



# Condominium Homeowners Policy



*Underwritten by:*

**Foremost Insurance Company**

GRAND RAPIDS, MICHIGAN

A Stock Company

Home Office

5600 Beech Tree Lane

Caledonia, Michigan 49316

1-800-527-3905

# Table of Contents

Page

<b>Insuring Agreement</b> .....	<b>1</b>
<b>Definitions</b> .....	<b>1</b>
<b>SECTION I – Your Property Coverages</b> .....	<b>4</b>
Coverage A – Unit Owner’s Building Property .....	4
Coverage C – Personal Property .....	4
Special Amounts of Insurance .....	4
Property We Do Not Insure .....	5
Coverage D – Additional Living Expense .....	6
Your Additional Coverages .....	7
Debris Removal .....	7
Emergency Repairs After Loss .....	7
Emergency Removal of Personal Property .....	7
Fire Department Service Charge .....	7
Credit Card, Money Transfer Card, Check Forgery and Counterfeit Money .	7
Food Spoilage .....	8
Ordinance or Law .....	8
Your Additional Benefits .....	9
<b>SECTION I – Insured Perils</b> .....	<b>9</b>
Coverage A – Unit Owner’s Building Property .....	9
Coverage C – Personal Property .....	9
<b>SECTION I – Exclusions</b> .....	<b>11</b>
<b>SECTION I – Our Payment Methods</b> .....	<b>14</b>
Coverage A – Unit Owner’s Building Property .....	14
Replacement Cost Payment Method .....	14
Actual Cash Value Payment Method .....	14
Coverage C – Personal Property .....	15
Payment Methods – Specific Losses .....	15
Pairs and Sets .....	15
Glass Replacement .....	15
Stolen Property .....	15
<b>SECTION I – Deductible</b> .....	<b>15</b>
<b>SECTION II – Your Liability Coverages</b> .....	<b>15</b>
Coverage F – Personal Liability .....	15
Coverage G – Medical Payments To Others .....	16

**SECTION II – Your Additional Coverages** ..... 16

- Claim Expenses ..... 16
- First Aid Expenses ..... 16
- Loss Assessments ..... 17
- Damage To Property Of Others ..... 17

**SECTION II – Exclusions** ..... 17

- Coverage F – Personal Liability
- Coverage G – Medical Payments To Others ..... 17
- Coverage F – Personal Liability ..... 20
- Coverage G – Medical Payments To Others ..... 20
- Damage To Property Of Others ..... 20

**Policy Conditions** ..... 21

- Insurable Interest, Amount of Insurance and Limits of Liability ..... 21
- Joint Obligations ..... 21
- Concealment or Fraud ..... 21
- What to Do When You Have a Loss ..... 21
- Appraisals ..... 22
- Other Insurance ..... 22
- Our Right to Recover From Others ..... 23
- Legal Action Against Us ..... 23
- Mortgagee ..... 23
- Changes ..... 23
- Bankruptcy ..... 24
- Transfer of This Policy ..... 24
- Abandoned Property ..... 24
- No Benefit to Bailee ..... 24
- Inspections and Consumer Reports ..... 24
- Your Duties to Maintain Policy Amounts of Insurance ..... 24
- Salvage Rights ..... 24
- Trustee Interest ..... 24

---

# Condominium Homeowners Policy

Read the entire policy carefully to determine rights, duties, and what is and is not insured. Various provisions in this policy restrict coverage.

Words and phrases that appear in **bold-faced type** have special meaning. Refer to the Definitions.

---

## Insuring Agreement

With your payment of the premium, we agree to provide only the Coverages, Amounts of Insurance and Limits of Liability you have selected as shown on the Declarations Page. This is subject to all policy terms and conditions. This policy, which includes the Declarations Page and endorsements, if any, is the entire agreement between you and us regarding the insurance coverages expressed in it. This policy supersedes all previous agreements regarding those coverages, either oral or written.

We, us and our mean the insurance company named on the Declarations Page.

You, your and yours mean the person, persons or entity named on the Declarations Page. You, your and yours also means any **family member** of the person or persons named on the Declarations Page.

For purposes of SECTION II – Your Liability Coverages, you also means:

1. Any person or entity for legal responsibility that arises directly out of the care, custody or control of animals or watercraft to which this policy applies.

But you does not mean a person or entity using or having custody of your animals or watercraft in the course of any **business** or without the consent of any of you.

2. Any persons:
  - a. Employed by any of you; and
  - b. Other persons; while they are using a vehicle, to which this policy applies, on your **premises** and with the consent of any of you.

---

## Definitions

**Actual cash value** means the amount it would cost to repair or replace insured property with new property of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence. Our adjustment for physical deterioration, depreciation, and obsolescence applies to all costs, including the costs of labor and materials. Neither **actual cash value** nor the cost to repair or replace will include amounts for contractor's fees or charges for overhead and profit except to the extent that such fees and charges are reasonable, incurred and actually paid.

**Association** means the membership of all unit owners and the managing body of the **condominium** or **cooperative** development.

**Bodily injury** means:

1. Physical injury;
2. Sickness;
3. Disease; or
4. Death;

caused by an accident and sustained by any person except any of you.

**Bodily injury** does not mean physical injury, sickness, disease, or death caused by:

1. **Pollutants;**

2. Sexual acts or molestation;
3. Corporal punishment;
4. Physical or mental abuse; or
5. Communicable disease.

**Business** means any full or part-time:

1. Trade;
2. Profession;
3. Occupation; or
4. Activity;

engaged in for economic gain.

**Business** does not mean:

1. The rental, or holding for rental, of part of your **premises** for use as a dwelling, unless the rental is to three or more roomers or boarders.
2. The rental, or holding for rental, of part of your **premises** as a private garage.
3. Farming or ranching conducted on your **premises** unless the resulting combined gross income is more than \$5,000 a year.

**Condominium** means the residential unit:

1. Owned by you;
2. Described on the Declarations Page; and
3. Located in a building structure under common ownership of the **association** of which you are a member.

**Condominium** also means a **cooperative**.

**Condominium** does not mean any part of the building structure in which it is located, except as may be defined in its legal description.

**Cooperative** means the property governed and owned by the **association** of which you have an ownership interest and in which the **premises** is located and has been leased to you.

**Earth movement** means all of the following items, whether caused by water, any act of nature or human activity:

1. Earthquake, including land shock waves or tremors before, during or after volcanic eruptions;
2. Landslide;
3. Mudflow;
4. Earth sinking, rising or shifting; or
5. Mine subsidence.

**Family member** means a person who:

1. Resides in your household; and
2. Is related to you by:
  - a. Blood;
  - b. Marriage; or
  - c. Adoption.

**Family member** also means your ward or your foster child who resides in your household.

**Medical expenses** means reasonable and necessary charges for:

1. Medical;
2. Surgical;
3. X-ray;
4. Dental;
5. Ambulance;
6. Hospital;
7. Professional nursing;
8. Recognized religious methods of healing;
9. Prosthetic devices; or
10. Funeral services.

**Personal injury** means injury, including consequential **bodily injury**, arising out of one or more of the following offenses:

1. Wrongful eviction from, or wrongful entry into, a dwelling.
2. False arrest, detention or imprisonment.
3. Malicious prosecution.

4. Wrongful invasion.
5. Oral or written publication, in any manner, of material that slanders or libels a person.
6. Oral or written publication, in any manner, of material that violates the right to privacy of a person.

**Pollutant** means any solid, liquid, gaseous, or thermal irritant, contaminant, or any substance such that when persons or property come into contact with it, in its current or a changed form, and in sufficient concentrations, it is either a health or physical hazard. The **pollutant** may originate inside or outside of any building or structure located on your **premises** where you reside and it includes but is not limited to:

1. Smoke;
2. Vapor;
3. Soot;
4. Fumes;
5. Acids;
6. Alkalis;
7. Chemicals;
8. Metals;
9. Lead paint components or lead paint compounds;
10. Asbestos or silica;
11. Carbon monoxide or radon; and
12. Waste.

Waste includes materials to be:

- a. Recycled;
- b. Reconditioned; or
- c. Reclaimed.

However, irritants and contaminants released by an accidental fire on your **premises** are not **pollutants**.

**Premises** means:

1. The **condominium** where you reside.

2. The other structures, including sidewalks, driveways or other private approaches that serve your **condominium**.
3. The grounds immediately adjacent to your **condominium** and other structures.

For purposes of SECTION II – Your Liability Coverages, **premises** also means:

1. Vacant land, other than land used for farming or ranching, owned by or rented to any of you.
2. Land on which a one-family or two-family dwelling is being built for your personal use.
3. Premises not owned by you but in which you live temporarily.
4. Your cemetery plots and burial vaults.
5. Any part of a premises occasionally rented to you for other than **business** use.

**Property damage** means direct physical damage or destruction of tangible property of others, including loss of its use caused by an accident.

**Replacement cost** means the cost to repair or replace insured property, without deduction for depreciation, with new property of like kind and quality. The cost to repair or replace will not include amounts for contractor's fees or charges for overhead and profit except to the extent that such fees and charges are reasonable, incurred and actually paid.

**Residence employee** means an employee of yours who performs duties in connection with the maintenance or use of your **premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with a **business** of any of you.



## SECTION I – Your Property Coverages

---

We provide insurance only for insured losses that occur during the Policy Period shown on the Declarations Page.

### Coverage A – Unit Owner’s Building Property

We insure the following real property for which you are responsible under the governing rules of the **association**:

1. Items of real property pertaining directly to your **condominium**;
2. Building additions and alterations, installations or additions comprising a part of the **premises**;
3. Fixtures and appliances that are built in or permanently affixed;
4. Real property owned solely by you which pertains solely to the **premises**; and
5. Other structures which you solely own at the **premises**.

We also insure your share of the **association’s** insurance policy deductible, but only when the deductible is assessed solely against you and no other unit owners. The deductible assessment must be the result of a direct loss to the property insured in Coverage A – Unit Owner’s Building Property that is insured by the **association’s** insurance policy.

We do not insure:

1. Land, including any cost to repair, rebuild, stabilize or otherwise restore;
2. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth;

3. Structures used in whole or in part for **business** purposes; or
4. Structures rented, or held for rental, to any person not a tenant of your **condominium** unless they are used solely as a private garage.

### Coverage C – Personal Property

We insure personal property you own or use anywhere in the world.

The Amount of Insurance for personal property located at a dwelling that you own or rent, other than your **condominium**, is 20% of the Amount of Insurance for Coverage C – Personal Property or \$2,000, whichever is greater.

While moving into a new primary residence, for a 30-day period, you may apply the Amount of Insurance for Coverage C – Personal Property to your personal property located in your new primary residence.

If you request it, we will insure personal property owned by:

1. Others while the property is on the part of your **premises** occupied by any of you.
2. A guest or a **residence employee** while the property is in any dwelling occupied by any of you.

### Special Amounts of Insurance

Special Amounts of Insurance apply to the following groups of personal property. These Special Amounts of Insurance do not increase the total Amount of Insurance provided by Coverage C – Personal Property. The Special Amount of Insurance for each group is the maximum we will pay for any one loss for all property included in the following groups:

**Special  
Amounts of  
Insurance**

**Personal  
Property Group**

1. \$250 Animals, including birds and fish.
2. \$250
  - a. Money, script bank notes, bullion, coins;
  - b. Medals;
  - c. Metals, including platinum, gold other than gold ware, and silver other than silverware;
  - d. Prepaid instruments including stored value cards, smart cards and gift certificates.
3. \$500 Personal property primarily used or intended for **business** purposes while away from your **premises**.
4. \$2,500 Personal property primarily used or intended for **business** purposes while on your **premises**.
5. \$1,500
  - a. Securities;
  - b. Accounts;
  - c. Deeds;
  - d. Evidence of debt;
  - e. Letters of credit;
  - f. Notes other than bank notes;
  - g. Manuscripts;
  - h. Passports;
  - i. Personal paper records; and
  - j. Tickets.

This special Amount of Insurance includes all costs to research, restore or replace the information and the medium upon which it was recorded.
6. \$5,000 Vehicles or conveyances insured by this policy.

7. \$1,500 Watercraft, including their:
  - a. Trailers;
  - b. Furnishings;
  - c. Accessories;
  - d. Equipment;
  - e. Engines; or
  - f. Motors.
8. \$1,500 Trailers, other than watercraft trailers.
9. \$1,500
  - a. Memorabilia;
  - b. Souvenirs;
  - c. Trading cards;
  - d. Collector's items; and
  - e. Similar articles; whose age or history contribute to their value.
10. \$2,500 Hand and power tools for loss by theft, including mysterious disappearance.
11. \$1,500
  - a. Jewelry;
  - b. Watches;
  - c. Furs;
  - d. Precious and semiprecious stones;

for loss by theft, including mysterious disappearance.
12. \$1,000 Firearms, for loss by theft, including mysterious disappearance.
13. \$2,500
  - a. Silverware, silver-plated ware;
  - b. Gold ware, gold-plated ware;
  - c. Pewter ware; and
  - d. Platinum ware, and platinum-plated ware;

for loss by theft, including mysterious disappearance.
14. \$5,000 Grave markers.

**Property We Do Not Insure**

We do not insure:



1. Aircraft and any aircraft parts, equipment and accessories including engines and motors.

But we do insure model or hobby aircraft not used or designed to carry people or cargo.

2. Motor vehicles, recreational land motor vehicles, golf carts, all other motorized land conveyances and any vehicle or conveyance parts, equipment and accessories.

We do insure vehicles or conveyances, other than golf carts and recreational land motor vehicles or conveyances, that are not required to be registered for use on public roads and that are:

- a. Used for the maintenance of your **premises**; or
  - b. Designed specifically for assisting the handicapped.
3. Property separately described and specifically insured elsewhere in this or any other insurance policy.
  4. Camper bodies, camper trailers or travel trailers.
  5. Electronic data stored on any media. Electronic data includes, but is not limited to, any type of software or text, image, video or audio files.  
We do insure the cost of prerecorded computer programs available on the retail market.
  6. Materials and supplies used in the construction or repair of your **condominium**.
  7. Property in an apartment rented or held for rental to others, by any of you.
  8. Property of roomers, boarders, tenants and other residents not insured by this policy.

9. Property rented or held for rental to others, while that property is away from your **premises**.
10. Any property which is illegal for any of you to possess under federal or state law.
11. Any type of warranty, service or maintenance contract covering property.
12. **Business** property owned by others while away from your **premises**.
13. Loss, including damage or remediation costs, caused by or resulting from the presence of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition or loss that led to their formation or growth.

### Coverage D – Additional Living Expense

If an insured loss makes your **premises** not fit to live in, we will pay the actual, reasonable and necessary increase in your living expense to maintain your normal standard of living while you live elsewhere. We will pay for the shortest time needed:

1. To repair or replace the damaged property.
2. For you to permanently relocate.

The total amount we will pay will not exceed the Amount of Insurance described on the Declarations Page for Coverage D – Additional Living Expense.

If damage caused by an Insured Peril occurs at a neighboring premises, we will pay reasonable additional living expenses for up to two weeks should civil authorities prohibit occupancy of your **premises**.

This coverage does not apply to threatened damage or because of area wide utility outage.

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

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

No deductible will apply to this coverage.

## Your Additional Coverages

We automatically include the following additional coverages:

1. **Debris Removal.** We will pay the actual, reasonable and necessary cost for the removal of debris of insured property from your **premises** when deposited by an Insured Peril that applies to the insured property unless the loss is excluded elsewhere in this policy.

The debris removal cost is included in the Amount of Insurance that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal cost is more than the Amount of Insurance for the damaged property, we will pay an additional amount up to 5% of the Amount of Insurance for Coverage A – Unit Owner’s Building Property for debris removal.

We will also pay the actual, reasonable and necessary cost, up to \$1,000, for the removal from your **premises** of one or more fallen trees if the falling of your tree or a neighbor’s tree was caused by:

- a. Lightning;
- b. Wind or hail; or
- c. Weight of:
  - (1) Ice;
  - (2) Snow; or
  - (3) Sleet.

No deductible will apply to this coverage.

2. **Emergency Repairs After Loss.** We will pay any actual, reasonable and necessary expenses for emergency

repairs incurred in protecting your insured property from further damage if the damage was caused by an Insured Peril.

This coverage is included in and does not change the Amount of Insurance that applies to the property being protected.

No deductible will apply to this coverage.

3. **Emergency Removal of Personal Property.** We insure your insured personal property against direct loss from any cause while being removed from your **premises** endangered by an Insured Peril, but for no more than 30 days while removed.

This coverage does not change the Amount of Insurance that applies to the personal property being removed.

No deductible will apply to this coverage.

4. **Fire Department Service Charge.** We will pay the actual charges, up to \$500, for fire department service charges incurred by you when the fire department is called to save or protect insured property from an Insured Peril.

No deductible will apply to this coverage.

5. **Credit Card, Money Transfer Card, Check Forgery and Counterfeit Money.**

- a. **Credit Card and Money Transfer Card Coverage.** If you are legally required to pay for the unauthorized use of a credit card issued to you, we will insure the loss. We will also pay for loss which results from unauthorized use of a money transfer card issued to you.

But we do not insure:

- (1) Use of the credit card or money transfer card by any of you.
- (2) Use by someone to whom you have given the card.
- (3) Use unless you have met all the terms under which the card was issued.

- b. **Check Forgery Coverage.** We insure loss to you caused by forgery or alteration of a check. This includes all negotiable instruments.
- c. **Counterfeit Money Coverage.** We insure loss sustained by you through acceptance in good faith of counterfeit United States or Canadian paper currency.

We will not pay more than \$1,000 for any one loss involving one or more of these coverages. Repeated losses caused by any one person or in which any one person is involved are to be considered one loss.

We do not insure any loss that arises from your **business** pursuits or dishonesty.

If a claim is made or suit is brought against any of you for liability under the Credit Card and Money Transfer Card Coverage, we will defend you.

We will defend at our expense with legal counsel of our choice.

We may, at our option and at our expense, defend you or your bank against a suit to enforce payment under the Check Forgery Coverage.

We may investigate any claim or settle any suit as we think appropriate.

We will not defend after we have paid or offered to pay \$1,000 for any one

loss involving one or more of these coverages.

No deductible will apply to this coverage.

6. **Food Spoilage.** We will pay the actual, reasonable and necessary cost, up to \$500, for spoilage of food in your freezer or refrigerator, on your **premises**, when the damage is caused by interruption of electrical service or mechanical breakdown.

A deductible of \$50 will apply to each loss.

7. **Ordinance or Law.** We will pay the actual, reasonable and necessary cost, up to 10% of the Amount of Insurance shown on the Declarations Page for Coverage A – Unit Owner’s Building Property, for the increased costs caused by the enforcement of any governmental requirement regulating the construction, remodeling, renovation, repair, or demolition of that part of the property insured by Coverage A – Unit Owner’s Building Property damaged by an Insured Peril unless the loss is excluded elsewhere in this policy.

We will not pay:

- a. The costs to comply with any ordinance or law which requires any of you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants** or pathogens;
- b. For the loss in value to your insured property due to the requirements of any ordinance or law; or
- c. The cost to repair, replace, rebuild, stabilize or otherwise restore land.

This additional coverage is included in and does not change the Amount of Insurance that applies to Coverage

A – Unit Owner’s Building Property shown on the Declarations Page.

No deductible will apply to this coverage.

### Your Additional Benefits

We may work with merchants to provide the best possible value for services and replacement of your property. If we are able to negotiate discounts or other benefits with merchants, we will extend those discounts or other benefits to you. You may contact the merchants directly. When you do, you may be afforded additional discounts and services. You are under no obligation to purchase any property or services from these merchants, nor are we obligated to provide these benefits.

## SECTION I – Insured Perils

---

### Coverage A – Unit Owner’s Building Property

We insure risk of direct, sudden and accidental physical loss to the property described in Coverage A – Unit Owner’s Building Property unless the loss is excluded elsewhere in this policy. The loss must occur during the Policy Period shown on the Declarations Page. A difference in physical appearance or inability to match existing property with property that has been or will be repaired or replaced is not a direct, sudden and accidental physical loss.

### Coverage C – Personal Property

We insure risk of direct, sudden and accidental physical loss to the property insured by Coverage C – Personal Property. The loss must occur during the Policy Period shown on the Declarations Page and be caused by any of the following perils unless the loss is excluded elsewhere in this policy.

1. Fire.
2. Lightning.
3. Wind or hail.

But we do not insure:

- a. Loss to property in a building caused by rain, snow, sand, sleet, wind-driven water or dust unless the building is first damaged by the direct force of wind or hail, creating an opening through which the rain, snow, sand, sleet, wind-driven water or dust enters; or
- b. Loss to watercraft, including their trailers, furnishings, accessories, equipment, and engines or motors, while off your **premises**.
4. Explosion.
5. Riot or civil commotion, including direct loss from pillage and looting during or immediately after the riot and at the site of the riot or civil commotion.
6. Aircraft, including spacecraft and self-propelled missiles.
7. Vehicles.
8. Smoke or smudge.

But we do not insure loss caused by or consisting of:

- a. The gradual accumulation of any oily or greasy substance or film;
- b. Smoke from fireplaces or other auxiliary heating devices; or
- c. Smoke from agricultural or commercial operations.
9. Vandalism or malicious mischief, meaning the intentional and willful damage or destruction of your property.

But we do not insure loss:

- a. Caused by any of you;
- b. Caused by any tenant, roomer, or boarder; or

- c. If your **condominium** has been vacant for more than 30 consecutive days immediately preceding the loss. A **condominium** being constructed, altered or repaired is not considered vacant.

This exception does not apply to ensuing loss caused by fire or explosion.

10. Theft or attempted theft.

We also insure personal property that mysteriously disappears from a known place if it is probable that the property was stolen rather than lost.

But we do not insure theft or attempted theft:

- a. Committed by any of you or at any of your direction;
- b. From the part of your **premises** rented to a person other than any of you; or
- c. Of campers, trailers and watercraft including their furnishings, accessories, equipment and engines or motors, if the loss occurs off of your **premises**.

11. Glass breakage.

But we will pay only for accidental damage to insured property caused by the breakage of glass or safety glazing material that is part of a building, storm door or storm window.

12. Falling objects.

But we do not insure loss to property contained in a building unless the falling object first damages the exterior of the building. We do not insure loss to the falling object.

13. Weight of ice, snow or sleet that causes loss to insured property contained in a building.

14. Discharge, release or overflow of water or steam from plumbing, heating, or air conditioning systems, automatic fire protective sprinkler systems or household appliances caused by damage or blockage, but only when the damage or blockage that resulted in the discharge, release or overflow originated inside the building.

But we do not insure loss:

- a. To the appliances or systems;
- b. Caused directly or indirectly by freezing except as provided in the peril of freezing; or
- c. Caused directly or indirectly by sudden and accidental discharge, release or overflow from roof gutters, downspouts, sump pumps, sump pump wells, leach fields, seepage pits, septic tanks, drainage channels or any other device used to drain water or sewage away from your **premises**.

15. Tearing apart, cracking, burning or bulging of a steam or hot water heating system, air conditioning system, automatic fire protective sprinkler system, or appliance for heating water.

But we do not insure loss which is caused by or results from freezing except as provided in the peril of freezing.

16. Freezing of plumbing, heating, or air conditioning systems, automatic fire protective sprinkler systems or domestic appliances, but only if you have used reasonable care to:

- a. Maintain heat in your **condominium**; or
- b. Shut off the water supply and drain the systems and appliances of water.

17. Power surge from artificially generated electrical current.

## SECTION I – Exclusions

---

We do not insure loss caused directly or indirectly by any of the following regardless of any other cause or event contributing concurrently or in any sequence to the loss:

1. Loss intentionally caused by any of you or performed at any of your direction.
2. Loss caused by, consisting of or increased by the enforcement of any governmental requirement regulating:
  - a. Construction;
  - b. Confiscation;
  - c. Repair;
  - d. Demolition;
  - e. Sale;
  - f. Occupancy;
  - g. Seizure;
  - h. Renovation; or
  - i. Remodeling.

This exclusion does not apply to loss arising out of a governmental action to prevent the spread of fire provided that the loss caused by fire would otherwise be insured by this policy.

3. Loss caused by an illegal activity, trade or **business** being conducted with or without your knowledge by any of you or any resident of your **premises** whether or not the person conducting the activity, trade or **business** is convicted in criminal court.
4. Arising out of the:
  - a. Use;
  - b. Sale;
  - c. Cultivation;
  - d. Growth;

- e. Manufacture;
- f. Distribution;
- g. Delivery;
- h. Transfer; or
- i. Possession;

of a substance or a controlled substance that is illegal under either a federal or state law.

Such substances include but are not limited to:

- a. Cocaine;
- b. Lysergic acid diethylamide (LSD);
- c. Methamphetamines;
- d. Marijuana; and
- e. All narcotic drugs.

This exclusion does not apply to loss caused by fire that ensues from the use or possession of marijuana.

5. Loss caused by war, whether it is declared or undeclared, including civil war, insurrection, rebellion or revolution.
6. Loss caused by:
  - a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**.
  - b. Loss, cost or expense from any governmental direction or request that any of you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants** or pathogens.
7. Loss caused by volcanic eruption.
8. Loss caused by:
  - a. Flood water, surface water, waves, tidal water, storm surge, tsunami or overflow of a body of water from any source including



spray from any of these whether or not driven by wind;

- b. Water or sewage which backs up through sewers or drains or which overflows from a sump due to damage or blockage that originated outside of the building, even if the damage or blockage is located on your **premises**; or
- c. Water below the surface of the ground regardless of its source. This includes water which exerts pressure on or flows, seeps or leaks through any part of the building, foundation, sidewalk, driveway or swimming pool.

This exclusion applies whether or not there was widespread damage and whether or not the loss was caused by a human activity or an act of nature.

This exclusion does not apply to ensuing loss caused by fire or explosion.

- 9. Loss caused by any **business** activity being conducted with or without your knowledge by any of you or any resident of your **premises**.
- 10. Loss caused by **earth movement**.

This exclusion does not apply to ensuing loss caused by fire or explosion.

- 11. Loss caused by:
  - a. Wear and tear, marring, scratching, deterioration, rust or other corrosion.
  - b. Inherent vice, latent defect, mechanical breakdown, manufactured defect or mechanical failure.
  - c. Mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind.

- d. Smog, smoke from agricultural smudging or industrial operations.
- e. Settling, cracking, shrinkage, bulging or expansion, including resulting cracking of pavements, patios, foundations, walls, floors, roofs or ceilings.
- f. Birds, vermin, rodents, insects or domestic household animals or pets.

This exclusion does not apply to:

- a. Ensnuing loss caused by fire or explosion.
- b. Water damage caused by water that suddenly escapes from a plumbing, heating, fire protection sprinkler or air conditioning system or household appliance because of damage or blockage caused by any of the above, but only when the damage or blockage that resulted in the escape originated inside the building. But we do not insure loss to the system or appliance from which the water escaped.

- 12. Loss caused by nuclear reaction, radiation or radioactive contamination.

This exclusion does not apply to ensuing loss caused by fire or explosion.

- 13. Loss caused by continuous or repeated seepage or leakage of water or steam from within a plumbing, heating, fire protection sprinkler or air conditioning system or from within an appliance that occurs over a period of weeks, months or years.

This exclusion does not apply to ensuing loss caused by fire or explosion.

- 14. Loss to animals, including birds and fish, unless caused by:

- a. Fire;
  - b. Lightning;
  - c. Wind;
  - d. Hail;
  - e. Smoke;
  - f. Explosion;
  - g. Riot; or
  - h. Falling aircraft.
15. Loss caused by:
- a. Solar radiation;
  - b. Solar flares; or
  - c. Solar rays.

This exclusion applies whether or not there was widespread damage and whether or not it was caused by a human activity or an act of nature.

16. Loss caused by:

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

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

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, construction, grading, compaction during construction;
- (3) Materials used in construction or repair; or
- (4) Maintenance;

of any property, including but not limited to, land, structures, or improvements of any kind, whether on or off your **premises**.

- c. Weather conditions, including but not limited to:

- (1) Heat;

- (2) Cold;
- (3) Rain;
- (4) Ice;
- (5) Snow;
- (6) Sleet;
- (7) Wind;
- (8) Hail; or
- (9) Drought.

This exclusion applies only if there is another cause of loss that is excluded by this policy.

This exclusion does not apply to ensuing loss caused by fire or explosion.

- 17. Loss caused by theft of materials and supplies for use in the construction, alteration or repair of your **condominium**.

- 18. Loss caused by vandalism, burglary, malicious mischief, theft, or any other unlawful taking of property:

- a. By any of you;
- b. By any tenant;
- c. By any roomer or boarder; or
- d. If your **condominium** has been vacant for more than 30 consecutive days immediately preceding the loss. A **condominium** being constructed, altered or repaired is not considered vacant.

This exclusion does not apply to ensuing loss caused by fire or explosion.

## SECTION I – Our Payment Methods

---

### Coverage A – Unit Owner’s Building Property

#### Replacement Cost Payment Method

The amount we pay for loss for Coverage A – Unit Owner’s Building Property will be the lowest of:

1. The **replacement cost** of the damaged part of your insured property;
2. The amount actually spent for necessary repair or replacement for the damaged part of the insured property; or
3. The Amount of Insurance shown on the Declarations Page for Coverage A – Unit Owner’s Building Property.

The damaged part of insured property does not mean a difference in physical appearance or the inability to match existing property with property that has been or will be repaired or replaced.

If the **replacement cost** of the damaged property is more than \$2,500, we will not pay the total cost of repair or replacement until actual repair or replacement is completed.

We will not pay for loss consisting of actual or perceived reduction of market value after we have paid the amount to repair or replace the lost or damaged property.

The damage to the property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

#### Actual Cash Value Payment Method

You may disregard the Replacement Cost Payment Method and make a claim on an Actual Cash Value Payment Method.

If you do, you may make further claim within 180 days after the loss for any additional cost you incur in replacing the damaged property. If you do elect to make a claim on an Actual Cash Value Payment Method, then the amount we pay for loss to insured property will be the lowest of:

1. The difference between the **actual cash value** of the insured property immediately before the loss and its **actual cash value** immediately after the loss;
2. The **actual cash value** of the damaged part of the insured property at the time of the loss;
3. The amount required to repair or replace the insured property; or
4. The Amount of Insurance shown on the Declarations Page for Coverage A – Unit Owner’s Building Property.

The damaged part of insured property does not mean a difference in physical appearance or the inability to match existing property with property that has been or will be repaired or replaced.

We may make a cash settlement or repair or replace the property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay for loss consisting of actual or perceived reduction of market value after we have paid the amount to repair or replace the lost or damaged property.

The damage to the property will reduce the Amount of Insurance available during the Policy Period by the amount of the damage. Your coverage will return to the Amount of Insurance shown on the Declarations Page upon completion of the repairs or replacements.

## Coverage C – Personal Property

The amount we pay for loss to your personal property will be the lowest of:

1. The **actual cash value** of the lost or damaged part of your property at the time of the loss.
2. The amount required to repair or replace your lost or damaged property.
3. The Amount of Insurance shown on the Declarations Page for Coverage C – Personal Property.
4. Any applicable Special Amounts of Insurance.

We may make a cash settlement and take all or part of your property at its appraised or agreed upon value or repair or replace your property with property of like kind and quality. We will give you notice of our intention within 30 days after we receive your proof of loss.

We will not pay for loss consisting of actual or perceived reduction of market value after we have paid the amount to repair or replace the lost or damaged property.

## Payment Methods – Specific Losses

### Pairs and Sets

In case of loss to a part of a pair, set, series of objects, pieces or panels, we will, at our option:

1. Repair or replace any part to restore the pair or set to its value before the loss;
2. Pay the difference between the **actual cash value** of the pair or set before and after the loss; or
3. For Coverage C – Personal Property only, pay the reasonable cost of providing a substitute to match the remainder of the pair or set as closely as possible.

We will not be obligated to repair or replace the entire pair, set, series of objects, pieces or panels when a part is lost or damaged.

## Glass Replacement

We will pay for loss to glass caused by an Insured Peril on the basis of replacement with safety glazing materials when required by law unless the loss is excluded elsewhere in this policy.

## Stolen Property

Before a loss for stolen property is paid or the property is replaced, we may return any stolen property to you at our expense with payment for any damage.

## SECTION I – Deductible

---

Any loss will be subject to the deductible shown on the Declarations Page or elsewhere in this policy unless stated otherwise.

## SECTION II – Your Liability Coverages

---

### Coverage F – Personal Liability

If a claim is made or a suit is brought against you for damages because of **bodily injury** or **property damage**, caused by an accident to which this coverage applies, or if a claim is made or a suit brought against you for damages because of **personal injury**, caused by an offense to which this coverage applies, we will:

1. Pay up to the Limit of Liability shown on the Declarations Page for compensatory damages for which you are legally liable.
2. Provide a defense at our expense by attorneys of our choice.

We do not provide coverage for punitive or exemplary damages regardless of whether they are determined to arise from **bodily**

**injury, property damage or personal injury** to which this coverage applies.

We may make any investigations and settle any claims or suits that we decide appropriate. Our obligation to defend any claim or suit ends when the amount we pay in settlement or judgment for damages resulting from the accident or offense equals the Limit of Liability.

Coverage F – Personal Liability applies to **bodily injury** and **property damage** only if the **bodily injury** and **property damage** occurs during the Policy Period shown on the Declarations Page, and to **personal injury** only if the offense occurs during the Policy Period shown on the Declarations Page.

If a claim is made or a suit is brought against any of you by any other person or organization for indemnity, reimbursement or contribution toward damages for **bodily injury, property damage, or personal injury** excluded by this policy, we will not provide coverage or defense for that claim or suit.

### **Coverage G – Medical Payments To Others**

We will pay for you, up to the Limit of Liability shown on the Declarations Page, the actual, reasonable and necessary **medical expenses** incurred or medically determined within three years from the date of an accident causing **bodily injury**.

Coverage G – Medical Payments To Others applies only to accidents that occur during the Policy Period shown on the Declarations Page.

Medical Payments To Others applies only:

1. To a person on your **premises** with your permission.
2. To a person on or off your **premises** if the **bodily injury**:

- a. Arises out of a condition in or on your **premises**.
- b. Is caused by your activities.
- c. Is caused by a **residence employee** in the course of duties for you.
- d. Is caused by an insured domestic household animal or pet owned by you or in your care.

A Medical Payments To Others payment is not an admission of liability by any of you or us.

## SECTION II – Your Additional Coverages

---

1. **Claim Expenses.** We will pay:
  - a. Expenses we incur and costs taxed against you in any suit we defend;
  - b. Premiums on bonds required in a suit we defend, but not for bond amounts greater than the Limit of Liability shown on the Declarations Page for Coverage F – Personal Liability.  
We are not obligated to apply for or furnish any bonds;
  - c. Expenses you incur at our request, including up to \$250 a day actual loss of earnings, for assisting us in the investigation or defense of any claim or suit;
  - d. Prejudgment interest awarded against you on that part of the judgment we pay; and
  - e. Interest on the entire entered judgment until we pay, formally offer, or deposit in court that part of the judgment which does not exceed the limit of our liability on that judgment.
2. **First Aid Expenses.** We will pay your expenses for first aid to others at

the scene of an accident which occurs on your **premises**. We will not pay for first aid to any of you.

3. **Loss Assessments.** We will pay up to \$2,500 for your share of any assessment levied against you and other unit owners by the **association** during the Policy Period.

The assessment levied must be a result of:

- a. Direct loss of the common property caused by an Insured Peril in SECTION I – Coverage A – Unit Owner’s Building Property of this policy.
- b. An accident to which SECTION II of this policy would apply that occurs during the Policy Period.

4. **Damage To Property Of Others.** We will pay, at **replacement cost**, up to \$500 per accident for Damage To Property Of Others caused by you, provided that at the time of the accident the property was being used by any of you or was in your care.

## SECTION II – Exclusions

---

### Coverage F – Personal Liability Coverage G – Medical Payments To Others

We will not pay for **bodily injury** or **property damage**:

1. Resulting from any act or omission that is intended by any of you to cause any harm or that any of you could reasonably expect to cause harm. This exclusion applies whether or not any of you:
  - a. Intended or expected the result of the act or omission so long as the resulting injury or damage was a natural or foreseeable

consequence of the intended act or omission.

- b. Was under the influence of alcohol or narcotics.
- c. Was insane.
- d. Is deemed not to have had the mental capacity to form the legal intent to commit the act or omission causing injury or damage.

This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

2. Resulting in sickness, disease, or death caused by the inhalation, ingestion, or absorption of mold, mildew, or other fungi, their secretions, and dry and wet rot of any kind regardless of the cause, condition, or loss that led to their formation or growth.
3. Arising out of **business** pursuits of any of you.
4. Arising out of the rendering or failing to render professional services.
5. Arising out of the actual, alleged or threatened:

- a. Discharge;
- b. Dispersal;
- c. Seepage;
- d. Migration;
- e. Release;
- f. Escape;
- g. Ingestion;
- h. Inhalation; or
- i. Absorption;

of **pollutants** or pathogens at or from any property you:

- a. Own;
- b. Rent;
- c. Occupy;
- d. Sell;



- e. Abandon; or
- f. Give away.

This exclusion does not apply to **bodily injury** that results if the discharge is sudden and accidental.

- 6. Arising out of loss, cost, or expense from any governmental direction or request that you:
  - a. Test for;
  - b. Monitor;
  - c. Clean up;
  - d. Remove;
  - e. Contain;
  - f. Treat;
  - g. Detoxify; or
  - h. Neutralize;

**pollutants** or pathogens.

- 7. Arising out of the ownership, operation, maintenance, use, loading or unloading of:

- a. Aircraft.

This exclusion does not apply to model or hobby aircraft not used or designed to carry people or cargo.

- b. A land motor vehicle designed, modified or altered for use on public roads, entirely or partially owned or operated by or rented or loaned to any of you.

This exclusion does not apply if the land motor vehicle is not subject to motor vehicle registration because it is:

- (1) Used exclusively on your **premises**.
- (2) Kept in dead storage on your **premises**.

- c. A recreational land motor vehicle owned entirely or partially by any of you.

This exclusion does not apply:

- (1) To recreational land motor vehicles on the **premises** and while being used to maintain the property.
- (2) To recreational land motor vehicles in dead storage.
- (3) To a golf cart while on a golf course and being used for golfing purposes.

- d. Watercraft:

- (1) Owned entirely or partially by, or rented to, any of you if it has motor power of more than 50 total horsepower, as rated by its manufacturer.
- (2) Owned entirely or partially by, or rented to, any of you if it is a sailing vessel 26 feet or more in length.

- e. Trailers.

This exclusion applies only to trailers connected to or carried on a land motor vehicle.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of employment by any of you.

- 8. Arising out of the entrustment by any of you to any person of any aircraft, land motor vehicle, recreational land motor vehicle, watercraft or trailer the use of which is not insured in SECTION II – Your Liability Coverages.

- 9. Arising out of:

- a. The negligent supervision by any of you of any person;

- b. Any liability by statute imposed on any of you; or
- c. Any liability assumed through an unwritten or written agreement by any of you;

with regard to the ownership, operation, maintenance or use of any aircraft, land motor vehicle, recreational land motor vehicle, golf cart, watercraft or trailer that is not insured in SECTION II – Your Liability Coverages.

- 10. Arising directly or indirectly out of war, hostile or warlike action in time of peace or war, whether or not declared, riot or civil disorder.
- 11. Arising out of the transmission of or exposure to a communicable disease.
- 12. Arising out of child care services provided for a fee by or at the direction of:
  - a. Any of you.
  - b. Any of your employees.
  - c. Any other person actually or apparently acting on behalf of any of you.

This exclusion does not apply to the occasional child care services provided by any of you or to the part-time child care services provided by any of you younger than 21 years of age.

- 13. Arising out of any:
  - a. Sexual act;
  - b. Sexual molestation;
  - c. Corporal punishment; or
  - d. Physical or mental abuse.
- 14. Arising out of the:
  - a. Use;
  - b. Sale;
  - c. Cultivation;
  - d. Growth;

- e. Manufacture;
- f. Distribution;
- g. Delivery;
- h. Transfer; or
- i. Possession;

of a substance or a controlled substance that is illegal under either a federal or state law.

Such substances include but are not limited to:

- a. Cocaine;
- b. Lysergic acid diethylamide (LSD);
- c. Methamphetamines;
- d. Marijuana; and
- e. All narcotic drugs.
- 15. Arising out of nuclear reaction, radiation or radioactive contamination.
- 16. Arising out of any premises owned by or leased to any of you that is not described in this policy.
- 17. Resulting from an act committed by any of you in the course of or in furtherance of any crime or offense of a violent nature.
- 18. Arising out of the rental or holding for rental of any property owned by any of you.
- 19. Arising out of liability for your share of any loss for an assessment charged against any or all members of an association, corporation or community of tenants or property owners except as provided in SECTION II – Your Additional Coverages, Loss Assessments.
- 20. Resulting from any animal, which you are aware has a prior history of biting or attacking persons or other animals.

## Coverage F – Personal Liability

We will not pay for:

1. Liability assumed in an unwritten or written contract or agreement in connection with a **business** of any of you.
2. Liability arising out of any written or oral statement made by any of you or others on your behalf which is material to any financial transaction.
3. Damage to property:
  - a. Owned;
  - b. Sold;
  - c. Rented to others;
  - d. Abandoned; or
  - e. Given away;by any of you.
4. Damage to property rented to, occupied or used by any of you or in your care, except **property damage** caused by:
  - a. Fire;
  - b. Smoke; or
  - c. Explosion.
5. **Bodily injury** to any person eligible to receive any benefits required to be provided by any of you under any workers' compensation, non-occupational disability or occupational disease law.
6. **Bodily injury, property damage, or personal injury** to any of you.

## Coverage G – Medical Payments To Others

We will not pay for **bodily injury**:

1. To any of you or any person who regularly resides on your **premises**.
2. To a **residence employee** if **bodily injury** occurs off your **premises** and does not arise out of, or in the course of, the employment by any of you.

3. To any person eligible to receive any benefits required to be provided by you under any workers' compensation, non-occupational disability or occupational disease law.

## Damage To Property Of Others

We will not pay for damage:

1. Otherwise insured in this policy.
2. Caused intentionally by any one of you who is 13 years old or older.
3. To property owned by any of you or any person who regularly resides on your **premises**.
4. Arising out of:
  - a. The **business** pursuits of any of you.
  - b. Any act or omission in connection with a premises owned, rented or controlled by any of you that is not described in this policy.
5. Arising out of the ownership, operation, maintenance or use of:

- a. Aircraft.

This exclusion does not apply to model or hobby aircraft not used or designed to carry people or cargo.

- b. Land motor vehicle.
- c. Recreational land motor vehicle.
- d. Watercraft.
- e. Trailer.

This exclusion does not apply to:

- a. Golf carts while on a golf course and being used for golfing purposes.
- b. Equipment usual and incidental to the maintenance of your **premises**.

## Policy Conditions

---

### 1. **Insurable Interest, Amount of Insurance and Limits of Liability.**

Regardless of the number of persons or organizations who have an interest in the insured property, we will not be liable in any one loss for more than the lesser of:

- a. The interest of the person or organization insured; or
- b. The applicable Amount of Insurance.

The insuring of more than one person or organization by this policy does not increase the Amounts of Insurance or the Limits of Liability.

In any one accident, the most we will pay for Coverage F – Personal Liability coverage will be the limit shown on the Declarations Page regardless of the number of:

- a. People insured;
- b. Claims made; or
- c. Suits brought.

In any one Policy Period, the most we will pay for Coverage F – Personal Liability is \$2,000,000 regardless of the number of:

- a. Claims;
- b. Suits; or
- c. Accidents.

### 2. **Joint Obligations.** The terms of this policy impose joint obligations on each and every one of you. This means that the:

- a. Responsibilities;
- b. Acts; and
- c. Failures to act;

of any of you will be binding upon all of you.

### 3. **Concealment or Fraud.** The entire policy will be void if, whether before or after a loss or claim relating to this insurance, any of you:

- a. Intentionally conceal or misrepresent any material fact or circumstance;
- b. Engage in fraudulent conduct; or
- c. Make false statements.

### 4. **What to Do When You Have a Loss.** You or someone on your behalf must promptly report to the police any:

- a. Theft;
  - b. Robbery; or
  - c. Burglary;
- after you discover the loss.

In the event of a loss or accident, you or someone on your behalf must notify us as soon as reasonably practicable. The quickest way is to phone us or your insurance representative. Please give:

- a. Your name;
- b. Policy number;
- c. How the loss happened;
- d. The extent of the damages or injuries;
- e. Names of witnesses; and
- f. All other pertinent facts.

You must promptly send us any demand, notice, summons, or other legal papers you receive.

If we need other information to investigate the loss, we will ask you for it. We may require this information in writing.

If you have a loss, you must protect the personal property from any further damage. If you fail to do so, any further damage will not be insured by this policy.

We may require that you submit to us a notarized statement of loss. That statement must be submitted within 90 days of our request that you do so. You may be required to show us the damaged property and submit to examination under oath. You will be required to cooperate with us in our effort to investigate the accident or loss, settle any claims against you and defend you. If you fail to cooperate, we have the right to deny you coverage in this policy.

You may not, except at your own cost:

- a. Voluntarily make any payment;
- b. Assume any obligation; or
- c. Incur any expenses other than:
  - (1) First Aid Expenses to others;
  - (2) Emergency Repairs After Loss; or
  - (3) Emergency Removal of Personal Property.

We will make settlement within the shorter of:

- a. 30 days; or
- b. Any state required number of days;

after we receive an acceptable proof of loss from you and the amount of loss is determined as provided in this policy.

5. **Appraisals.** If you and we fail to agree on the amount of the loss, then both you and we have the right to select a competent and disinterested appraiser within 20 days from the day of disagreement. The appraisers will determine the amount of the loss. If they do not agree, then the appraisers will choose an umpire. Then each appraiser will submit his amount of the loss to the umpire selected by

them or by a court having jurisdiction if the appraisers cannot agree upon an umpire. The agreement of any two will determine the amount of loss for damage to your property.

You pay your appraiser and we pay our appraiser. You and we share equally the expenses of the umpire and all other expenses of the appraisals.

In no event will an appraisal be used for the purpose of interpreting any policy provision, determining causation or determining whether any item or loss is insured by this policy. If there is an appraisal, we still retain the right to deny the claim.

## 6. **Other Insurance.**

- a. **SECTION I – Your Property Coverages**

If both this and other insurance apply to a loss, we will pay our share. Our share will be the proportionate amount that this insurance bears to the total amount of all applicable insurance.

- b. **SECTION II – Your Liability Coverages**

This insurance is excess over other valid insurance except insurance written specifically to insure excess over the limits that apply in this policy.

- c. **SECTION I – Your Property Coverages**

**SECTION II – Your Liability Coverages**

If at the time of loss or accident, there is other insurance in the name of a corporation or association of property owners insuring the same property insured by this policy, this insurance will be excess over the amount

recoverable under such other insurance.

7. **Our Right to Recover From Others.**

After we have paid a claim, except for Medical Payments To Others, we have the right to recover the payment from anyone who may be held responsible for the loss. You may waive your rights to recover against another person for loss involving the property insured by this policy. This waiver must be in writing prior to the date of loss.

8. **Legal Action Against Us.** You may not bring legal action against us concerning this policy unless you have fully complied with all of the policy terms. If you and we have failed to agree on the amount of the loss, then you may not bring legal action against us until you have submitted and resolved that dispute through appraisal as described in this policy. Suit must be brought within one year after the loss occurs.

9. **Mortgagee.** An insured loss will be payable to the mortgagee(s) named on the Declarations Page, to the extent of their interest and in their order of precedence. All provisions of this policy apply to these mortgagees. We will protect the mortgagee's interest in an insured building or structure in the event of an increase in hazard, intentional or criminal acts of any of you, neglect by any of you to take all reasonable steps to save and preserve property after an insured loss, a change in ownership, or foreclosure if the mortgagee has no knowledge of these conditions.

The mortgagee will:

- a. Furnish proof of loss within 60 days after notice of the loss if any of you fail to do so.
- b. Pay upon demand any premium due if any of you fail to do so.
- c. Notify us of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge.
- d. Give us the mortgagee's right of recovery against any party liable for loss.
- e. After a loss, and at our option, permit us to satisfy the mortgage requirements and receive full transfer of the mortgage.

This mortgagee provision will apply to any Trustee named in this policy.

10. **Changes.**

- a. **Policy Changes**
  - (1) If any provision of this policy is in conflict with any legal requirements at the time your policy is written, it is automatically changed to conform to them.
  - (2) If we broaden the coverages provided by this edition of the policy without additional premium charges during the Policy Period, we will give you the benefit of these broadened coverages.
  - (3) The only other way this policy can be changed is if we change it in writing, which will be made a part of this policy. Any adjustment in premium will be made at that time.



(4) If your policy is renewed, we will furnish you any form revisions applicable to your policy.

b. **Midterm Rate Changes**

The premium you are charged for this policy is based on information that you provided to us, and on information we gather from other sources. You must immediately inform us if any of the information you have provided to us changes, is incomplete, or is incorrect. Based on the changed, completed or corrected information we gather from you or any other sources, we may decrease or increase the premium for your policy during the Policy Period.

Any premium increase or decrease will be based on the rules and rates in effect at the inception of the Policy Period.

11. **Bankruptcy.** If you become bankrupt or insolvent, we will still insure you for the period of time your premium is paid.
12. **Transfer of This Policy.** You may not transfer any interest in this policy without our written consent. If you die, this policy will continue in force for other members of your family entitled to coverage at the time of your death or your legal representative, but only with respect to the coverages provided by this policy at the time of death, and only for the remainder of the Policy Period shown on the Declarations Page.
13. **Abandoned Property.** We are not obliged to accept abandoned property.
14. **No Benefit to Bailee.** This insurance will not benefit any person or organization who is in care, custody

or control of your property or is handling your property for a fee.

15. **Inspections and Consumer Reports.** We are permitted, but not obligated, to inspect your property, order consumer reports, or both. Our inspection does not warrant that the property is safe or healthful or in compliance with any law, rule, regulation or building code.
16. **Your Duties to Maintain Policy Amounts of Insurance.** It is your responsibility to maintain adequate amounts of insurance for Coverage A – Unit Owner’s Building Property and Coverage C – Personal Property. But to help you do that we may, but are not obligated to, adjust your policy Amounts of Insurance. If an adjustment is made, it will become effective on the renewal date of your policy and will be based upon data supplied to us by recognized agencies or organizations.
- You will be notified in advance of the new Amounts of Insurance. Payment of your renewal premium is all that is necessary to indicate your acceptance of the new Amounts of Insurance.
- If you want to change the new Amounts of Insurance, you may do so by contacting your insurance representative.
17. **Salvage Rights.** If as a result of your loss we replace your property or pay you for your property, other than for repair of your property, at our option we have the right, but not the obligation, to take legal title of your property.
18. **Trustee Interest.** If ownership of insured property is held by a Trust, the following provisions apply in addition to the provisions contained in the Insuring Agreement:

a. SECTION I – Your Property Coverages

(1) With respect to Coverage A – Unit Owner’s Building Property and Coverage C – Personal Property, you, your and yours mean the Trust and beneficiaries of the Trust who reside in the **condominium**.

(2) With respect to Coverage D – Additional Living Expense, you, your and yours mean a resident of the **condominium** who is either a Trustee or a beneficiary of the Trust.

(3) With respect to Your Additional Coverages, you, your and yours mean the Trust and beneficiaries of the Trust who reside in the **condominium** as their interests may appear.

b. SECTION I – Exclusions

All exclusions apply to the interests of and losses sustained by any of the Trust, Trustees and beneficiaries of the Trust.

c. SECTION II – Your Liability Coverages

With respect to Coverage F – Personal Liability and Coverage G – Medical Payments To Others, you, your and yours mean the Trust, the beneficiaries of the Trust who reside in the dwelling described on the Declarations Page and the Trustees who reside in the dwelling or are acting in the course and scope of their duties as Trustees.

d. SECTION II – Exclusions

All exclusions apply to the claims made or suits brought against any of the Trust, Trustees and beneficiaries of the Trust.

This policy is signed at the Home Office by our President and Secretary. It is countersigned on the Declarations Page by our authorized representative(s) if required.

  
S. J. BOSHOVEN  
President

  
MARTIN R. BROWN  
Secretary

Sample