

## LIABILITY COVERAGE SECTION

### LIABILITY COVERAGE E – PREMISES LIABILITY

If a claim is made or a suit is brought against an “insured” for damages because of “bodily injury” or “property damage” arising out of the ownership, maintenance, or use of the “insured location” and caused by an “occurrence”, we will:

1. Pay up to our limit of liability for the damages for which an “insured” is legally liable. Damages include prejudgment interest awarded against an “insured”; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the “occurrence” is exhausted by the payment of a judgment or settlement.

### LIABILITY COVERAGE F – MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses that are 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, optical, dental, ambulance, hospital, professional nursing, prosthetic devices, chiropractic, rehabilitative, extended care and funeral services. This coverage does not apply to you or regular residents of your household except “residence employees”. As to others, this coverage applies only:

1. To a person on an “insured location” with the permission of an “insured”; or
2. To a person off an “insured location”, if the “bodily injury”:
  - a. Arises out of a condition on an “insured location” or the ways immediately adjoining; or
  - b. Is caused by a “residence employee” in the course of the “residence employee’s” employment by an “insured”.

### LIABILITY – ADDITIONAL COVERAGES

Unless otherwise stated, we cover the following in addition to the Liability Coverage E and Liability Coverage F limits of liability:

1. **Claim Expenses.** We pay:
  - a. Expenses we incur and costs taxed against an “insured” in any suit we defend;
  - b. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;
  - c. Reasonable expenses incurred by an “insured” at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
  - d. 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 an “insured”.
3. **Loss Assessment.** We will pay up to the limit shown in the Declarations for this Liability – Additional Coverage for your share of loss assessment charged against you, as owner of the “residence premises”, during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
  - a. “Bodily injury” or “property damage” not excluded under the Liability Coverage Section of this policy; or
  - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
    - (1) Is elected by the members of a corporation or association of property owners; and

- (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

Liability – Condition 9. Policy Period does not apply to this coverage.

Regardless of the number of assessments, the limit shown in the Declarations for this Liability – Additional Coverage is the most we will pay for loss arising out of:

- a. One accident, including continuous or repeated exposure to substantially the same general harmful condition;

- b. A covered act involving one or more than one director, officer or trustee; or
- c. Repeated acts by one or more than one director, officer or trustee.

Repeated acts will be considered a single covered act.

We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

## LIABILITY – EXCLUSIONS

### A. Liability Coverage E – Premises Liability and Coverage F – Medical Payments to Others.

Liability Coverages E and F do not apply to the following:

1. “Aircraft Liability”.  
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”.
2. “Bodily injury” or “property damage” arising out of or in connection with a “business” conducted from an “insured location” or engaged in by an “insured”, whether or not the “business” is owned or operated by an “insured” or employs an “insured”.

Exclusion A.2. applies to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed or implied to be provided because of the nature of the “business”.

Exclusion A.2. does not apply to the rental or holding for rental of any part of an “insured location”.

3. “Bodily injury” or “property damage” arising out of the actual, alleged or threatened transmission of a communicable disease or illness by an “insured”. This exclusion applies whether the transmission was voluntary or involuntary or whether an “insured” knew or should have known that the infected person was infected with the disease or illness.
4. “Bodily injury” or “property damage” caused by an animal owned by or in the care, custody or control of an “insured” or guest of an “insured” or, in the

care, custody or control of a roomer, boarder, tenant, resident, “residence employee” or guest of such roomer, boarder, tenant, resident, “residence employee” or other occupant of the “residence premises” that is:

- a. Wild by birth or by nature or a species not customarily domesticated;
  - b. Illegal to acquire, own or keep;
  - c. A bird of prey;
  - d. Venomous or poisonous; or
  - e. A non-human primate.
5. “Bodily injury” or “property damage” which is expected or intended by an “insured” even if the resulting “bodily injury” or “property damage” is:
    - a. Of a different kind, quality or degree than initially expected or intended; or
    - b. Sustained by a different person, entity, real or personal property, than initially expected or intended.

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

6. “Bodily injury” or “property damage” arising out of the escape or release of fuel from a “fuel system”. This exclusion applies to any:
  - a. Supervision, instructions, recommendations, warnings or advice given in connection with the above;
  - b. Obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such “bodily injury” or “property

damage”, damages, loss, cost, payment or expense; or

- c. Request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of fuel in any form.

This exclusion does not apply to “bodily injury” or “property damage” arising out of fire or explosion that results from such escaped or released fuel.

- 7. “Bodily injury” or “property damage” arising out of the actual or alleged presence of or actual, alleged or threatened dispersal, release, ingestion, inhalation, contact with or exposure to, whether directly or indirectly, by “fungi” or other microbes. This includes any:
  - a. Supervision, instruction, disclosures, or failures to disclose, recommendations, warnings, or advice given, or that allegedly should have been given, in connection with “bodily injury” or “property damage” arising out of, whether directly or indirectly, by “fungi” or other microbes, or the activities described in 7.c. below;
  - b. Obligation to share with or repay another who must pay damages because of “bodily injury” or “property damage” damage of the type described in this exclusion. This applies regardless of any other cause that contributed directly or indirectly, concurrently or in any sequence to the “bodily injury” or “property damage”;
  - c. Request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of “fungi” or other microbes; and
  - d. Liability imposed upon any “insured” by any governmental authority for “bodily injury” or “property damage” arising out of, whether directly or indirectly, “fungi” or other microbes.
- 8. “Bodily injury” or “property damage” arising out of any written or oral statement made by you or others on your behalf which is material to any financial transaction.
- 9. “Bodily injury” or “property damage” arising out of any oral, written, electronic, digital or other means of, communication, publication or physical action that:
  - a. Is directed at or to an individual or group of individuals; and
  - b. Includes content, material or action that is or is perceived as:

- (1) Bullying, harassing, degrading, intimidating, threatening, tormenting or otherwise abusive; or
- (2) Causing or having caused emotional or psychological distress or fear of imminent harm or death.

This exclusion applies whether or not the communication, publication or action is:

- a. Composed, created, sent or performed by an “insured”;
- b. Part of a series of communications, publications or actions;
- c. Directed at or to the person who suffered “bodily injury” or “property damage”;
- d. Expected or intended to cause emotional, mental or physical harm to an individual; or
- e. Intended to be public or private.

**10. “Hovercraft Liability”.**

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”.

**11. “Bodily injury” or “property damage” arising out of the sale, manufacture, delivery or transfer by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Illegal or Controlled Substances include but are not limited to cocaine, heroin, LSD, methamphetamines, marijuana and all narcotic drugs.**

This exclusion does not apply to the lawful use of prescription drugs by a person following the orders of a licensed healthcare provider.

**12. “Bodily injury” or “property damage” arising out of the:**

- a. Illegal growing of plants or the illegal raising or keeping of animals; or
- b. Illegal manufacture, production, operation or processing of chemical, biological, animal or plant materials.

This exclusion applies whether or not the illegal activities described above were within the control or knowledge of an “insured”.

**13. “Bodily injury” or “property damage” arising out of the actual or alleged presence of or actual, alleged or threatened dispersal, release, ingestion, inhalation or absorption of lead, lead pigment, lead compounds or lead in any form which is or was contained or incorporated into**

any material or substance. This exclusion applies to any:

- a. Supervision, instructions, recommendations, warnings or advice given in connection with the above;
- b. Obligation to share damages, losses, costs, payments or expenses with or repay someone else who must make payment because of such "bodily injury" or "property damage", damages, loss, cost, payment or expense;
- c. Request, order or requirement to test for, monitor, abate, mitigate, remediate, contain, remove, dispose of, or in any way respond to or assess the effects of lead, lead pigment, lead compounds or materials or substances containing lead in any form; or
- d. Loss, cost, payment or expense related to any claim, suit, order, defense, demand or investigation of any kind incurred in connection with the above.

14. "Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
  - b. Rented to an "insured"; or
  - c. Rented to others by an "insured";
- that is not an "insured location".

15. "Motor Vehicle Liability".

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".

16. "Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse.

17. "Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. Declared or undeclared war, civil war, acts of terrorism, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon, even if the discharge is accidental, will be deemed a warlike act.

18. "Watercraft Liability".

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".

**B. Liability Coverage E – Premises Liability.**

Liability Coverage E does not apply to the following:

1. Liability:

a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in Liability – Additional Coverage 3. Loss Assessment;

b. Under any contract or agreement entered into by an "insured". This exclusion does not apply to written contracts:

(1) That directly relate to the ownership, maintenance or use of an "insured location"; or

(2) In which the liability of others is assumed by an "insured" prior to an "occurrence";

unless excluded in 1.a. or elsewhere in this policy;

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke, water or explosion;

4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

- a. Workers' compensation law;
- b. Non-occupational disability law; or
- c. Occupational disease law;

5. "Bodily injury" or "property damage" for which an "insured" under this policy:

a. Is also an insured under a nuclear energy liability policy issued by the:

(1) Nuclear Energy Liability Insurance Association;

(2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada;  
or any of their successors; or

b. Would be an insured under that policy but for the exhaustion of its limit of liability; or

6. "Bodily injury" to you or a regular resident of your household, other than a "residence employee".

**C. Liability Coverage F – Medical Payments to Others.**

Liability Coverage F does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":
  - a. Occurs off an "insured location"; and
  - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";

2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:

- a. Workers' compensation law;
- b. Non-occupational disability law; or
- c. Occupational disease law;

3. From any:

- a. Nuclear reaction;
- b. Nuclear radiation; or
- c. Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

d. Any consequence of any of these; or

4. To any person, other than a "residence employee" of an "insured", residing on any part of an "insured location".

**LIABILITY – CONDITIONS**

1. **Limit of Liability.** Our total liability under Liability Coverage E for all damages resulting from any one "occurrence" will not be more than the limit of liability for Liability Coverage E shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions will be considered to be the result of one "occurrence".

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

2. **Severability of Insurance.** This insurance applies separately to each "insured". This Liability – Condition will not increase our limit of liability for any one "occurrence".

3. **Duties After "Occurrence".** In the event of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if you fail to comply with the following duties:

- a. Give us written notice as soon as is practical, which sets forth:
  - (1) The identity of the policy and the named "insured" shown in the Declarations;

(2) Reasonably available information on the time, place and circumstances of the "occurrence"; and

(3) Names and addresses of any claimants and witnesses;

b. Cooperate with us in the investigation, settlement or defense of any claim or suit;

c. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";

d. At our request, help us:

(1) To make settlement;

(2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";

(3) With the conduct of suits and attend hearings and trials; and

(4) To secure and give evidence and obtain the attendance of witnesses;

e. No "insured" will, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

**4. Duties of an Injured Person – Liability Coverage F – Medical Payments to Others.**

a. The injured person or someone acting for the injured person will:

(1) Give us written proof of claim, under oath if required, as soon as is practical; and

(2) Authorize us to obtain copies of medical reports and records.

b. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

5. **Payment of Claim – Liability Coverage F – Medical Payments to Others.** Payment under this coverage is not an admission of liability by an “insured” or us.

6. **Suit Against Us.** No action can be brought against us unless there has been full compliance with all of the terms under the Liability Coverage Section of this policy.

No one will have the right to join us as a party to any action against an “insured”.

Also, no action with respect to Liability Coverage E can be brought against us until the obligation of such “insured” has been determined by final judgment or agreement signed by us.

7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an “insured” will not relieve us of our obligations under this policy.

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

9. **Policy Period.** This policy applies only to “bodily injury” or “property damage” which occurs during the policy period.

10. **Concealment or Fraud.** We do not provide coverage to an “insured” who, whether before or after a loss, has:

a. Intentionally concealed or misrepresented any material fact or circumstance;

b. Engaged in fraudulent conduct; or

c. Made false statements;

relating to this insurance.

**TRAVELERS HOMEOWNERS INSURANCE POLICY**

**PROPERTY COVERAGE SECTION**

**PROPERTY COVERAGE A - DWELLING**

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| <p>1. We cover:</p> <ul style="list-style-type: none"> <li>a. The dwelling on the “residence premises” shown in the Declarations, including structures attached to the dwelling; and</li> <li>b. Materials and supplies located on or next to the “residence premises” used to construct,</li> </ul> | <p>alter or repair the dwelling or other structures on the “residence premises”.</p> |
|  | <p>2. We do not cover land, including land on which the dwelling is located.</p>     |

**PROPERTY COVERAGE B – OTHER STRUCTURES**

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| <p>1. We cover other structures on the “residence premises” set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line or similar connection. It also includes other structures that are not buildings, including driveways, walkways and patios.</p>                     | <p>a private residence for which a limit of liability is shown in the Declarations for Structures Rented to Others;</p>  |
| <p>2. We do not cover:</p> <ul style="list-style-type: none"> <li>a. Land, including land on which the other structures are located;</li> <li>b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage. We do cover other structures rented to others as</li> </ul> | <ul style="list-style-type: none"> <li>c. Other structures from which any “business” is conducted; or</li> <li>d. Other structures used to store “business” property. We do cover a structure that contains “business” property solely owned by an “insured” or a tenant of the dwelling provided that “business” property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.</li> </ul> |

**PERILS INSURED AGAINST  
PROPERTY COVERAGE A – DWELLING  
PROPERTY COVERAGE B – OTHER STRUCTURES**

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| <p>1. We insure against direct physical loss to property described in Property Coverages A and B.</p>  | <p>(b) Shut off the water supply and drain all systems and appliances of water.</p>  |
| <p>2. We do not insure for loss:</p> <ul style="list-style-type: none"> <li>a. Excluded under Property - Exclusions;</li> <li>b. Involving collapse or danger of collapse, except as provided in Property - Additional Coverage 9. Collapse; or</li> <li>c. Caused by: <ul style="list-style-type: none"> <li>(1) 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 does not apply if you have used reasonable care to: <ul style="list-style-type: none"> <li>(a) Maintain heat in the building; or</li> </ul> </li> </ul> </li> </ul> | <p>If the building 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 for coverage to apply.</p> <p>For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or any other system designed to remove surface or subsurface water, roof drain, gutter, downspout or similar fixtures or equipment;</p> <ul style="list-style-type: none"> <li>(2) Freezing, thawing, pressure or weight of water, ice or snow, whether driven by wind or not, to a:</li> </ul> |

- (a) Fence, pavement or patio;
- (b) Outdoor spa or hot tub, outdoor sauna or outdoor swimming pool and any related equipment;
- (c) Footing, foundation, bulkhead, wall, or any other structure or device that supports all or part of a building or other structure;
- (d) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
- (e) Pier, wharf or dock.

This exclusion applies whether any item identified in (2)(a) through (e) of this exclusion is wholly or partially above or below ground;

- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been "vacant" for more than 60 consecutive days immediately before the loss regardless of the policy's inception or renewal date;
- (5) Theft or vandalism and malicious mischief in or to a dwelling while rented to others by an "insured" for a rental term of less than 30 consecutive days; or
- (6) Any of the following:
  - (a) Wear and tear, marring, scratching or deterioration;
  - (b) Mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;
  - (c) Smog, rot, rust or other corrosion;
  - (d) Smoke from agricultural smudging or industrial operations;
  - (e) Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against under Property Coverage C;
  - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements,

patios, footings, foundations, walls, floors, roofs or ceilings. This exclusion applies whether any item is wholly or partially above or below ground;

- (g) Birds, bats, vermin, rodents, raccoons, skunks, arachnids or insects;
- (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals;
- (i) Animals owned or kept by an "insured" or "residence employee"; or
- (j) Presence, pressure or intrusion of any root system.

**Exception to c.(6)**

Unless the loss is otherwise excluded, we cover loss to property covered under Property Coverages A and B resulting from an accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, that causes damage to a building on the "residence premises", if the accidental discharge or overflow of water or steam originates from within a system or appliance:

- a. On the "residence premises"; or
- b. Off the "residence premises", if located on a premises adjacent to the "residence premises".

This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance from which this water or steam escaped.

We do not cover loss:

- a. To the system or appliance from which this water or steam escaped;
- b. Caused by accidental discharge or overflow of water or steam from within a storm drain whether located on or off the "residence premises"; or
- c. Caused by accidental discharge or overflow of water or steam from within a steam or sewer pipe located off the "residence premises".

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or any other system designed to remove surface or

subsurface water, roof drain, gutter, down spout or similar fixtures or equipment.

Under Perils Insured Against **2.b.** and **c.**, any ensuing loss to property described in Property Coverages A and B not excluded by any other provision in this policy is covered.

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**PROPERTY COVERAGE C – PERSONAL PROPERTY**

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- 1. Covered Property.** We cover personal property owned or used by an “insured” while it is anywhere in the world. At your request, we will cover personal property owned by:
- a. Others while the property is on the part of the “residence premises” occupied by an “insured”; or
  - b. A guest or a “residence employee”, while the property is in any residence occupied by an “insured”.

This request may be made after a loss.

**2. Limit for Property at Other Locations.**

**a. Other Residences.**

Our limit of liability for personal property usually located at an “insured’s” residence, other than the “residence premises”, is 10% of the limit of liability for Property Coverage C, or \$1,000, whichever is greater. This limitation does not apply to personal property:

- (1) Moved from the “residence premises” because the “residence premises” is:
  - (a) Being repaired, renovated or rebuilt; and
  - (b) Not fit to live in or store property in;
- (2) Removed, for a period of 60 days or less, from the “residence premises” endangered by a Peril Insured Against; or
- (3) In a newly acquired principal residence for 60 days from the time you begin to move the property there.

**b. Storage Facilities.**

Our limit of liability for personal property owned or used by an “insured” and located in a storage facility is 10% of the limit of liability for Property Coverage C, or \$1,000, whichever is greater. This limitation does not apply to personal property:

- (1) Moved from the “residence premises” because the “residence premises” is:
  - (a) Being repaired, renovated or rebuilt; and
  - (b) Not fit to live in or store property in;

- (2) Removed, for a period of 60 days or less, from the “residence premises” endangered by a Peril Insured Against; or
- (3) Usually located in an “insured’s” residence, other than the “residence premises”.

**3. Special Limits of Liability.** The following categories of personal property are covered only up to the Special Limits of Liability indicated below or shown in the Declarations. The special limit for each category described below is the total limit for each loss for all property in that category. These special limits do not increase the Property Coverage C limit of liability.

- a. Money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards, smart cards, gift certificates, digital currency and any related currencies used in place of money.
- b. Securities, accounts, deeds, evidence of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets and stamps. This limit includes the cost to research, replace or restore information from the lost or damaged material.
- c. Comic books and trading cards, including sport cards, game cards and non-sports cards.
- d. Collectibles, including figurines, glassware, marble, porcelains, statuary and similar articles.
- e. Loss by theft of jewelry, watches, precious and semiprecious stones.
- f. Loss by theft of furs.
- g. Loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold, platinum or pewter.
- h. Loss by theft of firearms and related equipment.

- i. Loss by theft of tools and their accessories.
- j. Loss by theft of any rugs, carpets, tapestries, wall hangings or other similar articles. This limit does not apply to wall-to-wall carpet.
- k. Covered property, on the “residence premises”, used primarily for “business” purposes.
- l. Covered property, away from the “residence premises”, used primarily for “business” purposes. This limit does not apply to loss to electronic apparatus and accessories while in or upon a “motor vehicle”.
- m. Trailers or semitrailers not used with watercraft.
- n. “Motor vehicle” accessories, equipment or parts while not attached to, located in or upon or while removed from any “motor vehicle”.
- o. Electronic apparatus and accessories, while in or upon a “motor vehicle” or watercraft, but only if the apparatus is equipped to be operated by power from the “motor vehicle’s” or watercraft’s electrical system while still capable of being operated by other power sources.
- p. \$500 for tapes, records, discs, antennas, wires, electronic music and movies or other media that can be used with any electronic apparatus and accessories while in or upon a “motor vehicle” or watercraft.
- q. \$1,500 for watercraft, including their trailers, furnishings, accessories, equipment, parts and outboard engines or motors.

This limit does not apply to non-motorized personal craft under 20 feet in length, such as kayaks, surf boards, canoes, paddle boards, row boats, wind surfers or kite boards.

- r. \$250 for legally obtained or prescribed marijuana.
- s. \$1,000 for fine arts, including paintings, etchings, drawings, lithographs, photographs, sculptures and other bonafide works of art of rarity, historical value or artistic merit.

**4. Property Not Covered.**

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. “Motor vehicles”.
  - (1) This includes:

- (a) Accessories, equipment and parts; or
  - (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the “motor vehicle”.
- The exclusion of property described in **4.c.(1)(a)** and **(b)** applies only while such property is attached to or located in or upon the “motor vehicle”;
- (2) We do cover “motor vehicles” not required to be registered for use on public roads or property, which are:
    - (a) Used to service an “insured’s” residence; or
    - (b) Designed to assist the handicapped;
  - d. “Aircraft”;
  - e. Hovercraft, including accessories, equipment and parts, whether or not attached to the hovercraft. Hovercraft means a self-propelled motorized ground effect vehicle and includes flarecraft and air cushion vehicles;
  - f. Property of roomers, boarders, tenants and other occupants who provide compensation to an “insured” for use of all or part of the “residence premises”. This includes property of guests of any such roomer, boarder, tenant or other occupant.

We do cover property of roomers, boarders, tenants, other occupants and guests of any such roomer, boarder, tenant and other occupants related to an “insured”;

- g. Property in an “apartment” rented or held for rental to others by an “insured”, except as provided under Property - Additional Coverage **11**. Landlord’s Furnishings;
- h. Property rented or held for rental to others off the “residence premises”;
- i. “Business” or personal records or data, including such data stored in:
  - (1) Books of account, drawings or other paper records;
  - (2) Computers and related or similar equipment; or
  - (3) Digital, electronic or virtual form;
 except as provided in Property – Additional Coverage **14**. Personal Records and Data Replacement.

We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;

j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in Property - Additional Coverage 7. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money;

k. Grave markers, except as provided in Property - Additional Coverage 13. Grave Markers; or  
 l. Water or steam.

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**PERILS INSURED AGAINST  
 PROPERTY COVERAGE C – PERSONAL PROPERTY**

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We insure for direct physical loss to the property described in Property Coverage C caused by any of the following perils, unless the loss is excluded in Property - Exclusions.

**1. Fire or Lightning.**

**2. Windstorm or Hail.**

This peril includes loss to watercraft and their trailers, furnishings, accessories, equipment, parts and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to property contained in a building caused by rain, snow, sleet, sand or dust unless 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.

**3. Explosion.**

**4. Riot or Civil Commotion.**

**5. Aircraft.**

This peril includes remotely operated, unmanned flying device, self-propelled missile or spacecraft.

**6. Vehicles.**

**7. Smoke.**

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This peril does not include loss caused by smoke from the manufacture of controlled substances, agricultural smudging or industrial operations.

**8. Vandalism or Malicious Mischief.**

This peril does not include loss to property caused by vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been "vacant" for more than 60 consecutive

days immediately before the loss regardless of the policy's inception or renewal date.

**9. Theft.**

a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.

b. This peril does not include loss caused by theft:

- (1) Committed by an "insured";
- (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured";
- (4) Anywhere on the "residence premises" when any portion is rented by an "insured" to someone other than another "insured" for a continuous period of less than 30 days; or
- (5) That occurs off the "residence premises" of:
  - (a) Trailers, semitrailers and campers;
  - (b) Watercraft, including their furnishings, accessories, equipment, parts and outboard engines or motors; or
  - (c) Property while at any other residence owned by, rented to or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured", who is a student, is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 90 days immediately before the loss.

**10. Falling Objects.**

This peril does not include loss to property contained in a building unless the roof or an

outside 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.**

This peril means weight of ice, snow or sleet which causes damage to property contained in a building.

**12. Accidental Discharge or Overflow of Water or Steam.**

a. This peril means 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, if the accidental discharge or overflow of water or steam originates from within a system or appliance:

- (1) On the "residence premises"; or
- (2) Off the "residence premises", if located on a premises adjacent to the "residence premises".

b. This peril does not include loss:

- (1) To the system or appliance from which the water or steam escaped;
- (2) Caused by or resulting from freezing except as provided in Peril Insured Against **14. Freezing**;
- (3) Caused by accidental discharge or overflow of water or steam from within a storm drain whether located on or off the "residence premises"; or
- (4) Caused by accidental discharge or overflow of water or steam from within a steam or sewer pipe located off the "residence premises".

c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or any other system designed to remove surface or

subsurface water, roof drain, gutter, downspout or similar fixtures or equipment.

d. Property – Exclusion **3. Water**, paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

**13. Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging.**

This peril means sudden and accidental tearing apart, 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 caused by or resulting from freezing except as provided in Peril Insured Against **14. Freezing**.

**14. Freezing.**

a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:

- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain all systems and appliances of water.

If the building 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 for coverage to apply.

b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or any other system designed to remove surface or subsurface water, roof drain, gutter, downspout or similar fixtures or equipment.

**15. Sudden and Accidental Damage from Artificially Generated Electrical Current.**

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**PROPERTY COVERAGE D – LOSS OF USE**

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The limit of liability for Property Coverage D is the total limit for the coverages in **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use**.

**1. Additional Living Expense.** If a loss covered under the Property Coverage Section makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your

household can maintain its normal standard of living.

Payment will be for the lesser of:

- a. The shortest time required to:
  - (1) Repair or replace the damage; or
  - (2) Settle your household elsewhere, if you permanently relocate; or
- b. 24 months.

- 2. Fair Rental Value.** If a loss covered under the Property Coverage Section makes that part of the “residence premises” rented to others or held for rental by you not fit to live in, we cover the amount of fair rental value of such premises lost, less any expenses that do not continue while it is not fit to live in.

Coverage under Fair Rental Value will only apply when that part of the “residence premises” is held for rental or rented to others for a term of 6 consecutive months or more by the same roomer, boarder, tenant or other occupant who provides compensation to an “insured”.

Payment will be for the shortest time required to repair or replace such premises, but for no more than 24 months.

Written proof that part of the “residence premises” is rented, was held for rental at the time of loss or has been rented within the 12 months prior to the date of loss is required.

- 3. Civil Authority Prohibits Use.** If a civil authority prohibits you from use of the “residence premises” as a result of direct physical damage to neighboring premises caused by a Peril Insured Against under this policy, we cover resulting **1. Additional Living Expense** and **2. Fair Rental Value** as provided above for no more than 30 days. Neighboring premises means a premises in sufficient proximity to the “residence premises” that there exists a reasonable risk that the damage affecting the neighboring premises could endanger either the “residence premises” or the safety of its occupants while in the “residence premises”.

The periods of time under **1. Additional Living Expense**, **2. Fair Rental Value** and **3. Civil Authority Prohibits Use** above are not limited by expiration of this policy.

- 4. Loss or Expense Not Covered.** We do not cover loss or expense due to cancellation of a lease or agreement.

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## PROPERTY - ADDITIONAL COVERAGES

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Unless otherwise stated, the following coverages are additional insurance and are subject to the applicable deductible.

- 1. Debris Removal.** We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional percentage, as shown in the Declarations for this Property – Additional Coverage, of that limit is available for such expense.

We do not pay for the removal of trees except as provided under Property – Additional Coverage **2. Tree Removal**. We also do not pay for:

- a. Extraction of “pollutants” from land or water; or
- b. Removal, restoration or replacement of polluted land or water.

- 2. Tree Removal.** We will pay your reasonable expense, up to the limit shown in the Declarations for this Property - Additional Coverage, for the removal of trees fallen on the “residence

premises” as a result of a Peril Insured Against, provided the tree(s):

- a. Damage(s) a covered structure; or
- b. Do(es) not damage a covered structure, but:
  - (1) Block(s) a driveway on the “residence premises” which prevent(s) a “motor vehicle”, that is registered for use on public roads or property, from entering or leaving the “residence premises”; or
  - (2) Block(s) a ramp or other fixture designed to assist a person to enter or leave the dwelling building.

The Per Loss Limit shown in the Declarations for this Property – Additional Coverage is the most we will pay in any one loss regardless of the number of fallen trees. No more than the Per Tree Limit shown in the Declarations for this Property - Additional Coverage will be paid for the removal of any one tree.

**3. Reasonable Repairs.**

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- b. If the measures taken involve repair to other damaged property, we will pay only if that

property is covered under this policy and the damage is caused by a Peril Insured Against.

This coverage does not increase the limit of liability that applies to the covered property or relieve you of your duties described in Property – Conditions **2.d. Duties After Loss.**

**4. Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the “residence premises”, for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the “residence premises”;
- f. Vandalism or Malicious Mischief; or
- g. Theft.

We will pay up to the percentage of Property Coverage A shown in the Declarations for this Property – Additional Coverage for all damaged trees, shrubs, plants or lawns. No more than the Per Tree Limit shown in the Declarations for this Property – Additional Coverage will be paid for any one tree, shrub or plant. We do not cover property illegally grown or grown for “business” purposes.

**5. Fire Department Service Charge.** We will pay up to the limit shown in the Declarations for this Property - Additional Coverage for reasonable and necessary fire department charges incurred by you when the fire department is called to save or protect covered property from a Peril Insured Against.

No deductible applies to this coverage.

**6. Property Removed.** We insure covered property against direct loss from any cause while being removed from or returned to a premises endangered by a Peril Insured Against and for no more than 60 days while removed. This coverage does not change the limit of liability that applies to the removed property.

**7. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money.**

- a. We will pay up to the limit shown in the Declarations for this Property - Additional Coverage for:

- (1) The legal obligation of an “insured” to pay because of the theft or unauthorized use of credit cards issued to or registered in an “insured’s” name;
- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an “insured’s” name;
- (3) Loss to an “insured” caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to an “insured” through acceptance in good faith of counterfeit United States or Canadian paper currency.

No deductible applies to this coverage.

- b. All loss resulting from a series of acts:
  - (1) Committed by any one person or group of persons acting in concert; or
  - (2) In which any one person or group of persons acting in concert is concerned or implicated;

is considered to be one loss.

- c. We do not cover:
  - (1) Use of a credit card, electronic fund transfer card or access device:
    - (a) By a resident of your household;
    - (b) By a person who has been entrusted with either type of card or access device; or
    - (c) If an “insured” has not complied with all terms and conditions under which the cards are issued or the devices accessed; or
  - (2) Loss arising out of “business” use or dishonesty of an “insured”.

- d. If the coverage in **7.a.** applies, the following defense provisions also apply:

- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (2) If a suit is brought against an “insured” for liability under **7.a.(1)** or **(2)**, we will provide a defense 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 **7.a.(3)**.

**8. Loss Assessment.**

- a. We will pay up to the limit shown in the Declarations for this Property - Additional Coverage for your share of loss assessment charged during the policy period against you, as owner or tenant of the “residence premises”, by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Property Coverage A.

This coverage does not apply to assessments made as a result of damage caused by earthquake and other earthquake shocks, including land shock waves or tremors before, during or after volcanic activity.

We do cover loss caused directly by fire, explosion or theft resulting from earthquake and other earthquake shocks.

The limit shown in the Declarations is the most we will pay with respect to any one loss, regardless of the number of assessments. We will apply only one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Property - Condition **16**. Policy Period does not apply to this coverage.

**9. Collapse.**

- a. With respect to this Property - Additional Coverage:
  - (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
  - (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
  - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
  - (4) A building or any part of a building that is standing is not considered to be in a state

of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- b. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if the collapse was caused by one or more of the following:
  - (1) A Peril Insured Against under Property Coverage C;
  - (2) Decay that is hidden from view, unless the presence of such decay is known to an “insured” prior to collapse or there are visible signs of damage and the “insured” has not taken prompt action to prevent further damage;
  - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an “insured” prior to collapse;
  - (4) Weight of contents, equipment, animals or people;
  - (5) Weight of rain which collects on a roof; or
  - (6) Use of defective material, methods or faulty, inadequate workmanship in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, footing, foundation, wall, floor, retaining wall, bulkhead, pier, wharf or dock, whether any item is wholly or partially above or below ground, is not included under **9.b.(2)** through **(6)**, unless the loss is a direct result of the collapse of a building or any part of a building.
- d. This coverage does not increase the limit of liability that applies to the damaged covered property.

**10. Glass or Safety Glazing Material.**

- a. We cover:
  - (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window; and
  - (2) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in 10.a.(2); or
  - (2) On the “residence premises” if the dwelling has been “vacant” for more than 60 consecutive days immediately before the loss.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

**11. Landlord’s Furnishings.** We will pay up to the limit shown in the Declarations for this Property - Additional Coverage for your appliances, carpeting and other household furnishings, in each “apartment” on the “residence premises” rented or held for rental to others by an “insured”, for loss caused by a Peril Insured Against in Property Coverage C, other than Theft.

This limit is the most we will pay in any one loss regardless of the number of appliances, carpeting or other household furnishings involved in the loss.

This coverage does not increase the limit of liability that applies to the damaged covered property.

**12. Ordinance or Law.**

- a. You may use up to the percentage of Property Coverage A shown in the Declarations for this Property - Additional Coverage for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
  - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
  - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
  - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in 12.a.
- c. We do not cover:
  - (1) Stigma damage or any actual or perceived reduction or diminution in value to any covered building or other structure due to the requirements of any ordinance or law; or
  - (2) The costs to comply with any ordinance or law which requires an “insured” or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants” in or on any covered building or other structure.
- d. The most we will pay for any increased costs to comply with any ordinance or law that becomes effective after the date of loss is \$5,000.

**13. Grave Markers.** We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the “residence premises” for loss caused by a Peril Insured Against under Property Coverage C.

This coverage does not increase the limits of liability that apply to the damaged covered property.

**14. Personal Records and Data Replacement.** We will pay up to the limit shown in the Declarations for this Property – Additional Coverage to research, replace or restore personal records or data lost as a result of a Peril Insured Against. This limit includes replacing or restoring information from the lost or damaged material, including blank recording, storage media and prerecorded computer programs available on the retail market.

We will pay only when the records or data are replaced or recreated.

**15. Inflation Coverage.** We may adjust the limits of liability for Property Coverage A at the beginning of each successive policy term to reflect estimated increases in rebuilding costs for your dwelling. We may also adjust the limits of liability for Property Coverages B, C and D. The rules then in use by us will determine the new amounts for these coverages.

Payment of the required premium when due for the successive policy term will be sufficient to indicate your acceptance of the adjusted increased limits.

We will also adjust the limits of liability at the time of a loss by the same percentage pro-rated from the effective date of the policy period or the effective date of change if you have requested a change to the limit of liability for Property Coverage A during the policy period.

**16. Limited “Fungi” or Other Microbes Remediation.**

a. If a loss covered under the Property Coverage Section results in “fungi” or other microbes, we will pay up to the limit shown in the Declarations for this Property - Additional Coverage for:

- (1) Remediation of the “fungi” or other microbes. This includes payment for the reasonable and necessary cost to:
  - (a) Remove the “fungi” or other microbes from covered property or to repair, restore or replace that property; and
  - (b) Tear out and replace any part of the building as needed to gain access to the “fungi” or other microbes;
- (2) Any reasonable and necessary:
  - (a) Increase in living expense you incur; or
  - (b) Loss of fair rental value; as covered under Property Coverage D – Loss of Use, if the “fungi” or other microbes makes the “residence premises” not fit to live in; and
- (3) Any reasonable and necessary testing or monitoring of air or property to confirm the absence, presence or level of the “fungi” or other microbes, whether performed prior to, during or after removal, repair, restoration or replacement.

- b. We will pay under this Property - Additional Coverage only if:
  - (1) The covered loss occurs during the policy period;
  - (2) All reasonable means were used to save and preserve the property at the time of and after the covered loss; and
  - (3) We receive prompt notice of the covered cause of loss that is alleged to have resulted in “fungi” or other microbes.
- c. The most we will pay under this Property - Additional Coverage is the limit of liability shown in the Declarations for Limited “Fungi” or Other Microbes Remediation. This is the most we will pay for the total of all loss or costs during the policy period regardless of the:
  - (1) Number of locations or items of property insured under this policy; or
  - (2) Number of losses or claims made.

Any amount payable under Property Coverage D as described in **16.a.(2)** of this Property – Additional Coverage is included within the limit of liability shown in the Declarations for Limited “Fungi” or Other Microbes Remediation.

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by “fungi” or other microbes, loss payment will not be limited by the terms of this Property – Additional Coverage, except to the extent that “fungi” or other microbes cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Property – Additional Coverage.
- e. This coverage does not increase the limit of liability that applies to:
  - (1) The damaged property; or
  - (2) Property Coverage D – Loss of Use.

All other provisions of this policy apply to Property – Additional Coverages.

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**PROPERTY – EXCLUSIONS**

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A. We do not insure for any direct or indirect loss or damage caused by, resulting from, contributing to or aggravated by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

These exclusions apply whether or not the loss event:

- (1) Results in widespread damage;
- (2) Affects a substantial area; or
- (3) Occurs gradually or suddenly.

These exclusions also apply whether or not the loss event arises from:

- (1) Any acts of nature;
- (2) Any human action or inaction;
- (3) The forces of animals, plants or other living or dead organisms; or
- (4) Any other natural or artificial process.

**1. Ordinance or Law**, meaning any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion, **A.1.a.**, does not apply to the amount of coverage that may be provided for under Property - Additional Coverage **12. Ordinance or Law**;
- b. The requirements of which result in stigma damage or any actual or perceived reduction or diminution in value to property; or
- c. Requiring an "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

This exclusion applies whether or not the property has been physically damaged.

**2. Earth Movement**, meaning:

- a. Earthquake and other earthquake shocks, including land shock waves or tremors before, during or after volcanic activity;
- b. Volcano activity, including:
  - (1) Volcanic eruption;
  - (2) Volcanic explosion;
  - (3) Effusion of volcanic material; or
  - (4) Lava flow;
- c. Mudslide, including mudflow, debris flow, landslide, avalanche or sediment;
- d. Sinkhole;
- e. Subsidence;
- f. Excavation;
- g. Erosion; or
- h. Any expansion, shifting, rising, sinking, contracting or settling of the earth, soil or land.

This exclusion applies whether or not the earth, soil or land is combined or mixed with water or any other liquid or natural or man-made material.

We do cover loss caused directly by fire, explosion or theft resulting from any earth movement.

**3. Water**, meaning any:

- a. Flood, surface water, ground water, subsurface water, storm surge, waves, wave wash, tidal water, tsunami, seiche, overflow of a body of water or spray from any of these, whether a result of precipitation or driven by wind;
- b. Water or water borne material that enters through or backs up from a sewer or drain, or which discharges or overflows from a sump, sump pump, related equipment or any other system designed to remove surface or subsurface water which is drained from the foundation area;
- c. Water or water borne material located below the surface of the ground including water or water borne material:
  - (1) Which exerts pressure on, seeps, leaks or flows into:
    - (a) Any part of the dwelling or other structures;
    - (b) The foundation of the dwelling or other structures;
    - (c) Any paved surface located on the "residence premises"; or
    - (d) Any spa, hot tub or swimming pool; or
  - (2) Which causes earth movement; or
- d. Overflow, release, migration or discharge of water in any manner from a dam, levee, dike, hurricane barrier or any water or flood control device.

We do cover loss caused directly by fire, explosion or theft resulting from water.

**4. Power Failure**, meaning the failure of power or other utility service if the failure takes place off the "residence premises".

If the failure results in a loss from a Peril Insured Against, on the "residence premises", we will pay for the loss caused by that peril.

5. **Neglect**, meaning neglect of an “insured” to use all reasonable means to save and preserve property at and after the time of a loss.
6. **War**. War includes the following and any consequence of any of the following:
  - a. Declared or undeclared war, civil war, insurrection, rebellion or revolution;
  - b. Warlike act by a military force or military personnel; or
  - c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon, even if the discharge is accidental, will be deemed a warlike act.

7. **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 nuclear reaction, radiation or radioactive contamination is not considered loss caused by fire, explosion or smoke.

We do cover loss caused directly by fire resulting from any nuclear hazard.

8. **Illegal Activities or Operations**, meaning:
  - a. Illegal growing of plants or the illegal raising or keeping of animals; or
  - b. Illegal manufacture, production, operation or processing of chemical, biological, animal or plant materials or any other natural or synthetic substance.

This exclusion applies whether or not the illegal activities or operations described above were known to or within the control of an “insured”.

We do cover loss caused directly by fire or explosion resulting from any illegal activities or operations described in **8.a.** and **b.**

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

In the event of such loss, no “insured” is entitled to coverage, even “insureds” who did not commit or conspire to commit the act causing the loss.

10. **Governmental Action**, meaning the destruction, confiscation or seizure of property described in Property Coverages A, B or C by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

11. **“Fungi” or Other Microbes**, meaning any loss or cost resulting from, arising out of, caused by, consisting of or related to “fungi”, other microbes or rot. This exclusion does not apply to:
  - a. “Fungi” or other microbes remediation coverage that may be afforded under Property - Additional Coverage **16**. Limited “Fungi” or Other Microbes Remediation; or
  - b. “Fungi” or other microbes that results from fire or lightning.

12. **Seepage or Leakage**, meaning constant or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of weeks, months or years.

This exclusion applies regardless of the source from which the water, steam or condensation seeped or leaked.

- B. We do not insure for loss to property described in Property Coverages A and B caused by any of the following. However, any ensuing loss to property described in Property Coverages A and B not excluded by any other provision in this policy is covered.

1. Weather conditions. This exclusion applies only if weather conditions contribute in any way with a cause or event excluded in Property - Exclusion **A.** to produce the loss.
2. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
3. Faulty, inadequate or defective:
  - a. Planning, zoning, development, surveying or siting;
  - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction;

c. Materials used in repair, construction, renovation or remodeling; or

d. Maintenance;

of part or all of any property whether on or off the "residence premises".

**PROPERTY - 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 in any one loss:

- a. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
- b. For more than the applicable limit of liability.

**2. Duties After Loss.** In case of a loss to covered property, we have no duty to provide coverage under this policy if the following duties are not performed. These duties must be performed either by you, an "insured" seeking coverage or a representative of either.

- a. Give us prompt notice. With respect to a loss caused by the peril of windstorm or hail, that notice must occur no later than one year after the date of loss;
- b. Notify the police in case of loss by theft;
- c. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in Property - Additional Coverage 7. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money;
- d. Protect the property from further damage. If repairs to the property are required, you must:
  - (1) Make reasonable and necessary repairs to protect the property; and
  - (2) Keep an accurate record of repair expenses;
- e. Cooperate with us in the investigation of a claim;
- f. Prepare an inventory of damaged personal property showing the quantity, description, value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- g. As often as we reasonably require:
  - (1) Show the damaged property;
  - (2) Provide us with records and documents we request and permit us to make copies; and

(3) Submit to examination under oath, while not in the presence of another "insured", and sign the same; and

h. Send to us, within 60 days after our request, 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) The interest of all "insureds" and all others in the property involved and all liens on the property;
- (3) Other insurance which may cover the loss;
- (4) Changes in title or occupancy of the property during the term of the policy;
- (5) Specifications of damaged buildings and detailed repair estimates;
- (6) The inventory of damaged personal property described in 2.f.;
- (7) Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- (8) Evidence or affidavit that supports a claim under Property - Additional Coverage 7. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money, stating the amount and cause of loss.

**3. Loss Settlement.** In this Property - Condition, repair or replace and replacement cost do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in Property - Additional Coverage 12. Ordinance or Law. Covered property losses are settled as follows:

- a. Property of the following types:
  - (1) Personal property;
  - (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
  - (3) Structures that are not buildings; and
  - (4) Grave markers, including mausoleums;

at actual cash value at the time of loss but not more than the amount required to repair or replace.

**b.** Buildings covered under Property Coverages A or B at replacement cost without deduction for depreciation, subject to the following:

**(1)** If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the replacement cost, without deduction for depreciation, but not more than the least of the following amounts:

- (a)** The limit of liability under this policy that applies to the building;
- (b)** The replacement cost of that part of the building damaged with materials of like kind and quality and for like use; or
- (c)** The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in **3.b.(1)(b)** is limited to the cost which would have been incurred if the building had been built at the original premises.

**(2)** If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:

- (a)** The actual cash value of that part of the building damaged; or
- (b)** That proportion of the replacement cost, without deduction for depreciation, for that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

**(3)** To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, we will not include the value of:

- (a)** Excavations, footings, foundations, piers or any other structures or devices that support all or part of the

building, which are below the undersurface of the lowest basement floor;

**(b)** Those supports described in **(3)(a)** which are below the surface of the ground inside the foundation walls, if there is no basement; and

**(c)** Underground flues, pipes, wiring and drains.

**(4)** We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in Property Condition **3. Loss Settlement b.(1)** and **b.(2)**.

If the replacement cost is less than \$2,500, we will settle the loss as noted in Property – Condition **3. Loss Settlement b.(1)** and **b.(2)** whether or not actual repair or replacement is complete.

**(5)** You may disregard Property - Condition **3. Loss Settlement b.** and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Property - Condition **3. Loss Settlement**, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

**c.** The amount we will pay to settle a covered loss does not include:

**(1)** Compensation for stigma damage or any actual or perceived reduction or diminution in value of such property that may remain after repair or replacement; or

**(2)** The cost to replace undamaged roofing materials due to any mismatch between the existing undamaged roof on a building and new materials used to repair or replace the damaged roof on a building because of:

- (a)** Wear and tear, marring, scratching or deterioration;
- (b)** Fading, weathering, oxidizing or color;
- (c)** Texture or dimensional differences; or
- (d)** Obsolescence or discontinuation.

**(3)** The cost to replace undamaged siding materials due to any mismatch between the existing undamaged siding on a

building and new materials used to repair or replace the damaged siding on a building because of:

- (a) Wear and tear, marring, scratching or deterioration;
- (b) Fading, weathering, oxidizing or color;
- (c) Texture or dimensional differences; or
- (d) Obsolescence or discontinuation.

**4. Loss Deductible.** Unless otherwise stated in this policy, the following deductible provision applies:

- a. Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under the Property Coverage Section that exceeds the deductible amount shown in the Declarations.
- b. If two or more deductibles under this policy apply to the same loss, the total amount of all deductibles applied to the loss will not exceed the amount of the largest applicable deductible.

**5. 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 actual cash value of the property before and after the loss.

Property - Condition 3. Loss Settlement c.(1) does not apply to this Condition.

**6. Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

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

**7. Appraisal.** If you and we fail to agree on the amount of loss, either party may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a report

of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

**8. Other Insurance and Service Agreement.** If a loss covered by this policy is also covered by:

- a. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
- b. A service agreement, the coverage provided under this policy is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

**9. Suit Against Us.** No action can be brought against us unless there has been full compliance with all of the terms under the Property Coverage Section of this policy and the action is started within two years after the date of loss.

**10. Our Option.** If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

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

**12. Mortgage Clause.**

- a. If a mortgagee is named in this policy, any loss payable under Property Coverages A or B 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 any premium due under this policy on demand if you have neglected to pay 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. Property Conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.
  - c. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
  - 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 will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.
- 13. No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.
- 14. Recovered Property.** If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.
- 15. Salvage.** We have the option to take the salvage or remnant part of any covered property for which we have made a loss payment for the actual cash value or the replacement cost of the damaged covered property. At our option, we may allow you to retain damaged property and will adjust any loss payment by the agreed or appraised value of the salvage or remnant portion of the damaged property.
- 16. Policy Period.** This policy applies only to loss which occurs during the policy period.
- 17. Concealment or Fraud.** We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:
  - a. Intentionally concealed or misrepresented any material fact or circumstance;
  - b. Engaged in fraudulent conduct; or
  - c. Made false statements;
 relating to this insurance.
- 18. Premises Alarm, Security or Fire Protection System.** When Protective Devices Credit is shown in the Declarations, you agree to maintain any alarm, security or automatic protection systems, including fire and sprinkler system(s), in working order. You also agree to advise us promptly of any change, including removal, made to any of these system(s).