do not cover any loss, cost, or expense arising out of:
(1) request, demand, order, or statutory or regulatory requirement that any insured or others:
(a) test for;
(b) monitor;
(c) clean up;
(d) remove;
(e) contain;
(f) treat;
(g) detoxify;
(h) neutralize;
(i) remediate;
(j) dispose of; or
(k) in any way respond to or assess the effects of;
fungus; or
(2) claim or suit for damages because of:
(a) testing for;
(b) monitoring;
(c) cleaning up;
(d) removing;
(e) containing;
(f) treating;
(g) detoxifying;
(h) neutralizing;
(i) remediating;
(j) disposing of; or
(k) in any way responding to or assessing the effects of;
fungus;

o. bodily injury or property damage arising out of the ownership, maintenance, or use of systems and equipment used to generate electrical power exceeding 125 percent of the actual electrical power usage by the residence premises in the 12-month period prior to the date of the loss; or

p. bodily injury to a person, caused by an occurrence of lead poisoning, starting:
(1) 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 an insured and ordered that the lead-based substances at the insured location be removed, replaced or securely and permanently covered within 30 days of receipt of the notice; or

(2) upon expiration of an extension of that order granted either by the Department of Human Services or a lead inspector licensed by that department.

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

2. Coverage L does not apply to:
   a. liability:
      (1) for your share of any loss assessment charged against all members of any type of association of property owners; or
      (2) imposed on or assumed by any insured through any unwritten or written contract or agreement. This exclusion does not apply to liability for damages that the insured would have in absence of the contract or agreement;
   b. property damage to property owned by any insured at the time of the occurrence;
   c. property damage to property rented to, used or occupied by, or in the care, custody, or control of any insured at the time of the occurrence. This exclusion does not apply to property damage caused by fire, smoke, explosion, or abrupt and accidental damage from water;
   d. bodily injury to a person eligible to receive any benefits required to be provided or voluntarily provided by an insured under a workers’ compensation, non-occupational disability, or occupational disease law;
   e. bodily injury or property damage for which an insured under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by:
      (1) Nuclear Energy Liability Insurance Association;
      (2) Mutual Atomic Energy Liability Underwriters;
      (3) Nuclear Insurance Association of Canada;
      or
      (4) any of their successors; or
   f. bodily injury or property damage arising out of any real property any insured has sold or transferred. This includes but is not limited to bodily injury or property damage arising out of known, unknown, hidden, or alleged property conditions, problems, or defects.

This exclusion also applies to any property damage to the sold or transferred real property itself. However, this exclusion does not apply to:
   (1) bodily injury arising out of fire, smoke, explosion, electrocution, or carbon monoxide poisoning; or
   (2) property damage arising out of fire, smoke, or explosion.
   g. bodily injury to the Named Insured, spouse or resident children.

3. Coverage M does not apply to bodily injury:
   a. to a residence employee if it occurs off the insured location and does not arise out of or in the course of the residence employee’s employment by an insured;
   b. to a person eligible to receive any benefits required to be provided or voluntarily provided under any workers’ compensation, non-occupational disability, or occupational disease law;
   c. to a person other than a residence employee of an insured, regularly residing on any part of the insured location; or
   d. from nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
   e. to any insured within the meaning of part 9.a., 9.b., or 9.c. of the definition of insured.
SECTION II – CONDITIONS

1. Limit of Liability. The Coverage L limit is shown in the Declarations. This is the limit for all damages from each occurrence for the policy period in which the bodily injury or property damage first occurs, regardless of the number of insureds, claims made, or persons injured. No additional limits or coverage will be available for the occurrence under any additional policy periods while this policy remains in force. The Coverage M limit is shown in the Declarations. This is our limit for all medical expenses for bodily injury to one person as the result of one accident.

2. Severability of Insurance. This insurance applies separately to each insured. This condition does not increase our limit of liability for any one occurrence.

3. Duties After Loss. In case of an accident or occurrence, the insured must cooperate with us in the investigation, settlement, or defense of any claim or suit and also perform the following duties that apply. You must cooperate with us in seeing that these duties are performed:
   
a. give written notice to us or our agent as soon as possible, which sets forth:
      (1) the identity of this policy and the insured;
      (2) reasonably available information on the time, place, and circumstances of the accident or occurrence; and
      (3) names and addresses of any claimants and available witnesses;
   
b. immediately forward to us every notice, demand, summons, or other process relating to the accident or occurrence;
   
c. at our request, assist in:
      (1) making settlement;
      (2) the enforcement of any right of contribution or indemnity against a person or organization who may be liable to an insured;
      (3) the conduct of suits and attend hearings and trials; and
      (4) securing and giving evidence and obtaining the attendance of witnesses to the extent it is within the insured’s power to do so;
   
d. under SECTION II – ADDITIONAL COVERAGES, Damage to Property of Others, exhibit the damaged property if within the insured’s control; and
   
e. the insured must not, except at the insured’s own cost, voluntarily make payments, assume obligations, or incur expenses. This does not apply to expense for first aid to others at the time of the bodily injury.

4. Coverage M Requirements. We may require the following in regard to any Coverage M claim:
   
a. written proof of claim, under oath if required, as soon as possible from the injured person, or when appropriate, someone acting on behalf of that person;
   
b. the injured person’s submission to physical examinations by a physician selected by us when and as often as we reasonably require; and
   
c. any authorizations from the injured person as we may require.

5. Payment of Claim – Coverage M or Damage to Property of Others. Payment under either of these is not an admission of liability by an insured or us.

6. Suit Against Us. No action will be brought against us unless there has been compliance with the policy provisions. No one will have the right to join us as a party to an action against an insured. Further, no action with respect to Coverage L will be brought against us until the obligation of the insured has been determined by final judgment on the merits, after an actual trial or by an agreement signed by us; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Liability.

7. Bankruptcy of an Insured. Bankruptcy or insolvency of an insured will not relieve us of our obligation under this policy.

8. Other Insurance – Coverage L. This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
SECTION I AND SECTION II – CONDITIONS

1. **Policy Period.** This policy applies only to loss under Section I or **bodily injury** or **property damage** under Section II that occurs during the period this policy is in effect.

2. **Concealment or Fraud.** We do not provide coverage to you or any other insured if you or any other insured under this policy has intentionally concealed or misrepresented any material fact or circumstance, engage in fraudulent conduct, or made false statements relating to this insurance, whether before or after a loss.

3. **Liberalization Clause.** If we adopt any revision that would broaden coverage under this policy without additional premium, within 60 days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.

4. **Waiver or Change of Policy Provisions.** A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination does not waive any of our rights.

5. **Cancellation.**
   a. You may cancel this policy at any time by giving us advance written notice of the date cancellation is to take effect. We may waive the requirement that the notice be in writing by confirming the date and time of cancellation to you in writing.
   b. We may cancel this policy only for the reasons stated in this condition. We will notify you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to the last mailing address known to us. If notice is mailed, a post office certificate of mailing will be conclusive proof of receipt of notice on the fifth calendar day after mailing:
      (1) When you have not paid the premium, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect. This condition applies whether the premium is payable to us or our agent or under any finance or credit plan.
      (2) When this policy has been in effect for less than 90 days at the time notice of cancellation is received, and is not a renewal with us, we may cancel for any reason. We may cancel by notifying you at least 25 days before the date cancellation takes effect.
      (3) When this policy has been in effect for 90 days or more, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons and then only by mailing or delivering written notice to you stating when, not less than 30 days thereafter, such cancellation shall be effective:
         (a) your conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;
         (b) discovery of fraud or material misrepresentation by either of the following:
            (i) you or your representative in obtaining this insurance;
            (ii) you in pursuing a claim under this policy;
         (c) discovery of negligent acts or omissions by you substantially increasing any of the hazards insured against;
         (d) physical changes in the insured property which result in the property becoming uninsurable;
         (e) the insured property is vacant and custodial care is not maintained on the property;
         (f) the presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the date of notice;
         (g) the presence of a swimming pool upon the insured property that is not fenced in, in accordance with the standards established in Title 22, section 1631, if the pool remains in non-compliance with those standards for
30 days after notice by us of the defective condition and intent to cancel the policy;

(h) a loss occasioned by a dog bite, unless, after notice of cancellation or nonrenewal is received, the insured removes the dog; or

(i) failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer.

c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. The return premium will be pro rata.

d. The return premium may not be refunded with the notice of cancellation or when this policy is returned to us. In such cases, we will refund it within a reasonable time after the date cancellation takes effect.

6. Nonrenewal. We may elect not to renew this policy. If we elect not to renew, a written notice will be delivered to you, or mailed to the last mailing address known to us. The notice will be mailed or delivered such that it will be received by you at least 30 days before the expiration date of this policy. If notice is mailed, a post office certificate of mailing will be conclusive proof of receipt of notice on the third calendar day after mailing.

This condition does not apply:

a. if we have manifested our willingness to renew; or

b. if you fail to pay any premium when due whether such premium is payable directly or indirectly under any premium finance plan or extension of credit or any advance premium required by us for renewal.

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

7. Assignment of Policy. Assignment of this policy will be invalid and we will not recognize any such assignment, unless we give our written consent.

8. Subrogation and Reimbursement.

a. Subrogation.

(1) Applicable to SECTION I:
If any insured to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That insured must do everything necessary to secure our rights and must do nothing after loss to impair them. However before a loss, an insured may waive in writing all rights of recovery against any person.

(2) Applicable to SECTION II:
If any insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair them. At our request, an insured will bring suit or transfer those rights to us and help us enforce them.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

b. Reimbursement.

If we make payment under this policy and any insured to or for whom we make payment recovers or has recovered from another person or organization, then the insured to or for whom we make payment must:

(1) hold in trust for us the proceeds of any recovery; and

(2) reimburse us to the extent of our payment.

9. Death. If you die:

a. we insure the legal representative of the deceased. This condition applies only with respect to the premises and property of the deceased covered under this policy at the time of death;

b. insured includes:

(1) any member of your household who is an insured at the time of your death, but only while a resident of the residence premises; and
(2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

10. **Conformity to State Law.** When a policy provision is in conflict with the applicable law of the state in which this policy is issued, the law of the state will apply.

11. **Premium.**
   a. Unless as otherwise provided by an alternative payment plan in effect with the State Farm Companies with respect to the premium for this policy, the premium is due and payable in full on or before the first day of the policy period shown in the most recently issued Declarations.
   b. The renewal premium for this policy will be based upon the rates in effect, the coverages carried, the applicable limits, deductibles, and other elements that affect the premium applicable at the time of renewal.
   c. The premium for this policy may vary based upon:
      (1) the purchase of other products or services from the State Farm Companies; or
      (2) an agreement, concerning the insurance provided by this policy, that the State Farm Companies has with an organization of which you are a member, employee, subscriber, licensee, or franchisee.
   d. Your purchase of this policy may allow you to purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products from the State Farm Companies, subject to their applicable eligibility rules.

12. **Right to Inspect.**
   a. We have the right but are not obligated to perform the following:
      (1) make inspections and surveys of the insured location at any time;
      (2) provide you with reports on conditions we find; or
      (3) recommend changes.
   b. We do not:
      (1) make safety inspections;
      (2) undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;
      (3) warrant that conditions are safe or healthful; or
      (4) warrant that conditions comply with laws, regulations, codes, or standards.

This condition applies to us and to any rating, advisory, rate service, or similar organization that makes insurance inspections, surveys, reports, or recommendations on our behalf.

13. **Joint and Individual Interests.** When there are two or more Named Insureds, each acts for all to cancel or change this policy.

14. **Change of Policy Address.** We may change the Named Insured's policy address as shown in the Declarations and in our records to the most recent address provided to us by:
   a. you; or
   b. the United States Postal Service.

15. **Electronic Delivery.** With your consent, we may electronically deliver any document or notice, including a notice to renew, nonrenew, or cancel, instead of mailing it or delivering it by other means.

16. **Our Rights Regarding Claim Information.**
   a. We will collect, receive, obtain, use, and retain all the items described in item b.(1) below and use and retain the information described in item b.(3)(b) below, in accordance with applicable federal and state laws and regulations and consistent with the performance of our business functions.
   b. Subject to 16.a. above, we will not be restricted in or prohibited from:

Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.
(1) collecting, receiving, or obtaining records, receipts, invoices, medical bills, medical records, wage information, salary information, employment information, data, and any other information;

(2) using any of the items described in item b.(1) above; or

(3) retaining:
   (a) any of the items in item b.(1) above; or
   (b) any other information we have in our possession as a result of our processing, handling, or otherwise resolving claims submitted under this policy.

c. We may disclose any of the items in b.(1) above and any of the information described in item b.(3)(b) above:

   (1) to enable performance of our business functions;
   (2) to meet our reporting obligations to insurance regulators;
   (3) to meet our reporting obligations to insurance data consolidators;
   (4) to meet other obligations required by law; and
   (5) as otherwise permitted by law.

d. Our rights under 16.a., 16.b., and 16.c. above will not be impaired by any:

   (1) authorization related to any claim submitted under this policy; or
   (2) act or omission of an insured or a legal representative acting on an insured’s behalf.

17. Duties Regarding Claim Information. An insured or a legal representative acting on an insured’s behalf must provide us with any requested authorizations related to the claim. Our rights as set forth under Our Rights Regarding Claim Information of this policy will not be impaired by any:

   a. authorization related to the claim; or
   b. act or omission of an insured or a legal representative acting on an insured’s behalf.

18. Insurance Inspection Services Exemption From Liability. 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 the 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.
OPTIONAL POLICY PROVISIONS

Each Optional Policy Provision applies only as shown in the Declarations and is subject to all the terms, provisions, exclusions, and conditions of this policy.

Option BP – Business Property. The COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability, item b., for property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, is changed as follows:

The $1,500 limit is replaced with the amount shown in the Declarations for this option.

Option BU – Business Pursuits. SECTION II – EXCLUSIONS, item 1.b. is modified as follows:

1. Section II coverage applies to the business pursuits of an insured who is a:
   a. clerical office employee, salesperson, collector, messenger; or
   b. teacher (except college, university, and professional athletic coaches), school principal, or school administrator;

   while acting within the scope of the above listed occupations.

2. However, no coverage is provided:
   a. for bodily injury or property damage arising out of a business owned or financially controlled by the insured or by a partnership of which the insured is a partner or member;
   b. for bodily injury or property damage arising out of the rendering of or failure to render professional services of any nature (other than teaching or school administration). This exclusion includes but is not limited to:
      (1) computer programming, architectural, engineering, or industrial design services;
      (2) medical, surgical, dental, or other services or treatment conducive to the health of persons or animals; and
      (3) beauty or barber services or treatment;
   c. for bodily injury to a fellow employee of the insured injured in the course of employment; or
   d. when the insured is a member of the faculty or teaching staff of a school or college:
      (1) for bodily injury or property damage arising out of the maintenance, use, loading, or unloading of:
         a. draft or saddle animals, including vehicles for use with them; or
         b. aircraft, motor vehicles, recreational motor vehicles or watercraft, airboats, air cushions, or personal watercraft which use a water jet pump powered by an internal combustion engine as the primary source of propulsion;
         owned, operated, or hired by or for the insured or employer of the insured or used by the insured for the purpose of instruction in the use thereof; or
      (2) under Coverage M for bodily injury to a student arising out of corporal punishment administered by or at the direction of the insured.

Option FA – Firearms. Firearms are covered for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:

1. We will not pay for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
   a. mechanical breakdown, wear and tear, or gradual deterioration;
   b. all animals, birds, or insects, including:
      (1) nesting;
      (2) infestation;
      (3) gnawing;
      (4) feeding;
      (5) breeding; or

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(6) discharge or release of waste products or secretions by animals, birds, or insects. However, we will pay for losses caused by wild bears or deer;

c. any process of refinishing, renovating, or repairing;

d. dampness of atmosphere or extremes of temperatures;

e. inherent defect or faulty manufacture;

f. rust, fouling, or explosion of firearms;

g. breakage, marring, scratching, tearing, or denting unless caused by fire, thieves, or accidents to conveyances; or

h. infidelity of an insured's employees or persons to whom the insured property may be entrusted or rented;

2. Our limit for loss by any Coverage B peril except theft is the limitshown in the Declarations for Coverage B, plus the aggregate limit;

3. Our limits for loss by theft are those shown in the Declarations for this option. These limits apply in lieu of the Coverage B theft limit; and

4. Our limits for loss by any covered peril except those in items 2. and 3. above are those shown in the Declarations for this option.

Option IO – Incidental Business. The coverage provided by this option applies only to that incidental business occupancy on file with us.

1. COVERAGE B – PERSONAL PROPERTY is extended to include equipment, supplies, and furnishings usual and incidental to this business occupancy. This Optional Policy Provision does not include electronic data processing system equipment or the recording or storage media used with that equipment or merchandise held as samples or for sale or for delivery after sale.

The Option IO limits are shown in the Declarations. The first limit applies to property on the residence premises. The second limit applies to property while off the residence premises. These limits are in addition to the COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability on property used or intended for use in a business.

2. Under Section II, the residence premises is not considered business property because an insured occupies a part of it as an incidental business.

3. SECTION II – EXCLUSIONS, item 1.b. is replaced with the following:

b. bodily injury or property damage arising out of business pursuits of any insured, except as provided in item c. below. This exclusion does not apply to activities that are ordinarily incident to non-business pursuits or to business pursuits of an insured that are necessary or incidental to the use of the residence premises as an incidental business;

4. This insurance does not apply to:

a. bodily injury to an employee of an insured arising out of the residence premises as an incidental business other than to a residence employee while engaged in the employee's employment by an insured;

b. bodily injury to a student arising out of corporal punishment administered by or at the direction of the insured;

c. liability arising out of any acts, errors, or omissions of an insured, or any other person for whose acts an insured is liable, resulting from the preparation or approval of:

(1) data;

(2) plans;

(3) designs;

(4) opinions;

(5) reports;

(6) programs;

(7) specifications;

(8) supervisory inspections; or

(9) engineering services;

in the conduct of an insured's incidental business involving data processing, computer consulting, or computer programming; or

d. any claim made or suit brought against any insured by:
(1) any person in the care of any insured because of child care services provided by or at the direction of:
   (a) any insured;
   (b) any employee of any insured; or
   (c) any other person actually or apparently acting on behalf of any insured;

(2) any person who makes a claim because of bodily injury to any person in the care of any insured because of child care services provided by or at the direction of:
   (a) any insured;
   (b) any employee of any insured; or
   (c) any other person actually or apparently acting on behalf of any insured.

Coverage M does not apply to any person indicated in d.(1) and d.(2) above.

This exclusion does not apply to the occasional child care services provided by any insured, or to the part-time child care services provided by any insured under 19 years of age.

Option JF – Jewelry and Furs. Jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones, gold other than goldware, silver other than silverware, and platinum are covered for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss. All provisions and exclusions of SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY, Theft apply to Option JF.

The following additional provisions apply:

1. We will not pay for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
   a. mechanical breakdown, wear and tear, gradual deterioration;
   b. all animals, birds, or insects, including:
      (1) nesting;
      (2) infestation;
      (3) gnawing;
      (4) feeding;
      (5) breeding, or
      (6) discharge or release of waste products or secretions by animals, birds, or insects.
   However, we will pay for losses caused by wild bears or deer;
   c. inherent vice; or
   d. seizure or destruction under quarantine or customs regulations;

2. Our limit for loss by any Coverage B peril except theft is the limit shown in the Declarations for Coverage B, plus the aggregate limit;

3. Our limits for loss by theft are those shown in the Declarations for this option. These limits apply in lieu of the Coverage B theft limit; and

4. Our limits for loss by any covered peril except those in items 2. and 3. above are those shown in the Declarations for this option.

Option SG – Silverware and Goldware Theft. The COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability, item i., for theft of silverware and goldware is increased to be the amount shown in the Declarations for this option.
STANDARD FIRE CONTRACT

This form contains the provisions of the Standard Fire Policy. Whenever the conditions of this form provide liberalization of conditions found in Section I coverage, the terms and conditions of the Standard Fire Policy shall apply.

In Consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Above Specified (or specified in endorsement(s) made a part hereof), this Company, for the term shown above from inception date shown above at 12:01 a.m. (Standard Time) to expiration date shown above at 12:01 a.m. (Standard Time) at location of property involved, to an amount not exceeding the limit of liability above specified, does insure the Insured named in the Declarations above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the Insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described herein while located or contained in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

Concealment, fraud.

This entire policy shall be void if, whether before or after a loss, the insured has wilfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property.

This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included.

This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.

Other Insurance.

Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or (c) as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

Other perils or subjects.

Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions.

The extent of the application of insurance under this policy and of the contribution to be made by this Company in
case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver provisions.

No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

Cancellation of policy.

This policy shall be cancelled at any time at the request of the insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this Company by giving to the insured a ten days’ written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

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 mortgagee 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.

Pro rata liability.

This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case a loss occurs.

The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal.

In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the
appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

Company’s options.

It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention to do so within thirty days after the receipt of the proof of loss herein required.

Abandonment.

There can be no abandonment to this Company of any property.

When loss payable.

The amount of a loss for which this Company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

Suit.

No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within two years next after inception of the loss.

Subrogation.

This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.
This policy is one of the broadest forms available today, and provides you with outstanding value for your insurance dollars. However, we want to point out that every policy contains limitations and exclusions. Please read your policy carefully, especially “Losses Not Insured” and all exclusions.
# CONDOMINIUM UNITOWNERS POLICY

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### STANDARD FIRE CONTRACT
CONDOMINIUM UNITOWNERS POLICY

AGREEMENT

We agree to provide the insurance described in this policy:

1. based on your payment of premium for the coverages you chose;
2. based on your compliance with all applicable provisions of this policy; and
3. based on the information you have given us and your statements in this agreement.

You agree, by acceptance of this policy, that you will pay premiums when due and comply with the provisions of this policy.

When you request changes to this policy, or the information or factors used to calculate the premium for this policy changes during the policy period, we may adjust the premium in accordance with the change during the policy period and you must pay any additional premium due within the time we specify.

DEFINITIONS

We define the following words and phrases for use throughout this policy. These definitions apply to the singular, plural, and possessive forms of these words and phrases. Defined words and phrases are printed in bold italics.

1. “actual cash value” means the replacement cost of damaged property at the time of loss, less the value of physical depreciation as to the damaged property. The term “physical depreciation” means a value as determined according to standard business practices.

2. “association” means the management body of the unitowners collectively.

3. “bodily injury” means physical injury, sickness, or disease to a person. This includes required care, loss of services, and death resulting therefrom. Bodily injury does not include:
   a. any of the following which are communicable:
      (1) disease;
      (2) bacteria;
      (3) parasite;
      (4) virus; or
      (5) other organism;
   b. the actual or alleged exposure to any such:
      (1) disease;
      (2) bacteria;
      (3) parasite;
      (4) virus; or
      (5) other organism
      by any insured to any other person; or
   c. emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury unless it arises out of actual physical injury to some person.

4. “building structure” means a structure fully enclosed with permanent walls and a roof. A permanent wall or roof does not include any kind of temporary materials including but not limited to tarps, plastic sheeting, or other similar material. A structure that is otherwise fully enclosed with permanent walls and a roof, that is undergoing repairs due to a recent loss insured, using materials such as tarps, plastic sheeting, or other similar material, is still considered a building structure.
A building structure includes:

a. the foundation supporting the structure, including:
   (1) slabs;
   (2) basement walls;
   (3) crawl space walls;
   (4) footings; and
   (5) gravel, stone, or sand, used as fill material and located not more than 12 inches directly below a slab described in item a.(1), including water supply lines, domestic water pipes, and sewer pipes located within this fill material; and
b. wall-to-wall carpeting attached to the structure.

5. “business” means any full-time or part-time activity, trade, profession, employment, or occupation or a commercial, mercantile, or industrial undertaking of an economic nature. It does not matter whether it is continuous or regular, is a secondary or supplemental source of income, or is an insured’s principal means of livelihood. Profit and profit motive are irrelevant.

Business does not include:

a. volunteer activities for a not-for-profit or non-profit organization or public agency for which no money is received other than payment of expenses;
b. incidental and infrequent personal economic activity such as a hobby, garage or yard sale, or traditional farm activities when the farm products are intended only for the personal use of the insured;
c. any occasional or part-time self-employed activity by a person under 19 years of age that involves no employees or subcontracted independent contractors and is a type of activity normally performed by persons under 19 years of age, including but not limited to, child care, lawn mowing, or paper delivery;
d. the ownership, maintenance, or use of systems and equipment used to generate electrical power up to but not exceeding 125 percent of the actual electrical power usage by the residence premises in the 12-month period prior to the date of the loss; or
e. ownership of the residence premises by the person or organization shown in the Declarations as Additional Insured.

6. “condominium” means the:

a. condominium;
b. homeowners development;
c. planned unit development;
d. townhouse development;
e. cooperative development; or
f. any similar unit development; governed by the association of all unitowners of which you are a member and in which the residence premises is located.

7. “Declarations” means the policy Declarations, any amended Declarations, the most recent renewal Declarations, an Evidence of Insurance form, or any endorsement changing any of these.

8. “diminution in value” means any reduction in the value of any covered property prior to or following repair or replacement as compared to the value of that property immediately before the loss.

9. “dwelling” means that part of the building structure on the residence premises used as the primary private residence.

10. “fungus” means any type or form of fungus, including:

a. mold;
b. mildew;
c. mycotoxins;
d. spores;
e. scents; or
f. byproducts; produced or released by fungi.

11. “insured” means:

a. you;
b. your relatives; and

c. any other person under the age of 21 in the care of a person described above.

Under Section II, insured also means:

d. the person or organization legally responsible for animals or watercraft to which this policy applies. However, the animal or watercraft must be owned by you or a person included in 11.b. or 11.c. above. A person or organization using or having custody of these animals or watercraft in the course of a business, or without permission of the owner, is not an insured; and

e. with respect to any vehicle to which this policy applies, any person while engaged in your employment or the employment of a person included in 11.b. or 11.c. above.

12. “insured location” means:

a. the residence premises;

b. the part of any other premises, other structures, and grounds used by you as a residence. This includes premises, structures, and grounds you acquire while this policy is in effect for your use as a residence;

c. any premises used by you in connection with the premises included in 12.a. or 12.b. above;

d. any part of a premises not owned by an insured but where an insured is temporarily residing;

e. land owned by or rented to an insured on which a one or two family dwelling is being constructed as a residence for an insured;

f. individual or family cemetery plots or burial vaults owned by an insured;

g. any part of a premises occasionally rented to an insured for purposes other than business;

h. vacant land owned by or rented to an insured. For the purposes of this definition, vacant land does not include:

(1) farm land;

(2) land containing a residence; or

(3) land containing fences, corrals, boat docks, tool sheds, barns, grain bins, and similar structures, unless they are used solely for the personal use of the insured; or

i. farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

13. “loss insured” means a loss as described under SECTION I – LOSSES INSURED, COVERAGE A – BUILDING PROPERTY and SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY.

14. “motor vehicle”, when used in Section II of this policy, means:

a. a land motor vehicle designed for travel on public roads or subject to motor vehicle registration;

b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;

c. a “recreational or utility vehicle” while off an insured location. “Recreational or utility vehicle” means a motorized vehicle designed for recreation or utility purposes, used principally off public roads, and that is owned or leased by an insured. This includes, but is not limited to, a motorized:

(1) all-terrain vehicle;

(2) side-by-side vehicle;

(3) utility work vehicle;

(4) amphibious vehicle;

(5) dune buggy;

(6) go-cart;

(7) golf cart;

(8) snowmobile;

(9) trailbike;

(10) minibike; and

(11) personal assistive mobility device.

“Leased” does not include temporary rental;

d. a “locomotive” while off an insured location. “Locomotive” means a self-propelled vehicle for pulling or pushing freight or passenger cars on
tracks that is large enough to carry a person and is owned or leased by an insured. “Leased” does not include temporary rental;
e. a bulldozer, track loader, backhoe, high-hoe, trencher, grader, crane, self-propelled scraper, excavator, pipe-layer, cherry picker, telehandler, logging vehicle, mining vehicle, or road building vehicle that is owned or leased by an insured while off an insured location. “Leased” does not include temporary rental; and
f. any vehicle while being towed or pushed by or carried on a vehicle included in 14.a. through 14.e. above.
The following are not motor vehicles:
a. a boat, camper, home, or utility trailer not being towed or pushed by or carried on a vehicle included in 14.a. through 14.e. above;
b. a motorized land vehicle in storage on an insured location not intended to be operated for an extended period of time and rendered inoperable by placing the vehicle on blocks or removing parts essential for its operation;
c. a motorized golf cart while used for golfing purposes;
d. a motorized vehicle or trailer designed to assist persons with disabilities that is not designed for travel on public roads or subject to motor vehicle registration; or
e. a commercially manufactured two, three, or four wheeled personal conveyance powered only by or assisted by an unmodified motor or engine with a manufacturer’s power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour.

16. “property damage” means physical damage to or destruction of tangible property, including loss of use of this property. Theft or conversion of property by any insured is not property damage.
17. “relative” means any person related to you by:
   a. blood;
   b. adoption;
   c. marriage; or
d. civil union, domestic partnership, or other substantially similar legal relationship that is recognized and valid in the state where, and at the time when, the legal relationship was established;
   and who resides primarily with you.
18. “residence employee” means an employee of an insured, or an employee leased to an insured by a labor leasing firm under an agreement between an insured and the labor leasing firm, who performs duties, including household or domestic services, in connection with the maintenance or use of the residence premises. This includes employees who perform similar duties elsewhere for you. This does not include employees while performing duties in connection with the business of an insured.
   Any employee of the association in the course of employment by the association is not a residence employee. This limitation does not apply to SECTION I – PROPERTY COVERAGES, COVERAGE D – LOSS ASSESSMENT.
19. “residence premises” means the described premises shown in the Declarations, other structures, and grounds reserved for your exclusive use and occupancy.
20. “similar construction”, when used in SECTION I – LOSS SETTLEMENT, means:
   a. using the same kind and quality of construction techniques and building materials, if available, on the date of loss; or
   b. if the same kind or quality of construction techniques or building materials is not available, construction techniques and building materials of similar kind and quality available on the date of loss.
21. “State Farm Companies” means one or more of the following:
   a. State Farm Mutual Automobile Insurance Company;
   b. State Farm Fire and Casualty Company; and
   c. subsidiaries or affiliates of either 21.a. or 21.b. above.

22. “vacant dwelling” means:
   a. a dwelling:
      (1) that has not been occupied as a residence for more than 60 consecutive days immediately before the loss; and
      (2) where a predominant amount of personal property has been removed or is absent such that the dwelling is not functional as a habitual place of residence.
   A dwelling will be considered occupied only if it is being used as a habitual place of residence with your knowledge and approval.
   b. A dwelling that is under active construction will not be considered a vacant dwelling. A dwelling is under active construction when it is:
      (1) being built as a new structure;

23. “we”, “us”, and “our” mean the Company shown in the Declarations.

24. “you” and “your” mean the person or persons shown as “Named Insured” in the Declarations. If a “Named Insured” shown in the Declarations is a human being, then you and your include:
   a. a spouse of a “Named Insured”;
   b. a party to a civil union with a “Named Insured”;
   c. a domestic partner of a “Named Insured”; or
   d. a person in a substantially similar legal relationship with a “Named Insured”;
   if such relationship is recognized and valid in the state where, and at the time when, the legal relationship was established, so long as the person in the above relationship resides primarily with that “Named Insured”.

DEDUCTIBLE

In case of loss under this policy, we will pay, subject to specified policy limits, only that part of the amount of the loss that exceeds the deductible amount shown in the Declarations. Deductibles will be applied per occurrence. Deductibles apply to specific losses as described in this policy.

SECTION I – PROPERTY COVERAGES

COVERAGE A – BUILDING PROPERTY

1. Building Property. We cover:
   a. alterations, appliances, fixtures, and improvements that are part of the building contained within your unit;
   b. items of real property that pertain exclusively to your unit; or
   c. property that is your insurance responsibility under the governing rules of the condominium.

This coverage also includes your share of any association deductible but only when the deductible is not assessed against all unitowners.

2. Property Not Covered. We do not cover:
   a. land, including the land necessary to support any Coverage A property. We also do not cover:
      (1) any costs required to replace, rebuild, stabilize, or otherwise restore the land; or
(2) the costs of repair techniques designed to compensate for or prevent land instability to any property, whether or not insured under Coverage A;

b. trees, shrubs, live or artificial plants, lawns, or artificial grass, except as provided in SECTION I – ADDITIONAL COVERAGE, Trees, Shrubs, and Landscaping; or

c. systems and equipment used to generate electrical power exceeding 125 percent of the actual electrical power usage by the residence premises in the 12-month period prior to the date of the loss.

COVERAGE B – PERSONAL PROPERTY

1. Property Covered.
   a. We cover personal property owned or used by an insured while it is anywhere in the world. This includes structures not permanently attached to or otherwise forming part of the reality. At your request, we will cover personal property:
      (1) owned by others while the property is on the part of the residence premises occupied exclusively by an insured;
      (2) owned by a guest or a residence employee, while the property is in any other residence occupied by an insured; and
      (3) owned by roomers, boarders, tenants, and other residents, any of whom are related to you.
   b. We cover personal property usually located at an insured’s residence, other than the residence premises, for up to $1,000 or 10% of the Coverage B limit, whichever is greater. This limitation does not apply to personal property:
      (1) in a newly acquired principal residence for the first 30 days after you start moving the property there. If the residence premises is a newly acquired principal residence, personal property in your immediate past principal residence is not subject to this limitation for the first 30 days after the inception of this policy; and
      (2) of a student who is an insured while located at a residence away from the residence premises.

Special Limits of Liability. These limits do not increase the Coverage B limit. The special limit for each of the following categories is the total limit for each loss for all property in that category:

   a. $200 on:
      (1) money, coins, and medals, including any of these that are a part of a collection;
      (2) bank notes;
      (3) bullion;
      (4) gold other than goldware;
      (5) silver other than silverware; and
      (6) platinum;

   b. $1,500 on property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, while on the residence premises. This coverage is limited to $750 on such property away from the residence premises.

Electronic data processing system equipment or the recording or storage media used with that equipment is not included under this coverage, and is addressed in item c. below;

c. $10,000 in the aggregate on electronic data processing system equipment used or intended for use in a business, including but not limited to:
      (1) computers;
      (2) tablets;
      (3) mobile personal communication equipment;
      (4) global positioning systems;
      (5) mobile personal electronic devices used for the reproduction of sound; and
      (6) standard media or non-media equipment for use with the above devices;

d. $1,500 in the aggregate on:
      (1) securities, checks, cashier’s checks, travelers checks, money orders;
(2) gift certificates, gift cards, rechargeable debit cards, phone cards, and other negotiable instruments;
(3) accounts;
(4) deeds;
(5) evidences of debt;
(6) letters of credit;
(7) notes other than bank notes;
(8) manuscripts;
(9) passports; and
(10) tickets;
e. $1,500 on watercraft of all types and outboard motors, including their trailers, furnishings, and equipment;
f. $1,500 on trailers not used with watercraft;
g. $2,500 on stamps, trading cards, and comic books, including any of these that are a part of a collection;
h. $2,500 for loss by theft of firearms;
i. $2,500 for loss by theft of silverware and goldware;
j. $5,000 on any one article and $10,000 in the aggregate for loss by theft of any:
   (1) rug;
   (2) carpet (except wall-to-wall carpet);
   (3) tapestry;
   (4) wall-hanging; or
   (5) other similar article;
k. $1,000 on commercially manufactured two, three, or four wheeled personal conveyances powered only by or assisted by an unmodified motor or engine with a manufacturer’s power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour. This does not include such conveyances that are:
   (1) designed for assisting persons with disabilities;
   (2) not designed for travel on public roads; and
(3) not subject to motor vehicle registration; and
l. $1,000 for loss by theft of jewelry, watches, fur garments and garments trimmed with fur, and precious and semi-precious stones.

2. Property Not Covered. We do not cover:
a. articles separately described and specifically insured in this or any other insurance;
b. animals, birds, or fish;
c. any engine-propelled or motor-propelled vehicle or machine, including parts, designed for movement on land, except as provided in Special Limits of Liability, item k. However, we do cover those vehicles or machines:
   (1) that are:
      (a) not designed for travel on public roads; and
      (b) not subject to motor vehicle registration;
   (2) and that are:
      (a) used primarily to service the insured location; or
      (b) designed for assisting persons with disabilities;
d. any electronic equipment, devices, or accessories designed for the recording, reproduction, or storage of audio, video, photos, or other data that is:
   (1) permanently installed in or permanently fastened to an engine-propelled or motor-propelled vehicle; or
   (2) hard-wired directly to the vehicle’s electrical system.
   We also do not cover removable products that may be used with the equipment or devices described above, including but not limited to tapes, discs, videos, or memory cards while in an engine-propelled or motor-propelled vehicle;
e. aircraft and parts. This does not apply to unmanned aircraft systems used as model aircraft and operated solely for recreational or hobby purposes;
f. property of roomers, boarders, tenants, and other residents not related to you;

g. property regularly rented or held for rental to others by an insured. This does not apply to property of an insured:

1. in a sleeping room when the dwelling is rented in part, for use as a permanent residence, by either one or two full-time roomers or boarders; or

2. on the residence premises if it is rented, either completely or in part, for exclusive use as a residence, for no more than 30 nights in the 12-month period prior to the date of the loss;

h. property rented or held for rental to others away from the residence premises;

i. any radio devices or transmitters, global positioning systems, radar or laser detectors, antennas, and all other similar equipment that is:

1. permanently installed in or permanently fastened to an engine-propelled or motor-propelled vehicle; or

2. that is hard-wired directly to the vehicle’s electrical system;

j. (1) books or records of accounts receivable;

(2) abstracts or other journals;

(3) architectural or technical drawings;

(4) card index systems; or

(5) other records.

This does not apply to any recording or storage media for electronic data processing. We will cover the cost of blank books, cards, or other blank material plus the cost of labor you incur for transcribing or copying such records;

k. recording or storage media for electronic data processing that cannot be replaced with property of like kind and quality on the current retail market;

l. purchased or created audio, video, photos, or other data that:

1. cannot be replaced with like kind and quality on the current retail market; and

(2) is transferred or downloaded onto:

a. mobile communication equipment;

b. global positioning systems; or

c. electronic devices designed for the recording, reproduction, or storage of audio, video, photos, or other data;

m. contraband, or any property used in the course of illegal consumption, possession, import, export, or trade;

n. outdoor hardscape property used for aesthetic purposes except as provided in SECTION I – ADDITIONAL COVERAGEs, Trees, Shrubs, and Landscaping;

o. electronic currency, digital currency, virtual currency, crypto-currency, and other similar mediums of exchange; or

p. personal property collectively owned by unit-owners of the condominium.

COVERAGE C – LOSS OF USE

The most we will pay for the sum of all losses combined under Additional Living Expense, Fair Rental Value, and Prohibited Use is the limit of liability shown in the Declarations for Coverage C – Loss of Use.

1. Additional Living Expense. When a loss insured causes the residence premises to become uninhabitable, we will pay the reasonable and necessary increase in cost incurred by an insured to maintain their normal standard of living for up to 24 months. Our payment is limited to incurred costs for the shortest of:

a. the time required to repair or replace the premises;

b. the time required for your household to settle elsewhere; or

c. 24 months.

This period of time is not limited by the expiration of this policy.

We will not pay more than the limit of liability shown in the Declarations for Coverage C – Loss of Use. Any normal expenses that are reduced or discontinued due to a loss insured will be subtracted from any amount owed.
2. **Fair Rental Value.** When a **loss insured** causes that part of the **residence premises** rented to others or held for rental by **you** to become uninhabitable, we will pay its fair rental value. Payment will be for the shortest time required to repair or replace the part of the premises rented or held for rental, but not to exceed 12 months. This period of time is not limited by the expiration of this policy. Fair rental value will not include any expense that does not continue while that part of the **residence premises** rented or held for rental is uninhabitable.

3. **Prohibited Use.** We will pay Additional Living Expense and Fair Rental Value, for a continuous period not to exceed two weeks, beginning when a civil authority issues an order of evacuation or prohibits your use of the **residence premises**, provided that:
   a. direct physical damage occurs to any property, other than covered property located on the **residence premises**, arising from a cause of loss that would be a **loss insured** under this policy if the damage had occurred to property on the **residence premises**;
   b. the **residence premises** is within one mile of property damaged by a cause of loss identified in 3.a. above; and
   c. the action of the civil authority is taken in response to:
      1) dangerous physical conditions resulting from the continuation of the cause of loss identified in 3.a. above;
      2) dangerous physical conditions resulting from the damage caused by the cause of loss identified in 3.a. above; or
      3) the need to gain free access to property damaged by the cause of loss identified in 3.a. above.

   **We** will not pay for loss or expense due to cancellation of a lease or agreement.

**COVERAGE D – LOSS ASSESSMENT**

**We** will pay for your share of any assessment charged against all unitowners by the **association**, when the assessment is made as a result of:

1. a direct physical loss to **condominium** property (including personal property) owned by all unitowners collectively that occurs during the policy period to which **Section I** of this policy would apply, unless the loss is excluded or limited in **SECTION I – LOSSES NOT INSURED**. Any Earthquake and Volcanic Explosion Endorsement applicable to Coverage A will also apply to Coverage D;

2. an occurrence during the policy period to which **Section II** of this policy would apply;

3. damages that occur during the policy period that the **association** may be obligated to pay because of personal injury due to:
   a. false arrest;
   b. false imprisonment;
   c. wrongful eviction;
   d. wrongful entry;
   e. wrongful detention;
   f. malicious prosecution;
   g. misrepresentation; or
   h. humiliation;

4. illegal discrimination (unless coverage is prohibited by law) that occurs during the policy period, but only with respect to liability other than fines and penalties imposed by law; or

5. libel, slander, defamation of character, or invasion of rights of privacy that occur during the policy period.

**We** will not pay your share of any assessment charged against all unitowners by the **association** made as a result of items 1. through 5. above that does not occur within the policy period.

**Limit of Liability.** The **COVERAGE D – LOSS ASSESSMENT** limit is shown in the **Declarations**. The most **we** will pay for all assessments arising out of the same event from items 1. through 5. above is the amount shown in the **Declarations**.

**SECTION I – ADDITIONAL COVERAGES**

The following Additional Coverages are subject to all the terms, provisions, exclusions, and conditions of this policy.

1. **Debris Removal.** **We** will pay the reasonable expenses **you** incur in the removal of debris of covered property damaged by a **loss insured**. This expense is included in the limit applying to the damaged property. The following coverages and limits also apply:
2. Temporary Repairs. If damage is caused by a loss insured, we will pay the reasonable and necessary cost you incur for temporary repairs to covered property to protect the property from further immediate damage or loss. This coverage does not increase the limit applying to the property being repaired.

3. Trees, Shrubs, and Landscaping. We will pay for accidental direct physical loss to outdoor:
   a. trees, shrubs, live or artificial plants, and lawns;
   b. artificial grass; and
   c. hardscape property used for aesthetic purposes not permanently affixed to realty;

   on the residence premises, caused by the following perils: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles (not owned or operated by a resident of the residence premises), Vandalism or malicious mischief, or Theft.

   The limit for this coverage, including the removal of debris, will not exceed 5% of the amount shown in the Declarations for COVERAGE B – PERSONAL PROPERTY. We will not pay more than $750 for any one outdoor tree, shrub, plant, or hardscape item, including debris removal expense. This coverage may increase the limit otherwise applicable. We will not pay for any loss to property grown for business purposes.

4. Fire Department Service Charge. We will pay up to $500 per occurrence for fire department charges incurred when the fire department is called to save or protect Coverage A property from fire, lightning, or explosion. No deductible applies to this coverage. This coverage may increase the limit otherwise applicable.

5. Property Removed. We will pay for any accidental direct physical loss to covered property while being removed from a premises endangered by a loss insured. This coverage also applies to the property for up to 30 days while removed. We will also pay for reasonable expenses incurred by you for the removal and return of the covered property. This coverage does not increase the limit applying to the property being removed.

   a. We will pay up to $1,000 for:
      (1) the legal obligation of an insured to pay because of the theft or unauthorized use of credit cards and bank fund transfer cards issued to or registered in an insured’s name. If an insured has not complied with all terms and conditions under which the cards are issued, we will not pay for use by an insured or anyone else;
      (2) loss to an insured caused by forgery or alteration of any check or negotiable instrument; and
      (3) loss to an insured through acceptance in good faith of counterfeit United States or Canadian paper currency.

   No deductible applies to this coverage.

We will not pay more than the limit stated above for forgery or alteration committed by any one person. This limit applies when the forgery or alteration involves one or more instruments in the same loss.
b. **We** will not pay for loss arising out of *business* pursuits or dishonesty of an *insured*.

c. **Defense:**

(1) *We* may make any investigation and settle any claim or suit that *we* decide is appropriate. *Our* obligation to defend claims or suits ends when the amount *we* pay for the loss equals *our* limit of liability.

(2) If claim is made or a suit is brought against an *insured* for liability under the Credit Card or Bank Fund Transfer Card coverage, *we* will provide a defense. This defense is at *our* expense by counsel of *our* choice.

(3) *We* have the option to defend at *our* expense an *insured* or an *insured's* bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Power Interruption.** *We* will pay for accidental direct physical loss caused directly or indirectly by a change of temperature that results from power interruption that takes place on the *residence premises*. The power interruption must be caused by a *loss insured* occurring on the *residence premises*. The power lines off the *residence premises* must remain energized. This coverage does not increase the limit applying to the damaged property.

8. **Refrigerated Products.** Coverage B is extended to cover the contents of deep freeze or refrigerated units on the *residence premises* for loss due to power failure or mechanical failure. If mechanical failure or power failure is known to *you*, all reasonable means must be used to protect the property insured from further damage or no coverage will be provided. Power failure or mechanical failure does not include:

   a. removal of a plug from an electrical outlet; or
   b. turning off an electrical switch unless caused by a *loss insured*.

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

9. **Arson Reward.** *We* will pay $1,000 for information that leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable.

However, the $1,000 limit will not be increased regardless of the number of persons providing information.

10. **Volcanic Action.** *We* will pay for accidental direct physical loss to a covered *building structure* or covered property contained in a *building structure* resulting from the eruption of a volcano when the loss is directly and immediately caused by:

   a. airborne volcanic shock waves;
   b. ash, dust, or particulate matter; or
   c. lava flow.

*We* will also pay for the removal of that ash, dust, or particulate matter that has caused accidental direct physical loss to a covered *building structure* or covered property contained in a *building structure*.

All volcanic eruptions that occur within any 168-hour period will be considered one volcanic eruption.

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

11. **Collapse.** *We* will pay for accidental direct physical loss to covered property involving the abrupt, entire collapse of a *building structure* or any part of a *building structure*.

   a. Collapse means the abrupt and entire falling down, caving in, or falling into pieces of a *building structure* or any part of a *building structure*. Collapse does not include any of the following:

      (1) settling, cracking, crumbling, deterioration, shrinking, bulging, expansion, sagging, bowing, leaning, or bending;
      (2) substantial structural impairment;
      (3) imminent or threatened collapse;
      (4) a *building structure* or any part of a *building structure* that is in danger of falling down or caving in; or
      (5) a part of a *building structure* that is standing even if:

         (a) it has separated from another part of the *building structure*; or
         (b) it shows evidence of settling, cracking, crumbling, deterioration, shrinking,
bulging, expansion, sagging, bowing, leaning, or bending.

b. The collapse must be directly and immediately caused by one or more of the following:

1. perils described in SECTION I – LOSSES INURED, COVERAGE B – PERSONAL PROPERTY. These perils apply to building structures covered under Coverage A or Coverage B for loss insured by this Additional Coverage;

2. decay or deterioration of, or damage from animals, birds, or insects to:
   a. a connector; or
   b. a structural member of a building structure;

   The decay, deterioration, or damage must be hidden from view and unknown to all insureds prior to the collapse;

3. weight of contents, equipment, animals, or people;

4. weight of ice, snow, sleet, or rain that collects on a roof, porch, or deck; or

5. use of defective material or methods in the construction (includes remodeling or renovation) of the building structure, if the collapse occurs during the course of the construction of the building structure.

Loss to awnings, fences, patios, pavement, swimming pools, underground pipes, flues, drains, cesspools, septic tanks, foundations (including slabs, basement walls, and crawl space walls), retaining walls, bulkheads, piers, wharfs, docks, trellises, or antennas and their supporting structures is not included under items (2), (3), and (4) immediately above unless the loss is the direct and immediate result of the collapse of a building structure or any part of a building structure.

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

12. Locks and Remote Devices. We will pay up to $1,000 for each loss for the reasonable expenses you incur to rekey, replace, recode, program, or reprogram locks on exterior doors to the dwelling or other structures located on the residence premises when the keys or remote devices used with those doors are part of a covered theft loss. This coverage includes remote devices designed solely for locking, unlocking, opening, or closing doors, including garage doors and gates.

No deductible applies to this coverage.

13. Fuel Oil Release. We will pay up to $10,000 for each loss for accidental direct physical loss to covered property caused by the abrupt and accidental escape of liquid fuel oil from a fixed household tank, apparatus, or pipes that are part of a heating unit for the dwelling. This includes damage to covered property resulting from an accidental spill or overflow of fuel oil in the course of filling a fixed household tank.

This coverage includes surface clean up only. We will not pay for:

a. the cost to repair or replace the fuel oil tank, apparatus, and pipes; or

b. the cost of testing, monitoring, removing, treating, or detoxifying of soil, air, or water.

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

14. Tear Out. If a loss insured to Coverage A property is caused by water, steam, or sewage escaping from a system or appliance, we will also pay the reasonable cost you incur to tear out and replace only that particular part of the building structure or condominium unit owned by you necessary to gain access to the specific point of that system or appliance from which the water, steam, or sewage escaped. We will not pay for the cost of repairing or replacing the system or appliance itself. This coverage does not increase the limit applying to Coverage A property.

INFLATION COVERAGE

The limits of liability shown in the Declarations for Coverage A and Coverage B will be increased at the same rate as the increase in the Inflation Coverage Index shown in the Declarations.

To find the limits on a given date:
1. divide the Index on that date by the Index as of the effective date of this Inflation Coverage provision; then
2. multiply the resulting factor by the limits of liability for Coverage A and Coverage B separately.

The limits of liability will not be reduced to less than the amounts shown in the Declarations.

If during the term of this policy the Coverage B limit of liability is changed at your request, the effective date of this Inflation Coverage provision is changed to coincide with the effective date of such change.

This Inflation Coverage provision does not apply to the limit of liability of Coverage A when both:
1. the limit of liability of Coverage B is less than $10,000; and
2. the limit of liability of Coverage A is no more than $1,000.

SECTION I – LOSSES INSURED

COVERAGE A – BUILDING PROPERTY AND
COVERAGE D – LOSS ASSESSMENT

We will pay for accidental direct physical loss to the property described in Coverage A and Coverage D, unless the loss is excluded or limited in SECTION I – LOSSES NOT INSURED or otherwise excluded or limited in this policy. However, loss does not include and we will not pay for, any diminution in value.

COVERAGE B – PERSONAL PROPERTY

We will pay for accidental direct physical loss to the property described in Coverage B caused by the following perils, unless the loss is excluded or limited in SECTION I – LOSSES NOT INSURED or otherwise excluded or limited in this policy. However, loss does not include and we will not pay for, any diminution in value.

1. Fire or lightning.
2. Windstorm or hail. This peril does not include loss to property contained in a structure caused by rain, snow, sleet, sand, or dust. This limitation does not apply when the direct force of wind or hail damages the structure causing an opening in a roof or wall and the rain, snow, sleet, sand, or dust enters through this opening.

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard motors, only while inside a building structure.

3. Explosion.
4. Riot or civil commotion.
5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicles, meaning accidental direct physical loss to covered property caused by the weight, force, power, or movement of a vehicle.
   a. This includes:
      (1) the impact of a vehicle;
      (2) an object propelled from the tire or body of a vehicle;
      (3) the upset or collision of a vehicle with a stationary object or other vehicle, including damage to personal property carried on the exterior of the vehicle; or
      (4) a vehicle door or trunk lid being closed on personal property.
   b. This peril does not include loss:
      (1) to personal property that falls off a vehicle and strikes the ground, any other surface, or any object;
      (2) caused by shifting of the load being carried in or on a vehicle; or
      (3) to the vehicle itself unless the vehicle is property covered under COVERAGE B – PERSONAL PROPERTY and the loss is caused by the weight, force, power, or movement of another vehicle.

7. Smoke, meaning abrupt and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.
8. **Vandalism or malicious mischief**, meaning only willful and malicious damage to or destruction of property.

9. **Theft**, including attempted theft and loss of property from a known location when it is probable that the property has been stolen.

This peril does not include:

a. loss of a precious or semi-precious stone from its setting;

b. loss caused by theft:

- (1) committed by an **insured** or by any other person regularly residing on the **insured location**. Property of a student who is an **insured** is covered while located at a residence away from the **residence premises**, if the theft is committed by a person who is not an **insured**;

- (2) in or to a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and occupied; or

- (3) from the part of a **residence premises** rented to others:

  a. caused by a tenant, members of the tenant’s household, or the tenant’s employees unless the **residence premises** is rented, either completely or in part, for exclusive use as a residence, for no more than 30 nights in the 12-month period prior to the date of the loss;

  b. of money, bank notes, bullion, gold, goldware, silver, silverware, pewterware, platinum, coins, and medals;

  c. of:

    - (i) securities, checks, cashiers checks, travelers checks, money orders;

    - (ii) gift certificates, gift cards, rechargeable debit cards, phone cards, and other negotiable instruments;

    - (iii) accounts, deeds, evidences of debt, letters of credit, notes other than bank notes;

    - (iv) manuscripts, passports, tickets; and

    - (v) stamps; or

- (d) of jewelry, watches, fur garments and garments trimmed with fur, and precious and semi-precious stones; or

b. loss caused by theft that occurs away from the **residence premises** of:

- (1) property while at any other residence owned, rented to, or occupied by an **insured**, except while an **insured** is temporarily residing there. Property of a student who is an **insured** is covered while at a residence away from the **residence premises**;

- (2) watercraft of all types, including their furnishings, equipment, and outboard motors; or

- (3) trailers and campers designed to be pulled by or carried on a vehicle.

If the **residence premises** is a newly acquired principal residence, property in the immediate past principal residence will not be considered property away from the **residence premises** for the first 30 days after the inception of this policy.

10. **Falling objects.** This peril does not include loss to property contained in a structure unless the roof or an exterior wall of the structure is first damaged by a falling object. Damage to the falling object itself is not included.

11. **Weight of ice, snow, or sleet** that causes damage to property contained in a structure.

12. **Abrupt and accidental discharge or overflow** of water, steam, or sewage from within a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or from within a household appliance.

This peril does not include loss:

a. to the system or appliance from which the water, steam, or sewage escaped;

b. caused by or resulting from:
(1) freezing;
(2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area; or
(3) the pressure from or presence of tree, shrub, or plant roots; or

c. that occurs or develops over a period of time and is caused by or resulting from:
(1) condensation or the presence of humidity, moisture, or vapor; or
(2) seepage or leakage of water, steam, or sewage that is:
(a) continuous;
(b) repeating;
(c) gradual;
(d) intermittent;
(e) slow; or
(f) trickling.

14. Freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include:
a. loss to a portable hot tub or portable spa unless you have used reasonable care to prevent freezing; or
b. loss on the residence premises unless you have used reasonable care to:
   (1) maintain heat in the building structure at 55 degrees Fahrenheit or higher; or
   (2) shut off the water supply and drain the system and appliances of water.

However, if the building structure is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building structure at 55 degrees Fahrenheit or higher for coverage to apply.

15. Abrupt and accidental damage to electrical appliances, devices, fixtures, and wiring from an increase or decrease of artificially generated electrical current. We will pay up to $3,000 under this peril for each damaged item described above.

16. Breakage of glass, meaning damage to personal property caused by breakage of glass that is a part of a structure on the residence premises. We will not pay for loss or damage to the glass.

17. Wild bears or deer, meaning damage caused by wild bears or deer to property located in a building structure.
SECTION I – LOSSES NOT INSURED

1. We will not pay for any loss to the property described in Coverage A and Coverage D that consists of, or is directly and immediately caused by, one or more of the perils listed in items a. through m. below, regardless of whether the loss occurs abruptly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

   a. collapse, except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Collapse;

   b. freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system or of a household appliance; or discharge, leakage, or overflow from within the system or appliance caused by freezing. This does not apply if you have used reasonable care to:
      (1) maintain heat in the building structure at 55 degrees Fahrenheit or higher; or
      (2) shut off the water supply and drain the system and appliances of water.

   However, if the building structure is protected by an automatic fire protective sprinkler system, you must use reasonable care to continue the water supply and maintain heat in the building structure at 55 degrees Fahrenheit or higher for coverage to apply;

   c. freezing, thawing, pressure, or weight of water, ice, snow, or sleet, whether driven by wind or not, to:
      (1) a swimming pool, hot tub, or spa, including their covers, filtration, and circulation systems; or
      (2) awning;
      (3) fence;
      (4) pavement;
      (5) patio;
      (6) foundation (including slabs, basement walls, crawl space walls, and footings);
      (7) retaining wall;
      (8) bulkhead;
      (9) pier;
      (10) wharf; or
      (11) dock;

   d. theft in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and occupied;

   e. theft, vandalism, malicious mischief, or breakage of glass and safety glazing materials if the dwelling is a vacant dwelling;

   f. seepage or leakage of water, steam, or sewage that occurs or develops over a period of time:
      (1) and is:
         (a) continuous;
         (b) repeating;
         (c) gradual;
         (d) intermittent;
         (e) slow; or
         (f) trickling; and
      (2) from a:
         (a) heating, air conditioning, or automatic fire protective sprinkler system;
         (b) household appliance; or
         (c) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings, or floors.

   We also will not pay for losses arising from condensation or the presence of humidity, moisture, or vapor that occurs or develops over a period of time;

   g. wear, tear, decay, marring, scratching, deterioration, inherent vice, latent defect, or mechanical breakdown;

   h. corrosion, electrolysis, or rust;

   i. wet or dry rot;

   j. contamination or pollution, meaning the presence, discharge, dispersal, seepage, migration, release, or escape of contaminants or pollutants at or from
any source. This does not apply if the presence, discharge, dispersal, seepage, migration, release, or escape is itself caused by a peril described in SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY.

(1) Contaminants and pollutants include but are not limited to any:
   (a) solid, liquid, gaseous, or thermal irritant, including smoke from agricultural smudging or industrial operations, smog, soot, vapor, fumes, acids, alkalis, chemicals, pathogens, noxious substances, asbestos, or lead;
   (b) contaminants or pollutants resulting from any natural resource extraction activities; or
   (c) fuel oil except as specifically provided in SECTION I – ADDITIONAL COVERAGES, Fuel Oil Release.

(2) We also will not pay for:
   (a) losses arising from contamination or pollution caused by or resulting from defective building materials, nuclear substances, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed;
   (b) the cost to extract contaminants or pollutants from land, water, or air, or the cost to remove, restore, or replace contaminated or polluted land, water, or air; or
   (c) the cost of testing, monitoring, cleaning, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or assessing the effects of contaminants or pollutants;

k. settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations, (including slabs, basement walls, crawl space walls, and footings), walls, floors, roofs, or ceilings;

l. all animals, birds, or insects.

(1) This includes:
   (a) nesting, infestation, gnawing, feeding, breeding, or discharge or release of waste products or secretions by animals, birds, or insects;

   (b) costs to remove animals, birds, or insects from the covered property; and

   (c) costs to prevent the animals, birds, or insects from returning to the property;

(2) However, we will pay for:
   (a) losses caused by wild bears or deer; and

   (b) the breakage of glass or safety glazing material that is a part of a building structure, when caused by animals, birds, or insects;

m. pressure from or presence of tree, shrub, or plant roots.

However, we will pay for any resulting loss from items a. through l. unless the resulting loss is itself a Loss Not Insured as described in this Section.

2. We will not pay for, under any part of this policy, any loss that would not have occurred in the absence of one or more of the following excluded events. We will not pay for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs abruptly or gradually, involves isolated or widespread damage, occurs on or off the residence premises, arises from any natural or external forces, or occurs as a result of any combination of these:

a. Ordinance or Law, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building structure or other structure.

b. Earth Movement, meaning the sinking, rising, shifting, expanding, or contracting of earth, all regardless of whether combined with water, sewage, or any material carried by, or otherwise moved by the earth. Earth movement includes but is not limited to:

   (1) earthquake;

   (2) landslide, mudslide, or mudflow;

   (3) sinkhole or subsidence;
(4) movement resulting from:
   (a) improper compaction;
   (b) site selection;
   (c) natural resource extraction activities; or
   (d) excavation;
(5) erosion;
(6) pressure by surface or subsurface earth or fill; or
(7) any volcanic activity, except as specifically provided in SECTION I – ADDITIONAL COVERAGEs, Volcanic Action.

However, we will pay for any accidental direct physical loss by fire resulting from earth movement, provided the resulting fire loss is itself a loss insured.

c. Water, meaning:
   (1) flood;
   (2) surface water. This does not include water solely caused by the release of water from a swimming pool, spigot, sprinkler system, hose, or hydrant;
   (3) waves (including tidal wave, tsunami, and seiche);
   (4) tides or tidal water;
   (5) overflow of any body of water (including any release, escape, or rising of any body of water, or any water held, contained, controlled, or diverted by a dam, levee, dike, or any type of water containment, diversion, or flood control device);
   (6) spray or surge from any of the items c.(1) through c.(5) described above, all whether driven by wind or not;
   (7) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water or sewage that enters into and overflows from within a sump pump, sump pump well, or any other system designed to remove subsurface water that is drained from the foundation area;
(8) water or sewage below the surface of the ground, including water or sewage that exerts pressure on, or seeps or leaks through a building structure, sidewalk, driveway, swimming pool, or other structure; or
(9) material carried or otherwise moved by any of the water or sewage, as described in items c.(1) through c.(8) above.

However, we will pay for any accidental direct physical loss by fire, explosion, or theft resulting from water, provided the resulting loss is itself a loss insured.

d. Neglect, meaning neglect of the insured to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.

e. War, including any:
   (1) undeclared war;
   (2) civil war;
   (3) insurrection;
   (4) rebellion;
   (5) revolution;
   (6) warlike act by a military force or military personnel;
   (7) destruction or seizure or use for a military purpose;

and including any consequence of any of these. Discharge of a nuclear weapon will be considered a warlike act even if accidental.

f. Nuclear Hazard, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke.

However, we will pay for any accidental direct physical loss by fire resulting from the nuclear hazard, provided the resulting fire loss is itself a loss insured.
g. **Fungus**, including:

1. any loss of use or delay in rebuilding, repairing, or replacing covered property, including any associated cost or expense, due to interference at the **residence premises** or location of the rebuilding, repair, or replacement, by **fungus**;
2. any remediation of **fungus**, including the cost to:
   (a) remove the **fungus** from covered property or to repair, restore, or replace that property; or
   (b) tear out and replace any part of the **building structure** or other property as needed to gain access to the **fungus**; or
3. the cost of any testing or monitoring of air or property to confirm the type, absence, presence, or level of **fungus**, whether performed prior to, during, or after removal, repair, restoration, or replacement of covered property.

However, this exclusion does not apply if **fungus** results from an accidental direct physical loss caused by fire or lightning.

h. **Intentional Losses.** If any **insured** intentionally causes or procures a loss to property covered under this policy, we will not pay any **insured** for this loss. This applies regardless of whether the **insured** is charged with or convicted of a crime.

3. **We** will not pay for, under any part of this policy, any loss consisting of one or more of the items below. Further, **we** will not pay for any loss described in paragraphs 1. and 2. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to, or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:

   a. conduct, act, failure to act, or decision of any person, group, organization, or governmental body whether intentional, wrongful, negligent, or without fault;
   b. defect, weakness, inadequacy, fault, or unsoundness in:
      (1) planning, zoning, development, surveying, or siting;
      (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;
      (3) materials used in repair, construction, renovation, remodeling, grading, or compaction; or
      (4) maintenance;
   c. weather conditions.

   However, **we** will pay for any resulting loss from items 3a., 3b., and 3c. unless the resulting loss is itself a Loss Not Insured as described in this Section.

**SECTION I – LOSS SETTLEMENT**

Only the **Loss Settlement Provisions** shown in the **Declarations** apply. **We** will settle covered property losses according to the following. However, the valuation of any covered property losses does not include, and **we** will not pay, any amount for **diminution in value**.

**COVERAGE A – BUILDING PROPERTY**

1. **We** will pay the cost to repair or replace with **similar construction** and for the same use on the premises shown in the **Declarations**, the damaged part of the building property covered under **SECTION I – PROPERTY COVERAGES, COVERAGE A – BUILDING PROPERTY**, except for wood fences, subject to the following:

   a. until actual repair or replacement is completed, **we** will pay only the **actual cash value** of the damaged part of the property, up to the applicable limit of liability shown in the **Declarations**.
not to exceed the cost to repair or replace the damaged part of the property;
b. when the repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or an amount up to the applicable limit of liability shown in the Declarations, whichever is less;
c. to receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within two years after the date of loss, and notify us within 30 days after the work has been completed; and
d. we will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair, or demolition of a building structure or other structure.

2. Wood Fences: We will pay the actual cash value for loss or damage to wood fences, not to exceed the limit of liability shown in the Declarations for COVERAGE A – BUILDING PROPERTY.

COVERAGE B – PERSONAL PROPERTY

   a. We will pay the cost to repair or replace property covered under SECTION I – PROPERTY COVERAGE, COVERAGE B – PERSONAL PROPERTY, except for property listed in item b. below, subject to the following:
      (1) until repair or replacement is completed, we will pay only the actual cash value of the damaged property;
      (2) after repair or replacement is completed, we will pay the difference between the actual cash value and the cost you have actually and necessarily spent to repair or replace the property; and
      (3) if property is not repaired or replaced within two years after the date of loss, we will pay only the actual cash value.
   b. We will pay market value at the time of loss for:
      (1) antiques, fine arts, paintings, statuary, and similar articles which by their inherent nature cannot be replaced with new articles; and
      (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs, and collectors items.

Market Value means the amount a willing buyer would offer and a willing seller would accept in a cash sale on an open market.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:
   (1) our cost to replace at the time of loss;
   (2) the full cost of repair;
   (3) any special limit of liability described in this policy; or
   (4) any applicable Coverage B limit of liability.

   a. We will pay the actual cash value for property covered under SECTION I – PROPERTY COVERAGE, COVERAGE B – PERSONAL PROPERTY, except for property listed in item b. below.
   b. We will pay market value at the time of loss for:
      (1) antiques, fine arts, paintings, statuary, and similar articles which by their inherent nature cannot be replaced with new articles; and
      (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs, and collectors items.

Market Value means the amount a willing buyer would offer and a willing seller would accept in a cash sale on an open market.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:
   (1) our cost to replace at the time of loss;
   (2) the full cost of repair;
   (3) any special limit of liability described in this policy; or
   (4) any applicable Coverage B limit of liability.
SECTION I – CONDITIONS

1. Insurable Interest and Limit of Liability. Even if more than one person has an insurable interest in the property covered, we will not be liable:
   a. to the insured for an amount greater than the insured’s interest; or
   b. for more than the applicable limit of liability.

2. Your Duties After Loss. After a loss to which this insurance may apply, you must cooperate with us in the investigation of the claim and also see that the following duties are performed:
   a. give immediate notice to us or our agent and also notify:
      (1) the police if the loss is caused by theft, vandalism, or any other criminal act; and
      (2) the credit card company or bank if the loss involves a credit card or bank fund transfer card;
   b. protect the property from further damage or loss and also:
      (1) make reasonable and necessary temporary repairs required to protect the property; and
      (2) keep an accurate record of repair expenses;
   c. prepare an inventory of damaged or stolen personal property:
      (1) showing in detail the quantity, description, age, replacement cost, and amount of loss; and
      (2) attaching all bills, receipts, and related documents that substantiate the figures in the inventory;
   d. as often as we reasonably require:
      (1) exhibit the damaged property;
      (2) provide us with any requested records and documents and allow us to make copies;
      (3) while not in the presence of any other insured:
         (a) give statements; and
         (b) submit to examinations under oath; and
      (4) produce employees, members of the insured’s household, or others for examination under oath to the extent it is within the insured’s power to do so; and
   e. submit to us, within 60 days after the loss, your signed, sworn proof of loss that sets forth, to the best of your knowledge and belief:
      (1) the time and cause of loss;
      (2) interest of the insured and all others in the property involved and all encumbrances on the property;
      (3) other insurance that may cover the loss;
      (4) changes in title or occupancy of the property during the term of this policy;
      (5) specifications of any damaged structure and detailed estimates for repair of the damage;
      (6) an inventory of damaged or stolen personal property described in 2.c.;
      (7) receipts for additional living expenses incurred and records supporting the fair rental value loss; and
      (8) evidence or affidavit supporting a claim under SECTION I – ADDITIONAL COVERAGES, Credit Card, Bank Fund Transfer Card, Forgery, and Counterfeit Money coverage, stating the amount and cause of loss.

3. Loss to a Pair or Set. In case of loss to a pair or set, we may choose to:
   a. repair or replace any part to restore the pair or set to its value before the loss; or
   b. pay the difference between the depreciated value of the property before the loss and the depreciated value of the property after the loss.

4. Appraisal. If you and we fail to agree on the amount of loss, either party can demand that the amount of the loss be set by appraisal. Only you or we may demand appraisal. A demand for appraisal must be in writing. You must comply with SECTION I – CONDITIONS, Your Duties After Loss before making a demand for appraisal. At least 10 days before demanding appraisal, the party seeking appraisal must
provide the other party with written, itemized documentation of a specific dispute as to the amount of the loss, identifying separately each item being disputed.

a. Each party will select a competent, disinterested appraiser and notify the other party of the appraiser’s identity within 20 days of receipt of the written demand for appraisal.

b. The appraisers will then attempt to set the amount of the loss of each item in dispute as specified by each party, and jointly submit to each party a written report of agreement signed by them. In all instances the written report of agreement will be itemized and state separately the actual cash value, replacement cost, and if applicable, the market value of each item in dispute.

The written report of agreement will set the amount of the loss of each item in dispute and will be binding upon you and us.

c. If the two appraisers fail to agree upon the amount of the loss within 30 days, unless the period of time is extended by mutual agreement, they will select a competent, disinterested umpire and will submit their differences to the umpire. If the appraisers are unable to agree upon an umpire within 15 days:

(1) you or we may make a written application for a judge of a court of record in the same state and county (or city if the city is not within a county) where the residence premises is located to select an umpire;

(2) the party requesting the selection described in item c.(1) must provide the other party:

(a) written notice of the intent to file, identifying the specific location and identity of the court at least 10 days prior to submission of the written application; and

(b) a copy of the written application; and

(3) a written report of agreement, as required in item b., signed by any two (appraisers or appraiser and umpire) will set the amount of the loss of each item in dispute and will be binding upon you and us. In all instances the written report of agreement will be itemized and state separately the actual cash value, replacement cost, and if applicable, the market value of each item in dispute.

d. To qualify as an appraiser or umpire for a loss to building property, a person must be one of the following and be licensed or certified as required by the applicable jurisdiction:

(1) an engineer or architect with experience and training in building construction, repair, estimating, or investigation of the type of property damage in dispute;

(2) an adjuster or public adjuster with experience and training in estimating the type of property damage in dispute; or

(3) a contractor with experience and training in the construction, repair, and estimating of the type of property damage in dispute.

e. A person may not serve as an appraiser or umpire if that person, any employee of that person, that person’s employer, or any employee of their employer:

(1) has performed services for either party with respect to the claim at issue in the appraisal; or

(2) has a financial interest in the outcome of the claim at issue in the appraisal.

f. Each party will be responsible for the compensation of their selected appraiser. Reasonable expenses of the appraisal and the reasonable compensation of the umpire will be paid equally by you and us.

g. You and we do not waive any rights by demanding or submitting to an appraisal, and retain all contractual rights to determine if coverage applies to each item in dispute.

h. Appraisal is only available to determine the amount of the loss of each item in dispute. The appraisers and the umpire have no authority to decide:

(1) any other questions of fact;
(2) questions of law;
(3) questions of coverage;
(4) other contractual issues; or
(5) to conduct appraisal on a class-wide basis.
i. Appraisal is a non-judicial proceeding and does not provide for or require arbitration. Neither party will be awarded attorney fees. The appraisal award may not be entered as a judgment in a court.

j. A party may not demand appraisal after that party brings suit or action against the other party relating to the amount of loss.

5. a. Other Insurance (with respect to all coverages except COVERAGE D – LOSS ASSESSMENT). If a loss covered by this policy is also covered by other insurance, except insurance in the name of the condominium, we will pay only our share of the loss. Our share is the proportion of the loss that the applicable limit under this policy bears to the total amount of insurance covering the loss.

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

b. Other Insurance (with respect to COVERAGE D – LOSS ASSESSMENT). If a loss covered by this policy is also covered by other insurance, this insurance will be excess over other insurance in the name of the condominium covering the same property covered by this policy.

6. Suit Against Us. No action will be brought against us unless there has been full compliance with all of the policy provisions. Any action by any party must be started within two years after the date of loss or damage.

7. Our Option. We may repair or replace any part of the property damaged or stolen with similar property. Any property we pay for or replace becomes our property.

8. 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 agreement with you;
b. there is an entry of a final judgment; or
c. there is a filing of an appraisal award with us.

9. Abandonment of Property. We need not accept any property abandoned by an insured.

10. Mortgagee Clause. The word “mortgagee” includes trustee.

a. If a mortgagee is named in this policy, any loss payable under Coverage A will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

b. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:

(1) notifies us of any change in ownership, occupancy, or substantial change in risk of which the mortgagee is aware;
(2) pays on demand any premium due under this policy, if you have not paid the premium; and
(3) submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us, and Loss Payment apply to the mortgagee.

c. If we cancel this policy, the mortgagee will be notified at least 20 days before the date cancellation takes effect. A post office certificate of mailing will be conclusive proof of receipt of notice on the fifth calendar day after mailing. If we elect not to renew this policy, the mortgagee will be notified at least 30 days before the expiration date of this policy. A post office certificate of mailing will be conclusive proof of receipt of notice on the third calendar day after mailing.

d. If we pay the mortgagee for any loss and deny payment to you:

(1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
(2) at our option, we may pay to the mortgagor the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgagee.

e. Subrogation does not impair the right of the mortgagor to recover the full amount of the mortgagor’s claim.

11. No Benefit to Bailee. We will not recognize an assignment or grant coverage for the benefit of a person or organization holding, storing, or transporting property for a fee. This applies regardless of any other provision of this policy.

12. Recovered Property. If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may keep the property or we will return it to you. Otherwise, it will become our property. If you choose to keep the property, the loss payment will be adjusted based on the amount you received for the recovered property.

13. Assignment of Claim. Assignment to another party of any of your rights or duties under this policy regarding any claim, or any part of any claim, will be invalid and we will not recognize any such assignment, unless we give our written consent. However, once you have complied with all policy provisions, you may assign to another party, in writing, payment of claim proceeds otherwise payable to you.

14. Glass Replacement. Loss for damage to glass caused by a loss insured will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

SECTION II – LIABILITY COVERAGES

COVERAGE L – PERSONAL LIABILITY

If a claim is made or a suit is brought against an insured for damages because of bodily injury or property damage to which this coverage applies, caused by an occurrence, we will:

1. pay up to our limit of liability for the damages for which the insured is legally liable. We will not pay for criminal restitution; and

2. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any suit ends when the amount we pay for damages, to effect settlement or satisfy a judgment resulting from the occurrence, equals our limit of liability. We will not provide a defense to any insured for criminal prosecution or proceedings.

COVERAGE M – MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing bodily injury. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, rehabilitation, pharmaceuticals, orthopedic devices, prosthetic devices, and funeral services. This coverage applies only:

1. to a person on the insured location with the permission of an insured;

2. to a person off the insured location, if the bodily injury:

   a. arises out of a condition on the insured location or the ways immediately adjoining;

   b. is caused by the activities of an insured;

   c. is caused by a residence employee in the course of the residence employee’s employment by an insured; or

   d. is caused by an animal owned by or in the care of an insured;

3. to a residence employee if the occurrence causing bodily injury occurs off the insured location and arises out of or in the course of the residence employee’s employment by an insured.

SECTION II – ADDITIONAL COVERAGES

The following Additional Coverages are subject to all the terms, provisions, exclusions, and conditions of this policy. We will pay for the following in addition to the limits of liability:

1. Claim Expenses. We will pay:
a. expenses we incur and costs taxed against an insured in suits we defend. Taxed costs do not include attorney fees;
b. premiums on bonds required in suits we defend, but not for bond amounts greater than the Coverage L limit. We are not obligated to apply for or furnish any bond;
c. reasonable expenses an insured incurs at our request. This includes actual loss of earnings (but not loss of other income) up to $250 per day for aiding us in the investigation or defense of claims or suits;
d. interest the insured is legally liable to pay on damages payable under Coverage L above before a judgment, but only the interest on the lesser of:
   (1) that part of the damages we pay; or
   (2) the Coverage L limit; and

e. interest on the entire judgment that accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment that does not exceed the limit of liability that applies.

2. First Aid Expenses. We will pay expenses for first aid to others incurred by an insured for bodily injury covered under this policy. We will not pay for first aid to you or any other insured.

3. Damage to Property of Others.
   a. We will pay for property damage to property of others caused by the activities of an insured.
   b. We will not pay more than the smallest of the following amounts:
      (1) replacement cost at the time of loss;
      (2) full cost of repair; or
      (3) the limit of liability shown in the Declarations for Damage to Property of Others for any one occurrence.
   c. We will not pay for property damage:
      (1) for a loss that is recoverable under Section I of this policy. We also will not pay for any applicable deductible regardless of whether the amount of the loss exceeds the deductible;
      (2) caused intentionally by an insured 13 years of age or older;
      (3) to property, other than a rented golf cart, owned by, or rented to an insured, a tenant of an insured, or a resident in your household;
      (4) arising out of:
         (a) business pursuits;
         (b) any act or omission in connection with a premises an insured owns, rents, or controls, other than the insured location;
         (c) a condition on the insured location or the ways immediately adjoining; or
         (d) the ownership, maintenance, or use of a motor vehicle, aircraft, or watercraft, including airboat, air cushion, personal watercraft, sail board, or similar type watercraft; or
      (5) if a payment is made under COVERAGE L – PERSONAL LIABILITY for the same property damage.

SECTION II – EXCLUSIONS

1. Coverage L and Coverage M do not apply to:
   a. bodily injury or property damage that:
      (1) was a result of a:
         (a) willful and malicious; or
         (b) criminal;
         act or omission of the insured;
      (2) was intended by the insured; or
      (3) would have been expected by the insured based on a reasonable person standard.
   However, exclusions a.(2) and a.(3) above do not apply to bodily injury or property damage resulting from the use of reasonable force to protect persons or property.
Exclusions a.(1), a.(2), and a.(3) above apply to all bodily injury or property damage even if the:

(1) bodily injury or property damage was sustained by a different person, entity, or property than was expected or intended;

(2) bodily injury or property damage was of a different kind, quality, or degree than was expected or intended;

(3) insured lacked the mental capacity to control his or her conduct;

(4) insured was not charged with or convicted of a criminal act or omission; or

(5) insured was impaired by drugs or alcohol;

b. bodily injury or property damage arising out of business pursuits of any insured, except as provided in item c. below. This exclusion does not apply to activities that are ordinarily incident to non-business pursuits;

c. bodily injury or property damage arising out of the rental of any part of any premises by any insured. This exclusion does not apply:

(1) to the rental of the residence premises:

(a) either completely or in part, for exclusive use as a residence, for up to 30 nights in the 12-month period prior to the date of the loss;

(b) in part, for use as a permanent residence, by either one or two full-time roomers or boarders; or

(c) in part, as an office, school, studio, or private garage;

(2) to farm land (without buildings), rented to others, but not to exceed a total of 500 acres, regardless of the number of locations;

(3) with respect to loss under Coverage D; or

(4) to activities that are ordinarily incident to non-business pursuits;

d. bodily injury or property damage arising out of the rendering or failing to render professional services. This exclusion does not apply to Coverage D;

e. bodily injury or property damage arising out of any premises currently owned or rented to any insured which is not an insured location. This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee's employment by an insured;

f. bodily injury or property damage arising out of the ownership, maintenance, use, loading, or unloading of:

(1) an aircraft. This exclusion does not apply to the ownership, maintenance, use, loading, or unloading of unmanned aircraft systems used as model aircraft:

(a) solely for recreational or hobby purposes;

(b) designed to be operated within the visual line of sight of the operator and operated within the visual line of sight of the operator; and

(c) weighing not more than 55 pounds at the time of operation;

unless the ownership, maintenance, use, loading, or unloading of such aircraft results in:

(a) property damage to any aircraft; or

(b) bodily injury or property damage resulting from interference with an aircraft carrying people regardless of whether the bodily injury or property damage is sustained by people or property on the aircraft or not;

(2) a motor vehicle owned or operated by or rented or loaned to any insured; or

(3) a watercraft:

(a) owned by or rented to any insured if it has inboard or inboard-outdrive motor power of more than 50 horsepower;

(b) owned by or rented to any insured if it is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;
(c) powered by one or more outboard motors with more than 25 total horsepower owned by any insured;

(d) designated as an airboat, air cushion, or similar type of craft; or

(e) owned by any insured if it is a personal watercraft using a water jet pump powered by an internal combustion engine as the primary source of propulsion.

This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee’s employment by an insured. Exclusion f.(3) does not apply while the watercraft is on the residence premises;

(g) bodily injury or property damage arising out of:
   (1) the entrustment by any insured to any person;
   (2) the supervision by any insured of any person;
   (3) any liability statutorily imposed on any insured; or
   (4) any liability assumed through an unwritten or written agreement by any insured, with regard to the ownership, maintenance, or use of any aircraft, watercraft, or motor vehicle not covered under Section II of this policy;

(h) bodily injury or property damage caused directly or indirectly by war, including undeclared war, or any warlike act including destruction, seizure, or use for a military purpose, or any consequence of these. Discharge of a nuclear weapon will be considered a warlike act even if accidental;

(i) any claim made or suit brought against any insured by:
   (1) any person in the care of any insured because of child care services provided by or at the direction of:
      (a) any insured;
      (b) any employee of any insured; or
   (c) any other person actually or apparently acting on behalf of any insured; or
   (2) any person who makes a claim because of bodily injury to any person in the care of any insured because of child care services provided by or at the direction of:
      (a) any insured;
      (b) any employee of any insured; or
      (c) any other person actually or apparently acting on behalf of any insured.

This exclusion does not apply to the occasional child care services provided by any insured, or to the part-time child care services provided by any insured under 19 years of age;

(j) bodily injury or property damage arising out of an insured’s participation in, or preparation or practice for, any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized land vehicle or motorized watercraft. This exclusion does not apply to a sailing vessel less than 26 feet in overall length with or without auxiliary power;

(k) bodily injury or property damage arising out of the use, sale, manufacture, distribution, delivery, transfer, or possession, by any insured, of any substance that is illegal or is a controlled substance under either federal or state law.

This exclusion does not apply to the legitimate use of legally prescribed drugs, under either federal or state law, by a person following orders of a licensed health care professional;

(l) bodily injury or property damage arising out of the actual, alleged, or threatened presence, discharge, dispersal, seepage, migration, release, escape of, or exposure to contaminants or pollutants at or from any source or location.

Contaminants and pollutants include but are not limited to any solid, liquid, gaseous, or thermal irritant, including smoke from agricultural smudging or industrial operations, smog, soot, vapor, fumes, acids, alkalis, chemicals, pathogens, noxious substances, fuel oil, or asbestos.
This exclusion does not apply to **bodily injury** or **property damage** arising out of smoke or fumes caused by fire or explosion.

We also do not cover:

(1) any loss, cost, or expense arising out of any request, demand, order, or statutory or regulatory requirement that any **insured** or others:
   (a) test for;
   (b) monitor;
   (c) clean up;
   (d) remove;
   (e) contain;
   (f) treat;
   (g) detoxify;
   (h) neutralize;
   (i) remediate;
   (j) dispose of; or
   (k) in any way respond to or assess the effects of;

(2) any loss, cost, or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of:
   (a) testing for;
   (b) monitoring;
   (c) cleaning up;
   (d) removing;
   (e) containing;
   (f) treating;
   (g) detoxifying;
   (h) neutralizing;
   (i) remediating;
   (j) disposing of; or
   (k) in any way responding to or assessing the effects of;

(3) contamination or pollution arising out of actually or allegedly defective building materials, nuclear substances, or waste. Waste includes materials to be recycled, reconditioned, or reclaimed;

m. **bodily injury or property damage** arising out of any actual, alleged, or threatened:
   (1) sexual harassment, sexual molestation, or sexual misconduct;
   (2) physical or mental abuse; or
   (3) corporal punishment;

   by the **insured**;

n. **bodily injury or property damage** arising out of the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **fungus** at or from any source or location.

We also do not cover any loss, cost, or expense arising out of any:

(1) request, demand, order, or statutory or regulatory requirement that any **insured** or others:
   (a) test for;
   (b) monitor;
   (c) clean up;
   (d) remove;
   (e) contain;
   (f) treat;
   (g) detoxify;
   (h) neutralize;
   (i) remediate;
   (j) dispose of; or
   (k) in any way respond to or assess the effects of;

(2) claim or suit for damages because of:
   (a) testing for;
   (b) monitoring;
   (c) cleaning up;
(d) removing;
(e) containing;
(f) treating;
(g) detoxifying;
(h) neutralizing;
(i) remediating;
(j) disposing of; or
(k) in any way responding to or assessing the effects of;

fungus;

o. bodily injury or property damage arising out of the ownership, maintenance, or use of systems and equipment used to generate electrical power exceeding 125 percent of the actual electrical power usage by the residence premises in the 12-month period prior to the date of the loss;

p. bodily injury to a person, caused by an occurrence of lead poisoning, starting:

(1) 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 an insured and ordered that the lead-based substances at the insured location be removed, replaced or securely and permanently covered within 30 days of receipt of the notice; or

(2) upon expiration of an extension of that order granted either by the Department of Human Services or a lead inspector licensed by that department.

The lead exclusion does not apply to bodily injury that starts after the Department of Human Services states that the environmental lead hazard described in the notice no longer exists; or

q. liability assumed by any insured under any contract or agreement to pay special assessments levied against the condominium owners by the association in accordance with the governing rules of the condominium. This exclusion does not apply with respect to loss under Coverage D.

2. Coverage L does not apply to:

a. liability:

(1) for your share of any loss assessment charged against all members of any type of association of property owners; or

(2) imposed on or assumed by any insured through any unwritten or written contract or agreement. This exclusion does not apply to liability for damages that the insured would have in absence of the contract or agreement;

b. property damage to property owned by any insured at the time of the occurrence;

c. property damage to property rented to, used or occupied by, or in the care, custody, or control of any insured at the time of the occurrence. This exclusion does not apply to property damage caused by fire, smoke, explosion, or abrupt and accidental damage from water;

d. bodily injury to a person eligible to receive any benefits required to be provided or voluntarily provided by an insured or the condominium under a workers’ compensation, non-occupational disability, or occupational disease law;

e. bodily injury or property damage for which an insured under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by:

(1) Nuclear Energy Liability Insurance Association;

(2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada; or

(4) any of their successors; or

f. bodily injury or property damage arising out of any real property any insured has sold or transferred. This includes but is not limited to bodily injury or property damage arising out of known, unknown, hidden, or alleged property conditions, problems, or defects.
This exclusion also applies to any property damage to the sold or transferred real property itself.

However, this exclusion does not apply to:

(1) bodily injury arising out of fire, smoke, explosion, electrocution, or carbon monoxide poisoning; or

(2) property damage arising out of fire, smoke, or explosion.

g. bodily injury to the Named Insured, spouse, or resident children.

3. Coverage M does not apply to bodily injury:

a. to a residence employee if it occurs off the insured location and does not arise out of or in the course of the residence employee’s employment by an insured. This exclusion does not apply with respect to loss under Coverage D;

b. to a person eligible to receive any benefits required to be provided or voluntarily provided under any workers’ compensation, non-occupational disability, or occupational disease law;

c. to a person other than a residence employee of an insured, regularly residing on any part of the insured location;

d. from nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these; or

e. to any insured within the meaning of part 11.a., 11.b., or 11.c. of the definition of insured.

SECTION II – CONDITIONS

1. Limit of Liability. The Coverage L limit is shown in the Declarations. This is the limit for all damages from each occurrence for the policy period in which the bodily injury or property damage first occurs, regardless of the number of insureds, claims made, or persons injured. No additional limits or coverage will be available for the occurrence under any additional policy periods while this policy remains in force.

The Coverage M limit is shown in the Declarations. This is our limit for all medical expenses for bodily injury to one person as the result of one accident.

2. Severability of Insurance. This insurance applies separately to each insured. This condition does not increase our limit of liability for any one occurrence.

3. Duties After Loss. In case of an accident or occurrence, the insured must cooperate with us in the investigation, settlement, or defense of any claim or suit and also perform the following duties that apply. You must cooperate with us in seeing that these duties are performed:

a. give written notice to us or our agent as soon as possible, which sets forth:

   (1) the identity of this policy and the insured;

   (2) reasonably available information on the time, place, and circumstances of the accident or occurrence; and

   (3) names and addresses of any claimants and available witnesses;

b. immediately forward to us every notice, demand, summons, or other process relating to the accident or occurrence;

c. at our request, assist in:

   (1) making settlement;

   (2) the enforcement of any right of contribution or indemnity against a person or organization who may be liable to an insured;

   (3) the conduct of suits and attend hearings and trials; and

   (4) securing and giving evidence and obtaining the attendance of witnesses to the extent it is within the insured’s power to do so;

d. under SECTION II – ADDITIONAL COVERAGES, Damage to Property of Others, exhibit the damaged property if within the insured’s control; and

e. the insured must not, except at the insured’s own cost, voluntarily make payments, assume
obligations, or incur expenses. This does not apply to expense for first aid to others at the time of the bodily injury.

4. Coverage M Requirements. We may require the following in regard to any Coverage M claim:
   a. written proof of claim, under oath if required, as soon as possible from the injured person, or when appropriate, someone acting on behalf of that person;
   b. the injured person’s submission to physical examinations by a physician selected by us when and as often as we reasonably require; and
   c. any authorizations from the injured person as we may require.

5. Payment of Claim – Coverage M or Damage to Property of Others. Payment under either of these is not an admission of liability by an insured or us.

6. Suit Against Us. No action will be brought against us unless there has been compliance with the policy provisions.

   No one will have the right to join us as a party to an action against an insured. Further, no action with respect to Coverage L will be brought against us until the obligation of the insured has been determined by final judgment on the merits, after an actual trial or by an agreement signed by us; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Liability.

7. Bankruptcy of an Insured. Bankruptcy or insolvency of an insured will not relieve us of our obligation under this policy.

8. Other Insurance – Coverage L. This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTION I AND SECTION II – CONDITIONS

1. Policy Period. This policy applies only to loss under Section I or bodily injury or property damage under Section II that occurs during the period this policy is in effect.

2. Concealment or Fraud. We do not provide coverage to you or any other insured if you or any other insured under this policy has intentionally concealed or misrepresented any material fact or circumstance, engage in fraudulent conduct, or made false statements relating to this insurance, whether before or after a loss.

3. Liberalization Clause. If we adopt any revision that would broaden coverage under this policy without additional premium, within 60 days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.

4. Waiver or Change of Policy Provisions. A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination does not waive any of our rights.

5. Cancellation.
   a. You may cancel this policy at any time by giving us advance written notice of the date cancellation is to take effect. We may waive the requirement that the notice be in writing by confirming the date and time of cancellation to you in writing.
   b. We may cancel this policy only for the reasons stated in this condition. We will notify you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to the last mailing address known to us.

   (1) When you have not paid the premium, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect. This condition applies whether the premium is payable to us or our agent or under any finance or credit plan.

   (2) When this policy has been in effect for less than 90 days and is not a renewal with us, we may cancel for any reason. We may cancel by notifying you at least 25 days before the date cancellation takes effect.

   (3) When this policy has been in effect for 90 days or more, or at any time if it is a renewal with us, we may cancel for one or more of...
the following reasons and then only by mailing or delivering written notice to you stating when, not less than 30 days thereafter, such cancellation shall be effective:

(a) your conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;

(b) discovery of fraud or material misrepresentation by either of the following:
   (i) you or your representative in obtaining this insurance;
   (ii) you in pursuing a claim under this policy;

(c) discovery of negligent acts or omissions by you substantially increasing any of the hazards insured against;

(d) physical changes in the insured property which result in the property becoming uninsurable;

(e) the insured property is vacant and custodial care is not maintained on the property;

(f) the presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the date of notice;

(g) the presence of a swimming pool upon the insured property that is not fenced in, in accordance with the standards established in Title 22, section 1631, if the pool remains in noncompliance with those standards for 30 days after notice by us of the defective condition and intent to cancel the policy;

(h) a loss occasioned by a dog bite, unless, after notice of cancellation or nonrenewal is received, the insured removes the dog; or

(i) failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer.

c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. The return premium will be pro rata.

d. The return premium may not be refunded with the notice of cancellation or when this policy is returned to us. In such cases, we will refund it within a reasonable time after the date cancellation takes effect.

6. Nonrenewal. We may elect not to renew this policy. If we elect not to renew, a written notice will be delivered to you, or mailed to the last mailing address known to us. The notice will be mailed or delivered such that it will be received by you at least 30 days before the expiration date of this policy. If notice is mailed, a post office certificate of mailing will be conclusive proof of receipt of notice on the third calendar day after mailing.

This condition does not apply:

a. if we have manifested our willingness to renew; or

b. if you fail to pay any premium when due whether such premium is payable directly or indirectly under any premium finance plan or extension of credit or any advance premium required by us for renewal.

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

7. Assignment of Policy. Assignment of this policy will be invalid and we will not recognize any such assignment, unless we give our written consent.

8. Subrogation and Reimbursement.

a. Subrogation.

(1) Applicable to SECTION I:

If any insured to or for whom we make payment under this policy has rights to recover damages from another, those rights are
transferred to us to the extent of our payment. That insured must do everything necessary to secure our rights and must do nothing after loss to impair them. However before a loss, an insured may waive in writing all rights of recovery against any person.

(2) Applicable to SECTION II:
If any insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair them. At our request, an insured will bring suit or transfer those rights to us and help us enforce them.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

b. Reimbursement.
If we make payment under this policy and any insured to or for whom we make payment recovers or has recovered from another person or organization, then the insured to or for whom we make payment must:
(1) hold in trust for us the proceeds of any recovery; and
(2) reimburse us to the extent of our payment.

9. Death. If you die:
a. we insure the legal representative of the deceased. This condition applies only with respect to the premises and property of the deceased covered under this policy at the time of death;
b. insured includes:
(1) any member of your household who is an insured at the time of your death, but only while a resident of the residence premises; and
(2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

10. Conformity to State Law. When a policy provision is in conflict with the applicable law of the state in which this policy is issued, the law of the state will apply.

11. Premium.
a. Unless as otherwise provided by an alternative payment plan in effect with the State Farm Companies with respect to the premium for this policy, the premium is due and payable in full on or before the first day of the policy period shown in the most recently issued Declarations.
b. The renewal premium for this policy will be based upon the rates in effect, the coverages carried, the applicable limits, deductibles, and other elements that affect the premium applicable at the time of renewal.
c. The premium for this policy may vary based upon:
(1) the purchase of other products or services from the State Farm Companies; or
(2) an agreement, concerning the insurance provided by this policy, that the State Farm Companies has with an organization of which you are a member, employee, subscriber, licensee, or franchisee.
d. Your purchase of this policy may allow you to purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products from the State Farm Companies, subject to their applicable eligibility rules.

12. Right to Inspect.
a. We have the right but are not obligated to perform the following:
(1) make inspections and surveys of the insured location at any time;
(2) provide you with reports on conditions we find; or
(3) recommend changes.
Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged.
b. We do not:
(1) make safety inspections;
(2) undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;
(3) warrant that conditions are safe or healthful; or
(4) warrant that conditions comply with laws, regulations, codes, or standards.

This condition applies to us and to any rating, advisory, rate service, or similar organization that makes insurance inspections, surveys, reports, or recommendations on our behalf.

13. Joint and Individual Interests. When there are two or more Named Insureds, each acts for all to cancel or change this policy.

14. Change of Policy Address. We may change the Named Insured’s policy address as shown in the Declarations and in our records to the most recent address provided to us by:
   a. you; or
   b. the United States Postal Service.

15. Electronic Delivery. With your consent, we may electronically deliver any document or notice, including a notice to renew, nonrenew, or cancel, instead of mailing it or delivering it by other means.

16. Our Rights Regarding Claim Information.
   a. We will collect, receive, obtain, use, and retain all the items described in item b.(1) below and use and retain the information described in item b.(3)(b) below, in accordance with applicable federal and state laws and regulations and consistent with the performance of our business functions.
   b. Subject to 16.a. above, we will not be restricted in or prohibited from:
      (1) collecting, receiving, or obtaining records, receipts, invoices, medical bills, medical records, wage information, salary information, employment information, data, and any other information;
      (2) using any of the items described in item b.(1) above; or
      (3) retaining:
         (a) any of the items in item b.(1) above; or
         (b) any other information we have in our possession as a result of our processing, handling, or otherwise resolving claims submitted under this policy.
   c. We may disclose any of the items in b.(1) above and any of the information described in item b.(3)(b) above:
      (1) to enable performance of our business functions;
      (2) to meet our reporting obligations to insurance regulators;
      (3) to meet our reporting obligations to insurance data consolidators;
      (4) to meet other obligations required by law; and
      (5) as otherwise permitted by law.
   d. Our rights under 16.a., 16.b., and 16.c. above will not be impaired by any:
      (1) authorization related to any claim submitted under this policy; or
      (2) act or omission of an insured or a legal representative acting on an insured’s behalf.

17. Duties Regarding Claim Information. An insured or a legal representative acting on an insured’s behalf must provide us with any requested authorizations related to the claim. Our rights as set forth under Our Rights Regarding Claim Information of this policy will not be impaired by any:
   a. authorization related to the claim; or
   b. act or omission of an insured or a legal representative acting on an insured’s behalf.
18. **Insurance Inspection Services Exemption From Liability.** 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 the 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.

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**OPTIONAL POLICY PROVISIONS**

Each Optional Policy Provision applies only as shown in the **Declarations** and is subject to all the terms, provisions, exclusions, and conditions of this policy.

**Option AI – Additional Insured.** The definition of **insured** is extended to include the person or organization shown in the **Declarations** as an Additional Insured or whose name is on file with **us**. Coverage is with respect to:

1. **SECTION I – Coverage A, Coverage B, or Coverage C**;

2. **SECTION II – Coverage L and Coverage M** but only with respect to the **residence premises**. This coverage does not apply to **bodily injury** to an employee arising out of or in the course of the employee's employment by the person or organization.

This option applies only with respect to the location shown in the **Declarations**.

**Option BP – Business Property.** The **COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability**, item b., for property used or intended for use in a **business**, including merchandise held as samples or for sale or for delivery after sale, is changed as follows:

The $1,500 limit is replaced with the amount shown in the **Declarations** for this option.

**Option BU – Business Pursuits.** **SECTION II – EXCLUSIONS**, item 1.b. is modified as follows:

1. Section II coverage applies to the **business** pursuits of an **insured** who is a:

   a. clerical office employee, salesperson, collector, messenger; or

   b. teacher (except college, university, and professional athletic coaches), school principal, or school administrator;

   while acting within the scope of the above listed occupations.

2. However, no coverage is provided:

   a. for **bodily injury** or **property damage** arising out of a **business** owned or financially controlled by the **insured** or by a partnership of which the **insured** is a partner or member;

   b. for **bodily injury** or **property damage** arising out of the rendering of or failure to render professional services of any nature (other than teaching or school administration). This exclusion includes but is not limited to:
(1) computer programming, architectural, engineering, or industrial design services;
(2) medical, surgical, dental, or other services or treatment conducive to the health of persons or animals; and
(3) beauty or barber services or treatment;
c. for bodily injury to a fellow employee of the insured injured in the course of employment; or
d. when the insured is a member of the faculty or teaching staff of a school or college:
   (1) for bodily injury or property damage arising out of the maintenance, use, loading, or unloading of:
      (a) draft or saddle animals, including vehicles for use with them; or
      (b) aircraft, motor vehicles, recreational motor vehicles or watercraft, airboats, air cushions, or personal watercraft which use a water jet pump powered by an internal combustion engine as the primary source of propulsion;
   owned, operated, or hired by or for the insured or employer of the insured or used by the insured for the purpose of instruction in the use thereof; or
   (2) under Coverage M for bodily injury to a student arising out of corporal punishment administered by or at the direction of the insured.

Option FA – Firearms. Firearms are covered for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:
1. We will not pay for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
   a. mechanical breakdown, wear and tear, or gradual deterioration;
   b. all animals, birds, or insects, including:
      (1) nesting;
      (2) infestation;
      (3) gnawing;
      (4) feeding;
      (5) breeding; or
      (6) discharge or release of waste products or secretions by animals, birds, or insects.
   However, we will pay for losses caused by wild bears or deer;
   c. any process of refinishing, renovating, or repairing;
   d. dampness of atmosphere or extremes of temperatures;
   e. inherent defect or faulty manufacture;
   f. rust, fouling, or explosion of firearms;
   g. breakage, marring, scratching, tearing, or denting unless caused by fire, thieves, or accidents to conveyances;
   h. infidelity of an insured’s employees or persons to whom the insured property may be entrusted or rented;

2. Our limit for loss by any Coverage B peril except theft is the limit shown in the Declarations for Coverage B, plus the aggregate limit;
3. Our limits for loss by theft are those shown in the Declarations for this option. These limits apply in lieu of the Coverage B theft limit; and
4. Our limits for loss by any covered peril except those in items 2. and 3. above are those shown in the Declarations for this option.

Option IO – Incidental Business. The coverage provided by this option applies only to that incidental business occupancy on file with us.

1. COVERAGE B – PERSONAL PROPERTY is extended to include equipment, supplies, and furnishings usual and incidental to this business occupancy. This Optional Policy Provision does not include electronic data processing system equipment or the recording or storage media used with that equipment or merchandise held as samples or for sale or for delivery after sale.
The Option IO limits are shown in the Declarations. The first limit applies to property on the residence premises. The second limit applies to property while off the residence premises. These limits are in addition to the COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability on property used or intended for use in a business.

2. Under Section II, the residence premises is not considered business property because an insured occupies a part of it as an incidental business.

3. SECTION II – EXCLUSIONS, item 1.b. is replaced with the following:
   b. bodily injury or property damage arising out of business pursuits of any insured, except as provided in item c. below. This exclusion does not apply to activities that are ordinarily incident to non-business pursuits or to business pursuits of an insured that are necessary or incidental to the use of the residence premises as an incidental business.

4. This insurance does not apply to:
   a. bodily injury to an employee of an insured arising out of the residence premises as an incidental business other than to a residence employee while engaged in the employee’s employment by an insured;
   b. bodily injury to a student arising out of corporal punishment administered by or at the direction of the insured;
   c. liability arising out of any acts, errors, or omissions of an insured or any other person for whose acts an insured is liable, resulting from the preparation or approval of:
      (1) data;
      (2) plans;
      (3) designs;
      (4) opinions;
      (5) reports;
      (6) programs;
      (7) specifications;
      (8) supervisory inspections; or
      (9) engineering services; in the conduct of an insured’s incidental business involving data processing, computer consulting, or computer programming; or
d. any claim made or suit brought against any insured by:
   (1) any person in the care of any insured because of child care services provided by or at the direction of:
      (a) any insured;
      (b) any employee of any insured;
      (c) any other person actually or apparently acting on behalf of any insured;
   (2) any person who makes a claim because of bodily injury to any person in the care of any insured because of child care services provided by or at the direction of:
      (a) any insured;
      (b) any employee of any insured;
      (c) any other person actually or apparently acting on behalf of any insured.

Coverage M does not apply to any person indicated in d.(1) and d.(2) above.

This exclusion does not apply to the occasional child care services provided by any insured, or to the part-time child care services provided by any insured under 19 years of age.

Option JF – Jewelry and Furs. Jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones, gold other than goldware, silver other than silverware, and platinum are covered for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss. All provisions and exclusions of SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY, Theft apply to Option JF.

The following additional provisions apply:
1. We will not pay for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
a. mechanical breakdown, wear and tear, or gradual deterioration;

b. all animals, birds, or insects, including:
   (1) nesting;
   (2) infestation;
   (3) gnawing;
   (4) feeding;
   (5) breeding, or
   (6) discharge or release of waste products or secretions by animals, birds, or insects.

However, we will pay for losses caused by wild bears or deer;

c. inherent vice; or

d. seizure or destruction under quarantine or customs regulations;

2. Our limit for loss by any Coverage B peril except theft is the limit shown in the Declarations for Coverage B, plus the aggregate limit;

3. Our limits for loss by theft are those shown in the Declarations for this option. These limits apply in lieu of the Coverage B theft limit; and

4. Our limits for loss by any covered peril except those in items 2. and 3. above are those shown in the Declarations for this option.

Option SG – Silverware and Goldware Theft. The COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability, item i., for theft of silverware and goldware is increased to be the amount shown in the Declarations for this option.

STANDARD FIRE CONTRACT

This form contains the provisions of the Standard Fire Policy. Whenever the conditions of this form provide liberalization of conditions found in Section I coverage, the terms and conditions of the Standard Fire Policy shall apply.

In Consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Above Specified (or specified in endorsement(s) made a part hereof), this Company, for the term shown above from inception date shown above at 12:01 a.m. (Standard Time) to expiration date shown above at 12:01 a.m. (Standard Time) at location of property involved, to an amount not exceeding the limit of liability above specified, does insure the Insured named in the Declarations above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the Insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described herein while located or contained in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.
Concealment, fraud.
This entire policy shall be void if, whether before or after a loss, the insured has wilfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property.
This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included.
This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.

Other Insurance.
Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or (c) as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

Other perils or subjects.
Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions.
The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver provisions.
No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

Cancellation of policy.
This policy shall be cancelled at any time at the request of the insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this Company by giving to the insured a ten days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

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.

Pro rata liability.

This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case a loss occurs.

The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal.

In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

Company’s options.

It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention to do so within thirty days after the receipt of the proof of loss herein required.

Abandonment.

There can be no abandonment to this Company of any property.

When loss payable.

The amount of a loss for which this Company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.
Suit. 
No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within two years next after inception of the loss.

Subrogation.
This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.
This endorsement modifies insurance provided under the following: HOMEOWNERS POLICY, CONDOMINIUM UNITOWNERS POLICY, and RENTERS POLICY.

Except for the coverage provided by this endorsement, the policy to which this endorsement is attached does not apply to any claim or suit for damages because of bodily injury or property damage arising out of or resulting from fungus.

SECTION II – LIABILITY COVERAGES

COVERAGE L – PERSONAL LIABILITY is amended to include the following:

We will pay up to our limit of liability all sums that the insured is legally obligated to pay as damages because of bodily injury or property damage arising out of or resulting from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungus at or from any source or location.

However, we do not cover any loss, cost, or expense arising out of any:

1) request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of, or in any way respond to or assess the effects of fungus; or

2) claim or suit for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or in any way responding to or assessing the effects of fungus.

LIMIT OF LIABILITY

Regardless of the number of insureds under this coverage or number of claims made or suits brought, the most we will pay under this coverage for all claims for damages in any one occurrence is $50,000. This limit is also the most we will pay for the sum of all claims arising from all occurrences during each policy period.

All other policy provisions apply.
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MANUFACTURED HOME POLICY

DECLARATIONS CONTINUED

We agree to provide the insurance described in this policy:

1. based on your payment of premium for the coverages you chose;
2. based on your compliance with all applicable provisions of this policy; and
3. in reliance on your statements in these Declarations.

You agree, by acceptance of this policy, that:

1. you will pay premiums when due and comply with the provisions of the policy;
2. the statements in these Declarations are your statements and are true;
3. we insure you on the basis your statements are true; and
4. this policy contains all of the agreements between you and us and any of our agents.

Unless otherwise indicated in the application, you state that during the three years preceding the time of your application for this insurance your Loss History and Insurance History are as follows:

1. Loss History: you have not had any losses, insured or not; and
2. Insurance History: you have not had any insurer or agency cancel or refuse to issue or renew similar insurance to you or any household member.

DEFINITIONS

“You” and “your” mean the “named insured” shown in the Declarations. Your spouse is included if a resident of your household. “We”, “us” and “our” mean the Company shown in the Declarations.

Certain words and phrases are defined as follows:

1. "bodily injury" means physical injury, sickness, or disease to a person. This includes required care, loss of services and death resulting therefrom.

   Bodily injury does not include:
   a. any of the following which are communicable: disease, bacteria, parasite, virus, or other organism, any of which are transmitted by any insured to any other person;
   b. the exposure to any such disease, bacteria, parasite, virus, or other organism by any insured to any other person; or
   c. emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury unless it arises out of actual physical injury to some person.

2. "business" means a trade, profession or occupation. This includes farming.

3. "Declarations" means the policy Declarations, any amended Declarations, the most recent renewal notice or certificate, an Evidence of Insurance form or any endorsement changing any of these.

4. "fungus" means any type or form of fungi, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

5. "insured" means you and, if residents of your household:
   a. your relatives; and
   b. any other person under the age of 21 who is in the care of a person described above.

Under Section II, "insured" also means:
   c. with respect to animals or watercraft to which this policy applies, the person or organization legally responsible for them. However, the animal or watercraft must be owned by you or a person included in 5.a. or 5.b. A person or organization using or having custody of these animals or watercraft in the course of a business, or without permission of the owner, is not an insured; and
d. with respect to any vehicle to which this policy applies, any person while engaged in your employment or the employment of a person included in 5.a. or 5.b.

6. “insured location” means:
   a. the residence premises;
   b. the part of any other premises, other structures and grounds used by you as a residence. This includes premises, structures and grounds you acquire while this policy is in effect for your use as a residence;
   c. any premises used by you in connection with the premises included in 6.a. or 6.b.;
   d. any part of a premises not owned by an insured but where an insured is temporarily residing;
   e. land owned by or rented to an insured on which a one or two family dwelling is being constructed as a residence for an insured;
   f. individual or family cemetery plots or burial vaults owned by an insured;
   g. any part of a premises occasionally rented to an insured for other than business purposes;
   h. vacant land owned by or rented to an insured. This does not include farm land; and
   i. farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

7. “in transit” means the period of time during which the leveling jacks or blocks are removed or all utilities are disconnected for the purpose of transporting the dwelling from one location to another. This applies whether or not the dwelling is momentarily in motion and whether on a public roadway or otherwise. The dwelling will not be considered in transit if it is being moved as an emergency measure to protect it from an impending loss from a Loss Insured.

8. “motor vehicle”, when used in Section II of this policy, means:
   a. a land motor vehicle designed for travel on public roads or subject to motor vehicle registration;
   b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
   c. a “recreational vehicle” while off an insured location. “Recreational vehicle”, means a motorized vehicle designed for recreation principally off public roads that is owned or leased by an insured. This includes, but is not limited to, a motorized all terrain vehicle, amphibious vehicle, dune buggy, go-cart, golf cart, snowmobile, trailbike, minibike and personal assistive mobility device;
   d. a “locomotive” while off an insured location. “Locomotive” means a self-propelled vehicle for pulling or pushing freight or passenger cars on tracks that is large enough to carry a person and is owned or leased by an insured;
   e. a bulldozer, track loader, backhoe, high-hoe, trencher, grader, crane, self-propelled scraper, excavator, pipe-layer, cherry picker, telehandler, logging vehicle, mining vehicle or road building vehicle that is owned or leased by an insured while off an insured location;
   f. any vehicle while being towed or pushed by or carried on a vehicle included in a., b., c., d. or e.;
   g. the following are not motor vehicles:
      (1) a motorized land vehicle in dead storage on an insured location;
      (2) a boat, camp, home or utility trailer not being towed or pushed by or carried on a vehicle included in a., b., c., d. or e.;
      (3) a motorized golf cart while used for golfing purposes;
      (4) a motorized vehicle or trailer designed to assist the handicapped that is not designed for travel on public roads or subject to motor vehicle registration;
   h. “leased” does not include temporary rental.
9. "occurrence", when used in Section II of this policy, means an accident, including exposure to conditions, which results in:
   a. bodily injury; or
   b. property damage;
   during the policy period. Repeated or continuous exposure to the same general conditions is considered to be one occurrence.

10. "property damage" means physical damage to or destruction of tangible property, including loss of use of this property. Theft or conversion of property by any insured is not property damage.

11. "residence employee" means an employee of an insured who performs duties, including household or domestic services, in connection with the maintenance or use of the residence premises. This includes employees who perform similar duties elsewhere for you. This does not include employees while performing duties in connection with the business of an insured.

12. "residence premises" means:
   a. the one, two, three or four-family dwelling, other structures and grounds; or
   b. that part of any other building;
   where you reside and which is shown in the Declarations.

SECTION I - COVERSAGES

COVERAGE A - DWELLING

1. Dwelling. We cover the dwelling used principally as a private residence on the residence premises shown in the Declarations.
   Dwelling includes:
   a. structures attached to the dwelling;
   b. materials and supplies located on or adjacent to the residence premises for use in the construction, alteration or repair of the dwelling or other structures on the residence premises;
   c. foundation, floor slab and footings supporting the dwelling;
   d. wall-to-wall carpeting attached to the dwelling;
   e. parts, equipment, furniture and accessories which are built into and form a permanent part of the dwelling;
   f. permanently attached carports or garages, awnings, skirting, porches, tie-down equipment; and
   g. dwelling structure equipment.

2. Dwelling Extension. We cover other structures on the residence premises, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.
   We do not cover other structures:
   a. not permanently attached to or otherwise forming a part of the realty;
   b. used in whole or in part for business purposes unless such use consists solely of use of office space for paperwork, computer work or use of a telephone, and consists solely of activities that are:
      (1) duties of the insured's employment by another; and
      (2) performed solely by the insured; or
   c. rented or held for rental to a person not a tenant of the dwelling, unless used solely as a private garage.

3. Property Not Covered. We do not cover:
   a. land, including the land necessary to support any Coverage A property;
   b. any costs required to replace, rebuild, stabilize, or otherwise restore the land; or
   c. the costs of repair techniques designed to compensate for or prevent land instability to any property, whether or not insured under Coverage A.
COVERAGE B - PERSONAL PROPERTY

1. **Property Covered.** We cover personal property owned or used by an insured while it is anywhere in the world. This includes structures not permanently attached to or otherwise forming a part of the realty. At your request, we will cover personal property owned by others while the property is on the part of the residence premises occupied exclusively by an insured. At your request, we will also cover personal property owned by a guest or a residence employee, while the property is in any other residence occupied by an insured.

We cover personal property usually situated at an insured’s residence, other than the residence premises, for up to $1,000 or 10% of the Coverage B limit, whichever is greater. This limitation does not apply to personal property in a newly acquired principal residence for the first 30 days after you start moving the property there. If the residence premises is a newly acquired principal residence, personal property in your immediate past principal residence is not subject to this limitation for the first 30 days after the inception of this policy.

**Special Limits of Liability.** These limits do not increase the Coverage B limit. The special limit for each of the following categories is the total limit for each loss for all property in that category:

a. $200 on money, coins and medals, including any of these that are a part of a collection, bank notes, bullion, gold other than goldware, silver other than silverware and platinum;

b. $1,000 on property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, while on the residence premises. This coverage is limited to $250 on such property away from the residence premises.

Electronic data processing system equipment or the recording or storage media used with that equipment is not included under this coverage;

c. $1,000 on securities, checks, cashier’s checks, traveler’s checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports and tickets;

d. $1,000 on watercraft of all types and outboard motors, including their trailers, furnishings and equipment;

e. $1,000 on trailers not used with watercraft;

f. $1,000 for loss by theft of jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones;

g. $2,500 on stamps, trading cards and comic books, including any of these that are a part of a collection;

h. $2,500 for loss by theft of firearms;

i. $2,500 for loss by theft of silverware and goldware;

j. $5,000 on electronic data processing system equipment and the recording or storage media used with that equipment. There is no coverage for said equipment or media while located away from the residence premises except when said equipment or media are removed from the residence premises for the purpose of repair, servicing or temporary use. An insured student’s equipment and media are covered while at a residence away from home; and

k. $5,000 on any one article and $10,000 in the aggregate for loss by theft of any rug, carpet (except wall-to-wall carpet), tapestry, wall-hanging or other similar article.

2. **Property Not Covered.** We do not cover:

a. articles separately described and specifically insured in this or any other insurance;

b. animals, birds or fish;

c. any engine or motor propelled vehicle or machine, including the parts, designed for movement on land. We do cover those not licensed for use on public highways which are:
(1) used solely to service the insured location; or

(2) designed for assisting the handicapped;

d. devices or instruments for the recording or reproduction of sound permanently attached to an engine or motor propelled vehicle. We do not cover tapes, wires, records or other mediums that may be used with these devices or instruments while in the vehicle;

e. aircraft and parts;

f. property of roomers, boarders, tenants and other residents not related to an insured. We do cover property of roomers, boarders and other residents related to an insured;

g. property regularly rented or held for rental to others by an insured. This exclusion does not apply to property of an insured in a sleeping room rented to others by an insured;

h. property rented or held for rental to others away from the residence premises;

i. any citizens band radios, radio telephones, radio transceivers, radio transmitters, radar or laser detectors, antennas and other similar equipment permanently attached to an engine or motor propelled vehicle;

j. books of account, abstracts, drawings, card index systems and other records. This exclusion does not apply to any recording or storage media for electronic data processing. We will cover the cost of blank books, cards or other blank material plus the cost of labor you incur for transcribing or copying such records;

k. recording or storage media for electronic data processing that cannot be replaced with other of like kind and quality on the current retail market;

l. appliances, equipment and accessories which are built into and form a permanent part of the dwelling; or

m. tires and wheels detached from the dwelling and while away from the residence premises.

**COVERAGE C - LOSS OF USE**

1. **Additional Living Expense.** When a Loss Insured causes the residence premises to become uninhabitable, we will cover the necessary increase in cost you incur to maintain your standard of living for up to 24 months. Our payment is limited to incurred costs for the shortest of: (a) the time required to repair or replace the premises; (b) the time required for your household to settle elsewhere; or (c) 24 months. This coverage is not reduced by the expiration of this policy.

2. **Fair Rental Value.** When a Loss Insured causes that part of the residence premises rented to others or held for rental by you to become uninhabitable, we will cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental, but not to exceed 12 months. This period of time is not limited by expiration of this policy. Fair rental value shall not include any expense that does not continue while that part of the residence premises rented or held for rental is uninhabitable.

3. **Prohibited Use.** When a civil authority prohibits your use of the residence premises because of direct damage to a neighboring premises by a Loss Insured, we will cover any resulting Additional Living Expense and Fair Rental Value. Coverage is for a period not exceeding two weeks while use is prohibited.

We do not cover loss or expense due to cancellation of a lease or agreement.

**SECTION I - ADDITIONAL COVERAGES**

The following Additional Coverages are subject to all the terms, provisions, exclusions and conditions of this policy.

1. **Debris Removal.** We will pay the reasonable expenses you incur in the removal of debris of covered property damaged by a Loss Insured. This expense is included in the limit applying to the damaged property.
When the amount payable for the property damage plus the debris removal exceeds the limit for the damaged property, an additional 5% of that limit is available for debris removal expense. This additional amount of insurance does not apply to Additional Coverage, item 3. Trees, Shrubs and Other Plants.

We will also pay up to $500 in the aggregate for each loss to cover the reasonable expenses you incur in the removal of tree debris from the residence premises when the tree has caused a Loss Insured to Coverage A property.

2. Temporary Repairs. If damage is caused by a Loss Insured, we will pay the reasonable and necessary cost you incur for temporary repairs to covered property to protect the property from further immediate damage or loss. This coverage does not increase the limit applying to the property being repaired.

3. Trees, Shrubs and Other Plants. We cover outdoor trees, shrubs, plants or lawns, on the residence premises, for direct loss caused by the following: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles (not owned or operated by a resident of the residence premises), Vandalism or malicious mischief or Theft.

The limit for this coverage, including the removal of debris, shall not exceed 5% of the amount shown in the Declarations for COVERAGE A - DWELLING. We will not pay more than $500 for any one outdoor tree, shrub or plant, including debris removal expense. This coverage may increase the limit otherwise applicable. We do not cover property grown for business purposes.

4. Fire Department Service Charge. We will pay up to $500 for your liability assumed by contract or agreement for fire department charges. This means charges incurred when the fire department is called to save or protect covered property from a Loss Insured. No deductible applies to this coverage. This coverage may increase the limit otherwise applicable.

5. Property Removed. Covered property, while being removed from a premises endangered by a Loss Insured, is covered for any accidental direct physical loss. This coverage also applies to the property for up to 30 days while removed. We will also pay for reasonable expenses incurred by you for the removal and return of the covered property. This coverage does not increase the limit applying to the property being removed.


   a. We will pay up to $1,000 for:

      (1) the legal obligation of an insured to pay because of the theft or unauthorized use of credit cards and bank fund transfer cards issued to or registered in an insured’s name. If an insured has not complied with all terms and conditions under which the cards are issued, we do not cover use by an insured or anyone else;

      (2) loss to an insured caused by forgery or alteration of any check or negotiable instrument; and

      (3) loss to an insured through acceptance in good faith of counterfeit United States or Canadian paper currency.

   b. We do not cover loss arising out of business pursuits or dishonesty of an insured.

   c. Defense:

      (1) We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend claims or suits ends when the amount we pay for the loss equals our limit of liability.

      (2) If claim is made or a suit is brought against an insured for liability under the Credit Card or Bank Fund Transfer Card coverage, we will provide a defense. This defense is at our expense by counsel of our choice.
We have the option to defend at our expense an insured or an insured’s bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Power Interruption.** We cover accidental direct physical loss caused directly or indirectly by a change of temperature which results from power interruption that takes place on the residence premises. The power interruption must be caused by a Loss Insured occurring on the residence premises. The power lines off the residence premises must remain energized. This coverage does not increase the limit applying to the damaged property.

8. **Refrigerated Products.** Coverage B is extended to cover the contents of deep freeze or refrigerated units on the residence premises for loss due to power failure or mechanical failure. If mechanical failure or power failure is known to you, all reasonable means must be used to protect the property insured from further damage or this coverage is void. Power failure or mechanical failure shall not include:
   a. removal of a plug from an electrical outlet; or
   b. turning off an electrical switch unless caused by a Loss Insured.

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

9. **Arson Reward.** We will pay $1,000 for information which leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable. However, the $1,000 limit shall not be increased regardless of the number of persons providing information. No deductible applies to this coverage.

10. **Volcanic Action.** We cover direct physical loss to a covered building or covered property contained in a building resulting from the eruption of a volcano when the loss is directly and immediately caused by:
    a. volcanic blast or airborne shock waves;
    b. ash, dust or particulate matter; or
    c. lava flow.

We will also pay for the removal of that ash, dust or particulate matter which has caused direct physical loss to a covered building or covered property contained in a building. One or more volcanic eruptions that occur within a 72-hour period shall be considered one volcanic eruption. This coverage does not increase the limit applying to the damaged property.

11. **Collapse.** We insure only for direct physical loss to covered property involving the sudden, entire collapse of a building or any part of a building. Collapse means actually fallen down or fallen into pieces. It does not include settling, cracking, shrinking, bulging, expansion, sagging or bowing. The collapse must be directly and immediately caused only by one or more of the following:
    a. perils described in SECTION I - LOSSES INSURED, COVERAGE B - PERSONAL PROPERTY. These perils apply to covered building and personal property for loss insured by this Additional Coverage;
    b. hidden decay of a supporting or weight-bearing structural member of the building;
    c. hidden insect or vermin damage to a structural member of the building;
    d. weight of contents, equipment, animals or people;
    e. weight of ice, snow, sleet or rain which collects on a roof; or
    f. use of defective material or methods in the construction (includes remodeling or renovation) of the building, if the collapse occurs during the course of the construction of the building.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e. and f. unless the loss is the direct and immediate cause of the collapse of the building.

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

12. **Locks.** We will pay the reasonable expenses you incur to re-key locks on exterior doors of the dwelling located on the residence premises, when the keys to those locks are a part of a covered theft loss. No deductible applies to this coverage.
 SECTION I - LOSSES INSURED

COVERAGE A - DWELLING

We insure for accidental direct physical loss to the property described in Coverage A, except as provided in SECTION I - LOSSES NOT INSURED.

COVERAGE B - PERSONAL PROPERTY

We insure for accidental direct physical loss to property described in Coverage B caused by the following perils, except as provided in SECTION I - LOSSES NOT INSURED:

1. Fire or lightning.

2. Windstorm or hail. This peril does not include loss to property contained in a building caused by rain, snow, sleet, sand or dust. This limitation does not apply when the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

   This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.

3. Explosion.

4. Riot or civil commotion.

5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicles, meaning impact by a vehicle.

7. Smoke, meaning sudden and accidental damage from smoke.

   This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism or malicious mischief, meaning only willful and malicious damage to or destruction of property.

9. Theft, including attempted theft and loss of property from a known location when it is probable that the property has been stolen.

This peril does not include:

a. loss of a precious or semi-precious stone from its setting;

b. loss caused by theft:

   (1) committed by an insured or by any other person regularly residing on the insured location. Property of a student who is an insured is covered while located at a residence away from home, if the theft is committed by a person who is not an insured;

   (2) in or to a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and occupied; or

   (3) from the part of a residence premises rented to others:

      (a) caused by a tenant, members of the tenant's household, or the tenant's employees;

      (b) of money, bank notes, bullion, gold, goldware, silver, silverware, pewterware, platinum, coins and medals;

      (c) of securities, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets and stamps; or

      (d) of jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones;

   c. loss caused by theft that occurs away from the residence premises of:
(1) property while at any other residence owned, rented to, or occupied by an **insured**, except while an **insured** is temporarily residing there. Property of a student who is an **insured** is covered while at a residence away from home;

(2) watercraft of all types, including their furnishings, equipment and outboard motors; or

(3) trailers and campers designed to be pulled by or carried on a vehicle.

If the **residence premises** is a newly acquired principal residence, property in the immediate past principal residence shall not be considered property away from the **residence premises** for the first 30 days after the inception of this policy.

10. **Falling objects.** This peril does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

11. **Weight of ice, snow or sleet** which causes damage to property contained in a building.

12. **Sudden and accidental discharge or overflow** of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

This peril does not include loss:

a. to the system or appliance from which the water or steam escaped;

b. caused by or resulting from freezing;

c. caused by or resulting from water or sewage from outside the **residence premises** plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or
d. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, or wet or dry rot.

13. **Sudden and accidental tearing asunder, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss:

a. caused by or resulting from freezing; or

b. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, or wet or dry rot.

14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include loss on the **residence premises** while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

a. maintain heat in the building; or

b. shut off the water supply and drain the system and appliances of water.

15. **Sudden and accidental damage** to electrical appliances, devices, fixtures and wiring from an increase or decrease of artificially generated electrical current. We will pay up to $1,000 under this peril for each damaged item described above.

16. **Breakage of glass**, meaning damage to personal property caused by breakage of glass which is a part of a building on the **residence premises**. There is no coverage for loss or damage to the glass.
SECTION I - LOSSES NOT INSURED

1. We do not insure for any loss to the property described in Coverage A which consists of, or is directly and immediately caused by, one or more of the perils listed in items a. through o. below, regardless of whether the loss occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

   a. collapse, except as specifically provided in SECTION I - ADDITIONAL COVERAGES, Collapse;

   b. freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion only applies while the dwelling is vacant, unoccupied or being constructed. This exclusion does not apply if you have used reasonable care to:

       (1) maintain heat in the building; or

       (2) shut off the water supply and drain the system and appliances of water;

   c. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a swimming pool, hot tub or spa, including their filtration and circulation systems, fence, pavement, patio, foundation, retaining wall, bulkhead, pier, wharf or dock;

   d. theft in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and occupied;

   e. vandalism or malicious mischief or breakage of glass and safety glazing materials if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

   f. continuous or repeated seepage or leakage of water or steam from a:

       (1) heating, air conditioning or automatic fire protective sprinkler system;

       (2) household appliance; or

       (3) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors;

   g. wear, tear, marring, scratching, deterioration, inherent vice, latent defect or mechanical breakdown;

   h. corrosion, electrolysis or rust;

   i. wet or dry rot;

   j. contamination;

   k. smog, smoke from agricultural smudging or industrial operations;

   l. settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundation, walls, floors, roofs or ceilings;

   m. birds, vermin, rodents, insects, or domestic animals. We do cover the breakage of glass or safety glazing material which is a part of a building, when caused by birds, vermin, rodents, insects or domestic animals;

   n. seizure by a governmental authority; or

   o. pressure from or presence of tree, shrub or plant roots.

   However, we do insure for any resulting loss from items a. through n. unless the resulting loss is itself a Loss Not Insured by this Section.
2. We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

a. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, demolition, sale, occupancy or placement of a building or other structure.

b. **Earth Movement**, meaning the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not. Earth movement includes but is not limited to earthquake, landslide, mudflow, mudslide, sinkhole, subsidence, erosion or movement resulting from improper compaction, site selection or any other external forces. Earth movement also includes volcanic explosion or lava flow, except as specifically provided in SECTION I - ADDITIONAL COVERAGE, Volcanic Action.

However, we do insure for any direct loss by fire resulting from earth movement, provided the resulting fire loss is itself a Loss Insured.

c. **Water Damage**, meaning:

(1) flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, all whether driven by wind or not;

(2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or

(3) water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

However, we do insure for any direct loss by fire, explosion or theft resulting from water damage, provided the resulting loss is itself a Loss Insured.

d. **Neglect**, meaning neglect of the insured to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.

e. **War**, including any undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

f. **Nuclear Hazard**, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion or smoke.

However, we do insure for any direct loss by fire resulting from the nuclear hazard, provided the resulting fire loss is itself a Loss Insured.

g. **Conversion, Embezzlement or Secretion** by the selling dealer or by any person in lawful possession or custody of the insured property.

h. Any Loss Insured other than fire while the dwelling is in transit.

i. Any Loss Insured while the dwelling is at any location not described in this policy. This exclusion does not apply if you or someone on your behalf has notified us or our agent of the move within 60 days from the start of the move.

j. **Fungus**, including the growth, proliferation, spread or presence of fungus, and including:
(1) any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, due to interference at the described premises or location of the rebuilding, repair or replacement of that property, by fungus;

(2) any remediation of fungus, including the cost or expense to:
   (a) remove or clean the fungus from covered property or to repair, restore or replace that property;
   (b) tear out and replace any part of the building or other property as needed to gain access to the fungus;
   (c) contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the fungus; or
   (d) remove any property to protect it from the presence of or exposure to fungus;

(3) the cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of fungus, whether performed prior to, during or after removal, repair, restoration or replacement of covered property.

3. We do not insure under any coverage for any loss consisting of one or more of the items below. Further, we do not insure for loss described in paragraphs 1. and 2. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:

   a. conduct, act, failure to act, or decision of any person, group, organization or governmental body whether intentional, wrongful, negligent, or without fault;
   b. defect, weakness, inadequacy, fault or unsoundness in:
      (1) planning, zoning, development, surveying, siting;
      (2) design, specifications, workmanship, construction, grading, compaction;
      (3) materials used in construction or repair; or
      (4) maintenance;
   c. weather conditions.

However, we do insure for any resulting loss from items a., b. and c. unless the resulting loss is itself a Loss Not Insured by this Section.

SECTION I - LOSS SETTLEMENT

COVERAGE A - DWELLING
Losses to property covered under SECTION I - COVERAGES, COVERAGE A - DWELLING are settled at actual cash value at the time of loss. This means there may be deduction for depreciation.

We will pay the lower of:
1. the actual cash value at the time of the loss of the damaged part of the property;
2. the amount necessary to repair or replace;
3. any limit of liability described in the policy; or
4. any applicable Coverage A limit of liability.

COVERAGE B - PERSONAL PROPERTY
Only the Loss Settlement provision shown in the Declarations applies. We will settle covered property losses according to the following:

   a. We will pay the cost to repair or replace property covered under SECTION I - COVERAGES, COVERAGE B - PERSONAL PROPERTY, except for property listed in item b. below, subject to the following:
(1) until repair or replacement is completed, we will pay only the cost to repair or replace less depreciation;

(2) after repair or replacement is completed, we will pay the difference between the cost to repair or replace less depreciation and the cost you have actually and necessarily spent to repair or replace the property; and

(3) if property is not repaired or replaced within two years after the date of loss, we will pay only the cost to repair or replace less depreciation.

b. We will pay market value at the time of loss for:

(1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;

(2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and

(3) property not useful for its intended purpose.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:

(1) our cost to replace at the time of loss;

(2) the full cost of repair;

(3) any special limit of liability described in the policy; or

(4) any applicable Coverage B limit of liability.


a. We will pay the cost to repair or replace less depreciation at the time of loss for property covered under SECTION I - COVERAGES, COVERAGE B - PERSONAL PROPERTY, except for property listed in item b. below.

b. We will pay market value at the time of loss for:

(1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;

(2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and

(3) property not useful for its intended purpose.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:

(1) our cost to replace at the time of loss;

(2) the full cost of repair;

(3) any special limit of liability described in the policy; or

(4) any applicable Coverage B limit of liability.

SECTION I - CONDITIONS

1. Insurable Interest and Limit of Liability. Even if more than one person has an insurable interest in the property covered, we shall not be liable:

a. to the insured for an amount greater than the insured's interest; or

b. for more than the applicable limit of liability.

2. Your Duties After Loss. After a loss to which this insurance may apply, you shall see that the following duties are performed:

a. give immediate notice to us or our agent. Also notify the police if the loss is caused by theft. Also notify the credit card company or bank if the loss involves a credit card or bank fund transfer card;

b. protect the property from further damage or loss, make reasonable and necessary temporary repairs required to protect the property, keep an accurate record of repair expenditures;

c. prepare an inventory of damaged or stolen personal property. Show in detail the quantity, description, age, actual cash value and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory;
d. as often as we reasonably require:
   (1) exhibit the damaged property;
   (2) provide us with records and documents we request and permit us to make copies;
   (3) submit to and subscribe, while not in the presence of any other insured:
      (a) statements; and
      (b) examinations under oath; and
   (4) produce employees, members of the insured's household or others for examination under oath to the extent it is within the insured's power to do so; and

e. submit to us, within 60 days after the loss, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
   (1) the time and cause of loss;
   (2) interest of the insured and all others in the property involved and all encumbrances on the property;
   (3) other insurance which may cover the loss;
   (4) changes in title or occupancy of the property during the term of this policy;
   (5) specifications of any damaged building and detailed estimates for repair of the damage;
   (6) an inventory of damaged or stolen personal property described in 2.c.;
   (7) receipts for additional living expenses incurred and records supporting the fair rental value loss; and
   (8) evidence or affidavit supporting a claim under the Credit Card, Bank Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

3. **Loss to a Pair or Set.** In case of loss to a pair or set, we may elect to:
   a. repair or replace any part to restore the pair or set to its value before the loss; or
   b. pay the difference between the depreciated value of the property before and after the loss.

4. **Glass Replacement.** Loss for damage to glass caused by a Loss Insured shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

5. **Appraisal.** If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, disinterested appraiser. Each shall notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two 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 set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

6. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only our share of the loss. Our share is the proportion of the loss that the applicable limit under this policy bears to the total amount of insurance covering the loss.

7. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions. The action must be started within one year after the date of loss or damage.

8. **Our Option.** We may repair or replace any part of the property damaged or stolen with similar property. Any property we pay for or replace becomes our property.
9. **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 60 days after we receive your proof of loss and:
   a. reach agreement with you;
   b. there is an entry of a final judgment; or
   c. there is a filing of an appraisal award with us.

10. **Abandonment of Property.** We need not accept any property abandoned by an insured.

11. **Lienholder Clause.** The word “lienholder” includes trustee.
   a. If a lienholder is named in this policy, any loss payable under Coverage A shall be paid to the lienholder and you, as interests appear. If more than one lienholder is named, the order of payment shall be the same as the order of precedence of the liens.
   b. If we deny your claim, that denial shall not apply to a valid claim of the lienholder, if the lienholder:
      (1) notifies us of any change in ownership, occupancy or substantial change in risk of which the lienholder is aware, provided that the conversion, embezzlement, or concealment by an insured having possession of the dwelling is not covered under Section I of this policy;
      (2) pays on demand any premium due under this policy, if you have not paid the premium; and
      (3) submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the lienholder.
   c. If this policy is cancelled by us, the lienholder shall be notified at least 10 days before the date cancellation takes effect. Proof of mailing shall be proof of notice.
   d. If we pay the lienholder for any loss and deny payment to you:
      (1) we are subrogated to all the rights of the lienholder granted under the lien on the property; or
      (2) at our option, we may pay to the lienholder the whole principal on the lien plus any accrued interest. In this event, we shall receive a full assignment and transfer of the lien and all securities held as collateral to the lien debt.
   e. Subrogation shall not impair the right of the lienholder to recover the full amount of the lienholder’s claim.

12. **No Benefit to Bailee.** We will not recognize an assignment or grant coverage for the benefit of a person or organization holding, storing or transporting property for a fee. This applies regardless of any other provision of this policy.

13. **Intentional Acts.** If you or any person insured under this policy causes or procures a loss to property covered under this policy for the purpose of obtaining insurance benefits, then this policy is void and we will not pay you or any other insured for this loss.

14. **Replacement of Dwelling.** If you replace your dwelling, we will provide coverage on the replacement. This condition applies only if you notify us within 60 days after delivery of the replacement and pay any additional premium required.

15. **Protection of Insured Property.** When insured property is endangered by a Loss Insured, you shall use all reasonable means to protect the property from loss or further loss.
SECTION II - LIABILITY COVERAGES

COVERAGE L - PERSONAL LIABILITY

If a claim is made or a suit is brought against an insured for damages because of bodily injury or property damage to which this coverage applies, caused by an occurrence, we will:

1. pay up to our limit of liability for the damages for which the insured is legally liable; and
2. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages, to effect settlement or satisfy a judgment resulting from the occurrence, equals our limit of liability.

COVERAGE M - MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing bodily injury. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage applies only:

1. to a person on the insured location with the permission of an insured;
2. to a person off the insured location, if the bodily injury:
   a. arises out of a condition on the insured location or the ways immediately adjoining;
   b. is caused by the activities of an insured;
   c. is caused by a residence employee in the course of the residence employee's employment by an insured; or
   d. is caused by an animal owned by or in the care of an insured;
3. to a residence employee if the occurrence causing bodily injury occurs off the insured location and arises out of or in the course of the residence employee's employment by an insured.

SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

1. Claim Expenses. We pay:
   a. expenses we incur and costs taxed against an insured in suits we defend;
   b. premiums on bonds required in suits we defend, but not for bond amounts greater than the Coverage L limit. We are not obligated to apply for or furnish any bond;
   c. reasonable expenses an insured incurs at our request. This includes actual loss of earnings (but not loss of other income) up to $100 per day for aiding us in the investigation or defense of claims or suits;
   d. prejudgment interest awarded against the insured on that part of the judgment we pay; and
   e. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. First Aid Expenses. We will pay expenses for first aid to others incurred by an insured for bodily injury covered under this policy. We will not pay for first aid to you or any other insured.
3. Damage to Property of Others.
   a. We will pay for property damage to property of others caused by an insured.
   b. We will not pay more than the smallest of the following amounts:
      (1) replacement cost at the time of loss;
      (2) full cost of repair; or
      (3) $500 in any one occurrence.
   c. We will not pay for property damage:
      (1) if insurance is otherwise provided in this policy;
(2) caused intentionally by an insured who is 13 years of age or older;

(3) to property, other than a rented golf cart, owned by or rented to an insured, a tenant of an insured, or a resident in your household; or

(4) arising out of:
   (a) business pursuits;
   (b) any act or omission in connection with a premises an insured owns, rents or controls, other than the insured location; or
   (c) the ownership, maintenance, or use of a motor vehicle, aircraft, or watercraft, including airboat, air cushion, personal watercraft, sail board or similar type watercraft.

SECTION II - EXCLUSIONS

1. Coverage L and Coverage M do not apply to:
   a. bodily injury or property damage:
      (1) which is either expected or intended by the insured; or
      (2) which is the result of willful and malicious acts of the insured;
   b. bodily injury or property damage arising out of business pursuits of any insured or the rental or holding for rental of any part of any premises by any insured. This exclusion does not apply:
      (1) to activities which are ordinarily incident to non-business pursuits;
      (2) with respect to Coverage L to the occasional or part-time business pursuits of an insured who is under 19 years of age;
      (3) to the rental or holding for rental of a residence of yours:
         (a) on an occasional basis for the exclusive use as a residence;
         (b) in part, unless intended for use as a residence by more than two roomers or boarders; or
         (c) in part, as an office, school, studio or private garage;
      (4) when the dwelling on the residence premises is a two, three or four-family dwelling and you occupy one part and rent or hold for rental the other part; or
   c. bodily injury or property damage arising out of the rendering or failing to render professional services;
   d. bodily injury or property damage arising out of any premises currently owned or rented to any insured which is not an insured location. This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee’s employment by an insured;
   e. bodily injury or property damage arising out of the ownership, maintenance, use, loading or unloading of:
      (1) an aircraft;
      (2) a motor vehicle owned or operated by or rented or loaned to any insured; or
      (3) a watercraft:
         (a) owned by or rented to any insured if it has inboard or inboard-outdrive motor power of more than 50 horsepower;
         (b) owned by or rented to any insured if it is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;
   (5) to farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations;
(c) powered by one or more outboard motors with more than 25 total horsepower owned by any insured;
(d) designated as an airboat, air cushion, or similar type of craft; or
(e) owned by any insured which is a personal watercraft using a water jet pump powered by an internal combustion engine as the primary source of propulsion.

This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee's employment by an insured. Exclusion e.(3) does not apply while the watercraft is on the residence premises;

f. bodily injury or property damage arising out of:
   (1) the entrustment by any insured to any person;
   (2) the supervision by any insured of any person;
   (3) any liability statutorily imposed on any insured; or
   (4) any liability assumed through an unwritten or written agreement by any insured;
with regard to the ownership, maintenance or use of any aircraft, watercraft, or motor vehicle which is not covered under Section II of this policy;

g. bodily injury or property damage caused directly or indirectly by war, including undeclared war, or any warlike act including destruction or seizure or use for a military purpose, or any consequence of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental;

h. bodily injury to you or any insured within the meaning of part a. or b. of the definition of insured.

This exclusion also applies to any claim made or suit brought against you or any insured to share damages with or repay someone else who may be obligated to pay damages because of the bodily injury sustained by you or any insured within the meaning of part a. or b. of the definition of insured;
i. any claim made or suit brought against any insured by:
   (1) any person who is in the care of any insured because of child care services provided by or at the direction of:
       (a) any insured;
       (b) any employee of any insured; or
       (c) any other person actually or apparently acting on behalf of any insured; or
   (2) any person who makes a claim because of bodily injury to any person who is in the care of any insured because of child care services provided by or at the direction of:
       (a) any insured;
       (b) any employee of any insured; or
       (c) any other person actually or apparently acting on behalf of any insured.

This exclusion does not apply to the occasional child care services provided by any insured, or to the part-time child care services provided by any insured who is under 19 years of age;

j. bodily injury or property damage arising out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungus at or from any source or location; or

k. any:
   (1) bodily injury or property damage arising out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungus at or from any source or location; or
(2) loss, cost or expense arising out of any:
   (a) request, demand or order that any 
       insured or others test for, monitor, clean 
       up, remove, contain, treat, detoxify, 
       neutralize, remediate or dispose of or in 
       any way respond to or assess the effects 
       of fungus; or 
   (b) claim or suit for damages because of testing 
       for, monitoring, cleaning up, removing, 
       containing, treating, detoxifying, neutralizing, 
       remediating or disposing of, or in any way 
       responding to or assessing the effects of 
       fungus.

2. Coverage L does not apply to:
   a. liability:
      (1) for your share of any loss assessment 
          charged against a 
          association of property owners; or 
      (2) assumed under any unwritten contract or 
          agreement, or by contract or 
          agreement in 
          connection with a business of the 
          insured; 
   b. property damage to property currently owned by 
      any insured; 
   c. property damage to property rented to, occupied 
      or used by or in the care of any insured. This 
      exclusion does not apply to property damage 
      caused by fire, smoke or explosion; 
   d. bodily injury to a person eligible to receive any 
      benefits required to be provided or voluntarily 
      provided by an insured under a workers' 
      compensation, non-occupational disability, or 
      occupational disease law; 
   e. bodily injury or property damage for which an 
      insured under this policy is also an insured under 
      a nuclear energy liability policy or would be an 
      insured but for its termination upon exhaustion of 
      its limit of liability. A nuclear energy liability policy is 
      a policy issued by Nuclear Energy Liability 
      Insurance Association, Mutual Atomic Energy 
      Liability Underwriters, Nuclear Insurance 
      Association of Canada, or any of their successors. 

3. Coverage M does not apply to bodily injury:
   a. to a residence employee if it occurs off the 
      insured location and does not arise out of or in 
      the course of the residence employee's 
      employment by an insured; 
   b. to a person eligible to receive any benefits required 
      to be provided or voluntarily provided under any 
      workers' compensation, non-occupational disability 
      or occupational disease law; 
   c. from nuclear reaction, radiation or radioactive 
      contamination, all whether controlled or 
      uncontrolled or however caused, or any 
      consequence of any of these; 
   d. to a person other than a residence employee of 
      an insured, regularly residing on any part of the 
      insured location.

SECTION II - CONDITIONS

1. Limit of Liability. The Coverage L limit is shown in the 
   Declarations. This is our limit for all damages from 
   each occurrence regardless of the number of 
   insureds, claims made or persons injured. 
   The Coverage M limit is shown in the Declarations. 
   This is our limit for all medical expense for bodily injury 
   to one person as the result of one accident.

2. Severability of Insurance. This insurance applies 
   separately to each insured. This condition shall not 
   increase our limit of liability for any one occurrence.

3. Duties After Loss. In case of an accident or 
   occurrence, the insured shall perform the following 
   duties that apply. You shall cooperate with us in seeing 
   that these duties are performed:
   a. give written notice to us or our agent as soon as 
      practicable, which sets forth:
      (1) the identity of this policy and insured; 
      (2) reasonably available information on the time, 
          place and circumstances of the accident or 
          occurrence; and
(3) names and addresses of any claimants and available witnesses;

b. immediately forward to us every notice, demand, summons or other process relating to the accident or occurrence;

c. at our request, assist in:
   (1) making settlement;
   (2) the enforcement of any right of contribution or indemnity against a person or organization who may be liable to an insured;
   (3) the conduct of suits and attend hearings and trials; and
   (4) securing and giving evidence and obtaining the attendance of witnesses;

d. under the coverage - Damage to Property of Others, exhibit the damaged property if within the insured's control; and

e. the insured shall not, except at the insured's own cost, voluntarily make payments, assume obligations or incur expenses. This does not apply to expense for first aid to others at the time of the bodily injury.

4. Duties of an Injured Person - Coverage M. The injured person, or, when appropriate, someone acting on behalf of that person, shall:
   a. give us written proof of claim, under oath if required, as soon as practicable;
   b. execute authorization to allow us to obtain copies of medical reports and records; and
   c. submit to physical examination by a physician selected by us when and as often as we reasonably require.

5. Payment of Claim - Coverage M. Payment under this coverage is not an admission of liability by an insured or us.

6. Suit Against Us. No action shall be brought against us unless there has been compliance with the policy provisions.

   No one shall have the right to join us as a party to an action against an insured. Further, no action with respect to Coverage L shall be brought against us until the obligation of the insured has been determined by final judgment or agreement signed by us.

7. Bankruptcy of an Insured. Bankruptcy or insolvency of an insured shall not relieve us of our obligation under this policy.

8. Other Insurance - Coverage L. This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTION I AND SECTION II - CONDITIONS

1. Policy Period. This policy applies only to loss under Section I or bodily injury or property damage under Section II which occurs during the period this policy is in effect.

2. Concealment or Fraud. This policy is void as to you and any other insured, if you or any other insured under this policy has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, whether before or after a loss.

3. Liberalization Clause. If we adopt any revision which would broaden coverage under this policy without additional premium, within 60 days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.

4. Waiver or Change of Policy Provisions. A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights.

5. Cancellation.
   a. You may cancel this policy at any time by notifying us in writing of the date cancellation is to take effect. We may waive the requirement that the notice be in writing by confirming the date and time of cancellation to you in writing.
b. We may cancel this policy only for the reasons stated in this condition. We will notify you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice.

(1) When you have not paid the premium, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect. This condition applies whether the premium is payable to us or our agent or under any finance or credit plan.

(2) 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. We may cancel by notifying you at least 10 days before the date cancellation takes effect.

(3) 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:

(a) if there has been a material misrepresentation of fact which, if known to us, would have caused us not to issue this policy; or

(b) if the risk has changed substantially since the policy was issued.

We may cancel this policy by notifying you at least 30 days before the date cancellation takes effect.

(4) When this policy is written for a period longer than one year, we may cancel for any reason at anniversary. We may cancel by notifying you at least 30 days before the date cancellation takes effect.

c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our rules for such cancellation. The return premium may be less than a full pro rata refund. When we cancel, the return premium will be pro rata.

d. The return premium may not be refunded with the notice of cancellation or when the policy is returned to us. In such cases, we will refund it within a reasonable time after the date cancellation takes effect.

6. Nonrenewal. We may elect not to renew this policy. If we elect not to renew, a written notice will be delivered to you, or mailed to you at your mailing address shown in the Declarations. The notice will be mailed or delivered at least 30 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

7. Assignment. Assignment of this policy shall not be valid unless we give our written consent.

8. Subrogation. An insured may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an insured shall:

a. sign and deliver all related papers;

b. cooperate with us in a reasonable manner; and

c. do nothing after a loss to prejudice such rights.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. Death. If any person shown in the Declarations or the spouse, if a resident of the same household, dies:

a. we insure the legal representative of the deceased.

This condition applies only with respect to the premises and property of the deceased covered under this policy at the time of death;

b. insured includes:

(1) any member of your household who is an insured at the time of your death, but only while a resident of the residence premises; and
(2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

10. Conformity to State Law. When a policy provision is in conflict with the applicable law of the State in which this policy is issued, the law of the State will apply.

11. Premium. The premium for this policy may vary based upon the purchase of other insurance from one of the State Farm affiliated companies.

12. Right to Inspect. We have the right but are not obligated to make inspection and surveys at any time, give you reports on conditions we find and recommend changes. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged.

We do not:

a. make safety inspections;

b. undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;

c. warrant that conditions are safe or healthful; or

d. warrant that conditions comply with laws, regulations, codes or standards.

This condition applies not only to us but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

13. Joint and Individual Interests. When there are two or more named insureds, each acts for all to cancel or change the policy.

OPTIONAL POLICY PROVISIONS

Each Optional Policy Provision applies only as shown in the Declarations and is subject to all the terms, provisions, exclusions and conditions of this policy.

Option AI - Additional Insured. The definition of insured is extended to include the person or organization shown in the Declarations as an Additional Insured or whose name is on file with us. Coverage is with respect to:

1. Section I - Coverage A; or

2. Section II - Coverages L and M but only with respect to the residence premises. This coverage does not apply to bodily injury to an employee arising out of or in the course of the employee's employment by the person or organization.

This option applies only with respect to the location shown in the Declarations.

Option BP - Business Property. The COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability, item b., for property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, is changed as follows:

The $1,000 limit is replaced with the amount shown in the Declarations for this option.

Option BU - Business Pursuits. SECTION II - EXCLUSIONS, item f.b. is modified as follows:

1. Section II coverage applies to the business pursuits of an insured who is a:

   a. clerical office employee, salesperson, collector, messenger; or

   b. teacher (except college, university and professional athletic coaches), school principal or school administrator;

   while acting within the scope of the above listed occupations.

2. However, no coverage is provided:

   a. for bodily injury or property damage arising out of a business owned or financially controlled by the insured or by a partnership of which the insured is a partner or member;

   b. for bodily injury or property damage arising out of the rendering of or failure to render professional services of any nature (other than teaching or school administration). This exclusion includes but is not limited to:
(1) computer programming, architectural, engineering or industrial design services;
(2) medical, surgical, dental or other services or treatment conducive to the health of persons or animals; and
(3) beauty or barber services or treatment;
c. for **bodily injury** to a fellow employee of the **insured** injured in the course of employment; or
d. when the **insured** is a member of the faculty or teaching staff of a school or college:
   (1) for **bodily injury** or **property damage** arising out of the maintenance, use, loading or unloading of:
      (a) draft or saddle animals, including vehicles for use with them; or
      (b) aircraft, **motor vehicles**, recreational motor vehicles or watercraft, airboats, air cushions or personal watercraft which use a water jet pump powered by an internal combustion engine as the primary source of propulsion; owned or operated, or hired by or for the **insured** or employer of the **insured** or used by the **insured** for the purpose of instruction in the use thereof; or
   (2) under Coverage M for **bodily injury** to a pupil arising out of corporal punishment administered by or at the direction of the **insured**.

**Option FA - Firearms.** Firearms are insured for accidental direct physical loss or damage.

The limits for this option are shown in the **Declarations**. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:

1. we do not insure for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
   a. mechanical breakdown, wear and tear, gradual deterioration;
   b. insects or vermin;
   c. any process of refinishing, renovating, or repairing;
   d. dampness of atmosphere or extremes of temperatures;
   e. inherent defect or faulty manufacture;
   f. rust, fouling or explosion of firearms;
   g. breakage, marring, scratching, tearing or denting unless caused by fire, thieves or accidents to conveyances; or
   h. infidelity of an **insured’s** employees or persons to whom the insured property may be entrusted or rented;
2. our limit for loss by any Coverage B peril except theft is the limit shown in the **Declarations** for Coverage B, plus the aggregate limit;
3. our limits for loss by theft are those shown in the **Declarations** for this option. These limits apply in lieu of the Coverage B theft limit; and
4. our limits for loss by any covered peril except those in items 2. and 3. are those shown in the **Declarations**.

**Option HC - Home Computer.** The **COVERAGE B - PERSONAL PROPERTY**, **Special Limits of Liability**, item j., for electronic data processing system equipment and the recording or storage media used with that equipment is increased to be the amount shown in the **Declarations** for this option.

**Option IO - Incidental Business.** The coverage provided by this option applies only to that incidental **business** occupancy on file with us.

1. **COVERAGE A - DWELLING, Dwelling Extension**, item 2.b. is deleted.
2. **COVERAGE B - PERSONAL PROPERTY** is extended to include equipment, supplies and furnishings usual and incidental to this **business** occupancy. This Optional Policy Provision does not include electronic data processing system equipment or the recording or storage media used with that equipment or merchandise held as samples or for sale or for delivery after sale.

The Option IO limits are shown in the Declarations. The first limit applies to property on the **residence premises**. The second limit applies to property while off the **residence premises**. These limits are in addition to the **COVERAGE B - PERSONAL PROPERTY** **Special Limits of Liability** on property used or intended for use in a **business**.

3. Under Section II, the **residence premises** is not considered **business** property because an **insured** occupies a part of it as an incidental **business**.

4. **SECTION II - EXCLUSIONS**, item 1.b. of Coverage L and Coverage M is replaced with the following:

   b. **bodily injury or property damage** arising out of **business** pursuits of an **insured** or the rental or holding for rental of any part of any premises by an **insured**. This exclusion does not apply:

   (1) to activities which are ordinarily incident to non-**business** pursuits or to **business** pursuits of an **insured** which are necessary or incidental to the use of the **residence premises** as an incidental **business**;

   (2) with respect to Coverage L to the occasional or part-time **business** pursuits of an **insured** who is under 19 years of age;

   (3) to the rental or holding for rental of a **residence** of yours:

   (a) on an occasional basis for exclusive use as a **residence**;

   (b) in part, unless intended for use as a **residence** by more than two roomers or boarders;

   (c) in part, as an incidental **business** or private garage;

   (4) when the dwelling on the **residence premises** is a two family dwelling and you occupy one part and rent or hold for rental the other part;

   (5) to farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

5. This insurance does not apply to:

   a. **bodily injury** to an employee of an **insured** arising out of the **residence premises** as an incidental **business** other than to a **residence employee** while engaged in the employee’s employment by an **insured**;

   b. **bodily injury** to a pupil arising out of corporal punishment administered by or at the direction of the **insured**;

   c. liability arising out of any acts, errors or omissions of an **insured**, or any other person for whose acts an **insured** is liable, resulting from the preparation or approval of data, plans, designs, opinions, reports, programs, specifications, supervisory inspections or engineering services in the conduct of an **insured’s** incidental **business** involving data processing, computer consulting or computer programming; or

   d. any claim made or suit brought against any **insured** by:

   (1) any person who is in the care of any **insured** because of child care services provided by or at the direction of:

   (a) any **insured**;

   (b) any employee of any **insured**; or
(c) any other person actually or apparently acting on behalf of any insured; or

(2) any person who makes a claim because of bodily injury to any person who is in the care of any insured because of child care services provided by or at the direction of:

(a) any insured;
(b) any employee of any insured; or
(c) any other person actually or apparently acting on behalf of any insured.

Coverage M does not apply to any person indicated in (1) and (2) above.

This exclusion does not apply to the occasional child care services provided by any insured, or to the part-time child care services provided by any insured who is under 19 years of age.

Option JF - Jewelry and Furs. Jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones, gold other than goldware, silver other than silverware and platinum are insured for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:

1. we do not insure for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
   a. mechanical breakdown, wear and tear, gradual deterioration;
   b. insects or vermin;
   c. inherent vice; or
   d. seizure or destruction under quarantine or customs regulations;

2. our limit for loss by any Coverage B peril except theft is the limit shown in the Declarations for Coverage B, plus the aggregate limit;

3. our limits for loss by theft are those shown in the Declarations for this option. These limits apply in lieu of the Coverage B theft limit; and

4. our limits for loss by any covered peril except those in items 2. and 3. are those shown in the Declarations for this option.

Option SG - Silverware and Goldware Theft. The COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability, item i., for theft of silverware and goldware is increased to be the amount shown in the Declarations for this option.

IN WITNESS WHEREOF, this Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.

[Signature]
Secretary

[Signature]
President

The Board of Directors, in accordance with Article VI(c) of this Company’s Articles of Incorporation, may from time to time distribute equitably to the holders of the participating policies issued by said Company such sums out of its earnings as in its judgment are proper.
FE-2400 MANUFACTURED HOME POLICY ENDORSEMENT

DEFINITIONS

Definition 13. is added:

13. “State Farm Companies” means one or more of the following:
   a. State Farm Mutual Automobile Insurance Company;
   b. State Farm Fire and Casualty Company; and
   c. subsidiaries or affiliates of either a. or b. above.

SECTION I – ADDITIONAL COVERAGES

The following is added:

13. Tear Out. If a Loss Insured to Coverage A property is caused by water or steam escaping from a system or appliance, we will also pay the reasonable cost you incur to tear out and replace only that particular part of the building necessary to gain access to the specific point of that system or appliance from which the water or steam escaped. We will not cover the cost of repairing or replacing the system or appliance itself. This coverage does not increase the limit applying to Coverage A property.

SECTION I – LOSSES NOT INSURED

Item 1.f. is replaced by the following:

f. continuous or repeated seepage or leakage of water or steam from a:
   (1) heating, air conditioning or automatic fire protective sprinkler system;
   (2) household appliance; or
   (3) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors;

which occurs over a period of time;

SECTION I AND SECTION II – CONDITIONS

Item 8. is replaced by the following:

8. Subrogation and Reimbursement.
   a. Subrogation.
      (1) Applicable to SECTION I – YOUR PROPERTY:
         If any insured to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That insured must do everything necessary to secure our rights and must do nothing after loss to impair them. But an insured may waive in writing before a loss all rights of recovery against any person.

      (2) Applicable to SECTION II – YOUR LIABILITY:
         If any insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair them. At our request, an insured will bring suit or transfer those rights to us and help us enforce them.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

b. Reimbursement.

If we make payment under this policy and any insured to or for whom we make payment recovers or has recovered from another person or organization, then the insured to or for whom we make payment must:

(1) hold in trust for us the proceeds of any recovery; and

(2) reimburse us to the extent of our payment.

The following is added to item 11., Premium:

a. Unless as otherwise provided by an alternative payment plan in effect with the State Farm Companies with respect to the premium for this policy, the premium is due and payable in full on or before the first day of the policy period shown in the most recently issued Declarations.

b. The renewal premium for this policy will be based upon the rates in effect, the coverages carried, the applicable limits, deductibles and other elements that affect the premium applicable at the time of renewal.

c. The premium for this policy may vary based upon:

(1) the purchase of other products or services from the State Farm Companies;

(2) the purchase of products or services from an organization that has entered into an agreement or contract with the State Farm Companies. The State Farm Companies do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization; or
(3) an agreement, concerning the insurance provided by this policy, that the State Farm Companies has with an organization of which you are a member, employee, subscriber, licensee, or franchisee.

d. Your purchase of this policy may allow:

(1) you to purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products from the State Farm Companies, subject to their applicable eligibility rules; or

(2) the premium or price for other products or services purchased by you, including non-insurance products or services, to vary. Such other products or services must be provided by the State Farm Companies or by an organization that has entered into an agreement or contract with the State Farm Companies. The State Farm Companies do not warrant the merchantability, fitness or quality of any product or service offered or provided by that organization.

The following condition is added:

14. Change of Policy Address. We may change the named insured's policy address as shown in the Declarations and in our records to the most recent address provided to us by:

a. you; or

b. the United States Postal Service.

All other policy provisions apply.
FE-5412.1 FUNGUS (INCLUDING MOLD) LIMITATION OF LIABILITY COVERAGE ENDORSEMENT

Except for the coverage provided by this endorsement, the policy to which this endorsement is attached does not apply to any claim or suit for damages because of bodily injury or property damage arising out of or resulting from fungus.

SECTION II - LIABILITY COVERAGES

COVERAGE L - PERSONAL LIABILITY is amended to include the following:

We will pay up to our limit of liability all sums which the insured is legally obligated to pay as damages because of bodily injury or property damage arising out of or resulting from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungus at or from any source or location.

LIMIT OF LIABILITY

Regardless of the number of insureds under this coverage or number of claims made or suits brought, the most we will pay under this coverage for all claims for damages in any one occurrence is $50,000. This limit is also the most we will pay for the sum of all claims arising from all occurrences during each policy period.

All other policy provisions apply.

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The following CONDITION is added:

**Duties of an Injured Person – Coverage M – Mandatory Reporting.** The injured person, or, when appropriate, someone acting on behalf of that person, shall:

a. provide us with any required authorizations; and

b. submit to us all information we need to comply with state or federal law.
Loss Not Insured 2.j., Fungus, does not apply to the extent coverage is provided by this endorsement.

SECTION I – ADDITIONAL COVERAGES

The following is added:

Remediation of Fungus.

a. If fungus is the result of a covered cause of loss other than fire or lightning, we will pay for:

(1) any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, due to interference at the described premises or location of the rebuilding, repair or replacement of that property, by fungus;

(2) any remediation of fungus, including the cost or expense to:

(a) remove or clean the fungus from covered property or to repair, restore or replace that property;

(b) tear out and replace any part of the building or other property as needed to gain access to the fungus;

(c) contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the fungus; or

(d) remove any property to protect it from the presence of or exposure to fungus;

(3) the cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of fungus, whether performed prior to, during or after removal, repair, restoration or replacement of covered property.

b. We do not cover fungus which is the result of:

(1) continuous or repeated seepage or leakage of water or steam from a:

(a) heating, air conditioning or automatic fire protective sprinkler system;

(b) household appliance; or

(c) plumbing system, including from, within, or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors; or

(2) defect, weakness, inadequacy, fault or unsoundness in:

(a) planning, zoning, development, surveying, siting;

(b) design, specifications, workmanship, construction, grading, compaction;

(c) materials used in construction or repair; or

(d) maintenance;

of any property (including land, structures, or improvements of any kind) whether on or off the residence premises.

c. This coverage applies only if:

(1) we receive immediate notice of the occurrence of the covered cause of loss that is alleged to have resulted in fungus, and remediation begins as soon as possible; and

(2) all reasonable means were used to save and preserve the property from further damage at the time of and after the occurrence of the covered cause of loss.

d. The most we will pay for this coverage, in any one policy period, is the limit of insurance shown on the Declarations for this endorsement. This limit applies only to fungus resulting from a covered cause of loss other than fire or lightning regardless of:

(1) the number of covered causes of loss that combine or contribute to the presence of resulting fungus; or

(2) the number of claims made during the policy period.

This limit includes any payments for SECTION I – ADDITIONAL COVERAGE and COVERAGE C – LOSS OF USE. Any payments made for this coverage are part of and not in addition to the limit of insurance that applies to covered property.

All other policy provisions apply.
SECTION I – ADDITIONAL COVERAGES

Collapse is replaced by the following:

Collapse. We insure for direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

a. perils described in SECTION I – LOSSES IN-SCREENED, COVERAGE B – PERSONAL PROPERTY. These perils apply to covered building and personal property for loss insured by this Additional Coverage;

b. hidden decay;

c. hidden insect or vermin damage;

d. weight of contents, equipment, animals or people;

e. weight of ice, snow, sleet or rain which collects on a roof; or

f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e., and f. unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

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

SECTION I – LOSSES NOT INSURED

The Exclusion “Neglect” is changed to read:

Neglect, meaning neglect of the insured to use all reasonable means to save and preserve property at and after the time of loss.

The following is added to 2.j. “Fungus”:

However, this exclusion does not apply if fungus results from an accidental direct physical loss caused by fire or lightning.

SECTION I – CONDITIONS

The Condition “Suit Against Us” is changed to read:

Suit Against Us. No action shall be brought unless there has been compliance with the policy provisions and the action is started within two years after the date of loss or damage.

The Condition “Loss Payment” is changed to read:

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 agreement with you; or

b. there is an entry of a final judgment; or

c. there is a filing of an appraisal award with us.

Paragraph c. of the Condition “Lienholder Clause” is replaced by the following:

c. If this policy is cancelled by us, the lienholder shall be notified at least 20 days before the date cancellation takes effect. If we elect not to renew this policy, the lienholder shall be notified at least 30 days before the expiration date of this policy. Proof of mailing shall be proof of notice.

The Condition “Intentional Acts” is deleted.

SECTION II – EXCLUSIONS

1. Exclusion 1.h. is deleted.

2. Under Exclusion 2., the following is added:

bodily injury to the named insured, spouse or resident children.

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

to you or any insured within the meaning of part a. or b. of the definition of insured.

SECTION I AND SECTION II – CONDITIONS

The Condition “Concealment or Fraud” is changed to read:

Concealment or Fraud. We do not provide coverage to the insured who under this policy has intentionally concealed or misrepresented any material fact or circumstance, engaged in fraudulent conduct, or made false statements relating to this insurance, whether before or after a loss.

Paragraph b. of the Condition “Cancellation” is replaced by the following:

b. We may cancel this policy only for the reasons stated in this condition. We will notify you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice.
(1) When you have not paid the premium, whether payable to us or to 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 has been in effect for less than 90 days and is not a renewal with us, we may cancel for any reason. We may cancel by notifying you at least 25 days before the date cancellation takes effect.

(3) When this policy has been in effect for 90 days or more, or at any time if it is a renewal with us, we may cancel for one or more of the following reasons and then only by mailing or delivering written notice to you stating when, not less than 30 days thereafter, such cancellation shall be effective:

(a) your conviction of a crime having as one of its necessary elements an act increasing any hazard insured against;

(b) discovery of fraud or material misrepresentation by either of the following:
   i. you or your representative in obtaining this insurance;
   ii. you in pursuing a claim under this policy;

(c) discovery of grossly negligent acts or omissions by you substantially increasing any of the hazards insured against;

(d) physical changes in the insured property which result in the property becoming uninsurable;

(e) the insured property is vacant and custodial care is not maintained on the property;

(f) the presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the date of notice;

(g) the presence of a swimming pool upon the insured property that is not fenced in, in accordance with the standards established in Title 22, section 1631, if the pool remains in noncompliance with those standards for 30 days after notice by the insurer of the defective condition and intent to cancel the policy;

(h) a loss occasioned by a dog bite, unless, after notice of cancellation or nonrenewal is received, the insured removes the dog; or

(i) failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer.

The following is added to the Condition "Nonrenewal":

This Condition does not apply:

a. if we have manifested our willingness to renew;

b. if you fail to pay any premium when due whether such premium is payable directly or indirectly under any premium finance plan or extension of credit or any advance premium required by us for renewal.

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

The following Condition is added:

Insurance Inspection Services Exemption From Liability. 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 the 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.

Premium. The following is added:

When you request changes to this policy, or the information or factors used to determine the premium for this policy change during the policy period, we may adjust the premium in accordance with the change during the policy period. If we decrease the premium during the policy period, we will provide a refund or a credit in the amount of the decrease. If we increase the premium during the policy period, you must pay any additional premium due within the time we specify.

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CONTINUED
STANDARD FIRE CONTRACT

This form contains the provisions of the Standard Fire Policy. Whenever the conditions of this form provide liberalization of conditions found in Section I coverage, the terms and conditions of the Standard Fire Policy shall apply.

In Consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Above Specified (or specified in endorsement(s) made a part hereof), this Company, for the term shown above from inception date shown above at 12:01 a.m. (Standard Time) to expiration date shown above at 12:01 a.m. (Standard Time) at location of property involved, to an amount not exceeding the limit of liability above specified, does insure the Insured named in the Declarations above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the Insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND OTHER PERILS INSURED AGAINST IN THIS POLICY INCLUDING REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREAFTER PROVIDED, to the property described herein while located or contained in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

Concealment, fraud.

This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property.

This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included.

This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.

Other Insurance.

Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring

(a) while the hazard is increased by any means within the control or knowledge of the insured; or

(b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or

(c) as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

Other perils or subjects.

Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions.

The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver provisions.

No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture
shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

Cancellation of policy.

This policy shall be cancelled at any time at the request of the insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this Company by giving to the insured a ten days’ written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

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.

Pro rata liability.

This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case a loss occurs.

The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal.

In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

Company’s options.

It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention to do so within thirty days after the receipt of the proof of loss herein required.
Abandonment.
There can be no abandonment to this Company of any property.

When loss payable.
The amount of a loss for which this Company may be liable shall be payable sixty days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

Suit.
No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within two years next after inception of the loss.

Subrogation.
This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.