
THE CHUBB PLATINUM PORTFOLIO HOME POLICY

QUICK REFERENCE

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AGREEMENT

This Contract, the Declarations and any Endorsements complete the policy. The policy is a legal contract between you and us. We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

In this policy, *you* and *your* mean the person shown in the Declarations as the Named Insured and the spouse if a resident of the same household. *We*, *us* and *our* mean the Company providing this insurance and issuing this policy, as shown in the Declarations.

In addition, certain words and phrases are defined as follows:

1. *Actual cash value* means the amount it would cost to repair or replace covered property with material of like kind and quality, subject to a deduction for depreciation, deterioration and obsolescence.
2. *Bodily injury* means physical bodily harm, sickness or disease, including required care, loss of services and death that results.
3. *Business* means a trade, profession, occupation or other activity, including farming operations, performed in exchange for money or other compensation, whether on a full-time, part-time or occasional basis. This also includes investment activity or any activity intended to realize a profit for either an *insured person* or others.

However, *business* does not include:

- a. Volunteer activities for which the only payment received is for expenses incurred to perform the activity;
 - b. Providing home day care services for which no compensation is received; or
 - c. Providing home day care services to a relative of an *insured person*.
4. *Damages* means the sum required to satisfy a claim for an *occurrence* covered by this policy, whether settled and agreed to in writing by us or resolved by judicial review.
 5. *Domestic employee* means an employee of an *insured person* or an employee leased to an *insured person* by a labor leasing firm, whose duties are related to the maintenance or use of the *residence premises*, including household or domestic services.
 6. *Family member* means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child under the age of 25.
 7. *Fungi* means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by *fungi*.
 8. *Incidental business* means:
 - a. A *business* activity, other than a farm operation, conducted by an *insured person* that:
 - (1) Does not produce more than \$15,000 in annual gross revenues;
 - (2) Does not involve the employment of others subject to any workers' compensation, disability benefits, unemployment compensation or other similar laws; and
 - (3) Conforms to local, state and federal laws.
 - b. A farm operation conducted on the *residence premises* that:
 - (1) Is incidental to the use of the premises as your residence;
 - (2) Does not produce more than:
 - (a) \$25,000 in annual gross revenues from agricultural operations; or
 - (b) \$50,000 in annual gross revenues from the raising or caring of animals and does not involve more than 25 sales transactions during the *policy period* or the sale of more than 50 animals during the *policy period*; and
 - (3) Does not involve the employment of others for more than 1,500 hours per *policy period*.

9. *Insured location* means:
- a. The *residence premises*;
 - b. The part of any other premises, other structures and grounds used by you as a residence; and
 - (1) Which is shown in the Declarations; or
 - (2) Which is acquired by you during the *policy period* for your use as a residence;
 - c. Any premises used by you in connection with a residence described in **a.** and **b.** above;
 - d. Any part of a premises where an *insured person* is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an *insured person*;
 - f. Land owned by or rented to an *insured person* on which a one or two family dwelling is being built as a residence for an *insured person*;
 - g. Individual or family cemetery plots or burial vaults of an *insured person*; or
 - h. Any part of a premises occasionally rented to an *insured person* for other than *business* use.
10. *Insured person* means:
- a. You and residents of your household who are:
 - (1) Your *family members*; or
 - (2) Other persons under the age of 25 and in the care of any person described above;
 - b. Under Part II, *insured person* also means:
 - (1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft that are owned by you or any person included in **a.** above.
Insured person does not mean a person or organization using or having custody of these animals or watercraft in the course of any *business* or without consent of the owner; or
 - (2) With respect to any motor vehicle to which this policy applies, any person using the vehicle with your consent with respect to their legal responsibility arising out of its use.
11. *Medical expenses* means reasonable charges for:
- a. Medical, surgical, dental and professional nursing fees;
 - b. Hospital and ambulance costs;
 - c. X-ray and prosthetic device costs; and
 - d. Funeral expenses;
- incurred as a result of *damages* for *bodily injury* sustained from an *occurrence*.
12. *Occurrence* means:
- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, which occurs during the *policy period* and results in *personal injury* or *property damage*; or
 - b. An *offense*, including a series of related *offenses*, committed during the *policy period* and results in *personal injury*.
- An *occurrence* or series of related *occurrences* is considered to be one *occurrence*, even if an *occurrence* or series of related *occurrences* continues into a subsequent *policy period*.
13. *Offense* means one or more of the following:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. Wrongful entry or eviction;
 - d. Libel, slander or defamation of character; or
 - e. Invasion of privacy.

14. *Personal injury* means the following injuries, and resulting death:
- a. *Bodily injury*;
 - b. Mental anguish; or
 - c. An offense.
15. *Policy period* means the period of time this policy is in effect as shown in the Declarations, unless terminated by you or by us. All coverages described in this policy apply only to losses or *occurrences* that take place while this policy is in effect.
16. *Property damage* means physical harm to or destruction of tangible property, including loss of its use resulting from such physical harm or destruction.
17. *Recreational motor vehicle* means a motorized land vehicle:
- a. Designed for recreational use off public roads and is not registered for use on public roads;
 - b. Used solely on and to service a *residence premises*; or
 - c. Designed to assist the handicapped and is not registered for use on public roads.
- Recreational motor vehicle* also includes a golf cart when operated on roads of your private residential community with the authority of the property owners association.
18. *Replacement cost* means the amount it would cost to repair or replace covered property with material of like kind and quality.
19. *Residence premises* means:
- a. A one or two family dwelling, condominium, cooperative unit or apartment that you own or reside in; or
 - b. That part of any other building where you reside; and which is shown as a location in the Declarations.
- Residence premises* also includes other structures and grounds at that location.
20. *Total loss* occurs when the *residence premises* is completely destroyed, or when some portion of the *residence premises* remains intact, but the cost of replacing it to pre-loss condition exceeds the limit of insurance that applies to the covered property.
21. *Vacant* means a building:
- a. Devoid of personal property; or
 - b. Not supplied with the basic utilities; reasonably necessary to sustain normal occupancy.
- A *residence premises* being newly constructed or renovated is not considered *vacant*.

PART I – PROPERTY

PROPERTY COVERAGES

1. Residences

- a. For Dwellings, we cover:
 - (1) The dwelling on the *residence premises* shown in the Declarations;
 - (2) Structures attached to the dwelling (other than those structures as described under provision 2. Other Structures below);
 - (3) Materials and supplies located on or next to the *residence premises* used to construct, alter or repair the dwelling or other structures on the *residence premises*;
 - (4) Real property which is your insurance responsibility under a Homeowners Association agreement or state law.

b. For Condominiums and Cooperative Units, we cover:

- (1) The alterations, appliances, fixtures and improvements paid for or acquired at your expense which are part of the building contained within the *residence premises*;
- (2) Items of real property which pertain exclusively to the *residence premises*;
- (3) Real property which is your insurance responsibility under a Condominium or Cooperative Association agreement or state law; and
- (4) Structures owned solely by you, other than the *residence premises*, at the location of the *residence premises*.

The limit of insurance for **b.(1)** through **(4)** above is shown in the Declarations as Building Additions And Alterations.

c. For Apartments, we cover:

- (1) The building improvements or installations acquired or made by you to that part of the *residence premises* used exclusively by you; and
- (2) Structures owned solely by you, other than the *residence premises*, at the location of the *residence premises*.

The limit of insurance for **c.(1)** and **(2)** is shown in the Declarations as Building Additions And Alterations.

2. Other Structures

We cover other structures on the *residence premises*, meaning structures:

- a. Set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection; or
- b. That are otherwise part of the grounds of the *residence premises*. This includes, but is not limited to, fences, driveways, sidewalks, and other similar structures, whether connected to the dwelling or not.

3. Personal Property

a. We cover personal property owned or used by an *insured person* while it is anywhere in the world.

At your request, we will also cover personal property owned by:

- (1) Others while the property is on the part of the *residence premises* occupied by an *insured person*; or
- (2) A guest or a *domestic employee* while the property is in any residence occupied by an *insured person*.

b. Special Limits Of Insurance

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Personal Property limit.

(1) Money And Precious Metals

\$2,500 for money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.

(2) Jewelry

\$10,000, not to exceed \$5,000 per article, for jewelry that is stolen, misplaced or lost. This includes watches and precious or semi-precious stones, whether set or unset.

(3) Furs

\$10,000, not to exceed \$5,000 per article, for furs that are stolen, misplaced or lost.

(4) Stamps And Coins

\$10,000 for collectible stamps, coins and medals. This limit does not apply if the collectible stamps, coins or medals are located in a bank vault or a bank safe deposit box.

(5) Firearms

\$10,000, not to exceed \$5,000 per article, for firearms and related equipment that are stolen, misplaced or lost.

(6) Negotiable Papers

\$5,000 for securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports and tickets. This dollar limit applies to this category regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

(7) Metalware

\$10,000 for metalware that is stolen, misplaced or lost. This includes plated ware, goldware, silverware, platinumware, tableware, trays, trophies and other household articles (other than jewelry) consisting primarily of sterling silver, silver, platinum, gold or pewter.

(8) Trailers

\$5,000 for trailers or semi-trailers not used with watercraft.

(9) Watercraft

\$10,000 for watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.

(10) Grave Markers

\$10,000 to replace, stabilize or restore grave markers, including burial vaults and mausoleums.

(11) Breakage Of Fragile Articles

\$50,000 for the breakage of fragile articles, including but not limited to crystal, china, porcelains, figurines, statues, sculptures, mirrors, wine bottles, glassware and other similar articles. Fragile articles do not include jewelry, watches, cameras and photographic lenses.

This special limit does not apply if the loss is caused by:

- (a)** Fire or lightning;
- (b)** Smoke from any source other than agricultural smudging or industrial operations;
- (c)** Theft, attempted theft, vandalism or malicious mischief;
- (d)** Earthquake, explosion or the collapse of a building or part of a building;
- (e)** Motor vehicles or aircraft;
- (f)** Rain, snow, sleet, wind or hail;
- (g)** Riot or civil commotion; or
- (h)** Sudden and accidental loss of water or steam from a plumbing system, heating system, air conditioning system, fire protective sprinkler system or household appliance.

EXTRA BENEFITS

We will pay the following Extra Benefits only when losses are covered by this policy. These Extra Benefits are in addition to the limit of insurance specified in the Declarations for the property where the loss occurs, unless noted otherwise. All deductibles apply unless noted otherwise.

1. Loss Of Use

- a.** We will pay the following expenses incurred by you if you are unable to reside in your residence due to a loss covered by this policy:

- (1) Additional Living Expense**

- (a)** If a covered loss damages part of the *residence premises* making it 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 shortest reasonable time required to repair or replace the damage or, if you permanently relocate, the shortest reasonable time required for your household to settle elsewhere.

However, you must:

- (i) Inform us of your decision whether you intend to repair or replace the damage, or to permanently relocate, within 90 days from the date the loss is reported to us, or a later date if agreed to by us; and
- (ii) Begin to repair or replace the damage, or to permanently relocate, within 180 days from the date the loss is reported to us, or a later date if agreed to by us.

If you fail to comply with the required timeframes described in **a.(i)** and **(ii)** above, additional living expenses will cease 30 days from such required timeframes.

- (b) If you are newly constructing your *residence premises*, or constructing additions or alterations to the *residence premises*, and at the time of a covered loss:

- (i) You are living in the *residence premises*, additional living expenses will cease once the *residence premises* is restored to the condition just prior to the loss; or
- (ii) You are not living in the *residence premises*, additional living expenses will not apply.

(2) Fair Rental Value

If a covered loss damages part of the *residence premises* rented to others or held for rental by you making it not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in. Payment will be for the shortest reasonable time required to repair or replace such premises.

However, you must:

- (a) Inform us of your decision whether or not you intend to repair or replace the damage within 90 days from the date the loss is reported to us, or a later date if agreed to by us; and
- (b) Begin to repair or replace the damage within 180 days from the date the loss is reported to us, or a later date if agreed to by us.

If you fail to comply with the required timeframes described in **(a)** and **(b)** above, including if you decide not to repair or replace the damage, fair rental value will cease 30 days from such required timeframes.

(3) Forced Evacuation

If you or your *family members* are forced to evacuate the *residence premises* by a civil authority as a direct result of a covered loss or a reasonable threat of a covered loss, we cover the necessary increase in living expenses and fair rental value as provided in **(1)** and **(2)** above for no more than 30 days.

- b. We do not cover loss or expense due to cancellation of a lease or agreement.
- c. The periods of time under **a.(1)** through **(3)** above are not limited by expiration of this policy.
- d. No deductible applies to this Extra Benefit.

2. Debris Removal

We will pay the reasonable expenses to remove:

- a. Debris of a covered loss and the property that caused the covered loss; and
- b. Fallen trees that:
 - (1) Have caused damage to a structure covered by this policy;
 - (2) Blocked a driveway; or
 - (3) Blocked a ramp or other access way designed to assist a handicapped person to enter or leave the *residence premises*.

3. Tree Removal

We will pay up to \$1,000 for the removal of fallen trees caused by wind, hail, sleet, or the weight of ice or snow if the fallen trees do not:

- a. Cause damage to a structure covered by this policy;
- b. Block a driveway; or

- c. Block a ramp or other access way designed to assist a handicapped person to enter or leave the *residence premises*.

The \$1,000 limit is the most we will pay regardless of the number of fallen trees.

4. Landscaping

- a. We will pay up to 5% of the Dwelling limit for a dwelling where the loss occurs, or 5% of the Personal Property limit for a condominium, cooperative unit or apartment where the loss occurs, to cover trees, shrubs, plants or lawns you own on the *residence premises* for loss caused by the following:
 - (1) Fire, lightning or explosion;
 - (2) Riot or Civil Commotion;
 - (3) Aircraft;
 - (4) Vehicles not owned or operated by a resident of the *residence premises*; or
 - (5) Theft, vandalism or malicious mischief.
- b. The most we will pay for any one tree, plant or shrub is \$5,000.
- c. This Extra Benefit applies only if you repair or replace the damaged property within 180 days of the date of loss, or a later date if agreed to by us.
- d. Landscaping does not include vineyards, orchards, or any type of naturally-occurring native vegetation, including but not limited to forests, brush, woodlands, grasslands, wetlands or mangroves.

5. Land Restoration

We will pay up to \$10,000 or 10% of the covered property loss to the residence or other structure, whichever is greater, for costs required to replace, rebuild, stabilize or restore the land necessary to support the residence or other structure where the loss occurs.

6. Collapse

- a. With respect to this Extra Benefit:
 - (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 *collapse* of a building or any part of a building if the *collapse* was caused only by one or more of the following:
 - (1) Decay that is hidden from view, unless the presence of such decay is known to an *insured person* prior to *collapse*;
 - (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an *insured person* prior to *collapse*;
 - (3) Weight of contents, equipment, animals or people;
 - (4) Weight of rain or snow which collects on a roof;
 - (5) Use of defective material or methods in construction, remodeling or renovation if the *collapse* occurs during the course of the construction, remodeling or renovation; or
 - (6) Any other cause of loss not excluded in Losses We Do Not Cover.
- c. Loss to an awning, fence, patio, deck, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under **b.(1) through (6)** above, unless the loss is a direct result of the *collapse* of a building or any part of a building.

d. This Extra Benefit is not in addition to the limit of insurance that applies to the damaged property.

7. Rebuilding To Code

a. After a covered loss, we will pay for the increased costs you incur caused by the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of the damaged part of a covered building or other structure made necessary by the covered loss;
- (2) The remodeling, replacement or removal of the portion of the undamaged part of covered building or other structure necessary to complete the remodeling, replacement or removal of that part of the building or other structure damaged by a covered loss; or
- (3) 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 covered loss to another part of that covered building or other structure.

b. This Extra Benefit does not apply unless you repair, replace or rebuild the building or other structure at the same location.

8. Business Property

We will pay up to \$25,000 for personal property used for *business* purposes. This includes the cost to recreate business records or data, however stored.

9. Ensuing Fungi, Wet Or Dry Rot, Or Bacteria

a. We will pay up to \$10,000 for loss caused by *fungi*, wet or dry rot, or bacteria, including:

- (1) The cost to remove *fungi*, wet or dry rot, or bacteria from covered property;
- (2) The cost to tear out and replace any part of the building or other covered property as needed to gain access to the *fungi*, wet or dry rot, or bacteria; and
- (3) The cost of testing of air or property to confirm the absence, presence or level of *fungi*, wet or dry rot, or bacteria whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe that there is the presence of *fungi*, wet or dry rot, or bacteria.

b. In addition, we will pay up to 20% of the limit shown in the Declarations for Ensuing Fungi, Wet Or Dry Rot, Or Bacteria for the following:

- (1) The reasonable increase in living expenses incurred by you to maintain your household's usual standard of living if your *residence premises* is uninhabitable. Payment will continue for the shortest period of time necessary to restore your *residence premises* to a habitable condition; and
- (2) The fair rental value of that part of the *residence premises* rented to others or held for rental by you, less any expenses that do not continue while it is unoccupied. Payment will continue for the shortest period of time necessary to restore your *residence premises* to a habitable condition.

c. The coverages described in **a.** and **b.** above only apply when such loss or costs are a result of a covered direct loss that occurs during the *policy period* and only if all reasonable means were used to save and preserve the property from further damage at and after the time the covered loss occurred.

d. The limits described in **a.** and **b.** above are the most we will pay for any one loss for the total of all loss or costs, regardless of the:

- (1) Number of locations insured; or
- (2) Number of claims made.

e. We will not make any additional payments for Ensuing Fungi, Wet Or Dry Rot, Or Bacteria, additional living expenses or fair rental value under any other Extra Benefit.

f. This Extra Benefit is not in addition to the limit of insurance that applies to the damaged property.

10. Mine Subsidence

a. With respect to this Extra Benefit, *mine subsidence* means loss caused by lateral or vertical ground movement of a man-made underground mine or underground mine-related excavation.

Mine subsidence does not mean loss caused by sinkhole collapse, collapse of storm or sewer drains, or collapse of rapid transit tunnels.

- b. We will pay for direct loss to your residence and other structures covered by this policy caused by *mine subsidence*.
- c. Subsidence in **a.(3)** under exclusion **1. Earth Movement** does not apply to *mine subsidence*.
- d. This Extra Benefit is not in addition to the limit of insurance that applies to the damaged property.

11. Loss Assessment

- a. We will pay up to \$100,000 for your share of loss assessment charged during the *policy period* against you, as owner or tenant of the *residence premises*, by a Homeowners, Condominium or Cooperative Association. The assessment must be made as a result of direct physical loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, and caused by a covered loss other than:
 - (1) Earthquake; or
 - (2) Land shock waves or tremors before, during or after a volcanic eruption.
- b. The \$100,000 limit is the most we will pay with respect to any one loss regardless of the number of assessments.
- c. We will pay no more than \$10,000 of a loss assessment that results from a self-insured retention or deductible in the insurance purchased by the Homeowners, Condominium or Cooperative Association.
- d. No deductible applies to this Extra Benefit.
- e. Property Condition **15. Policy Period** does not apply to this Extra Benefit.

12. Water Back-Up And Sump Overflow Or Discharge

- a. We will pay for loss to covered property caused by water or waterborne material, but only if the loss is the direct result of water or waterborne material which:
 - (1) Backs up through a sewer pipe or drain pipe from inside a fully enclosed covered building or other structure; or
 - (2) Enters a sump pit containing an installed sump pump or related equipment, and located inside a fully enclosed covered building or other structure, from below the surface of the ground, and results in an overflow or discharge of water or waterborne material, including if such overflow or discharge results from the mechanical breakdown of the sump pump or related equipment.
- b. A Water Back-Up And Sump Overflow Or Discharge deductible will be applied to each covered loss caused by water or waterborne material which:
 - (1) Backs up through a sewer pipe or drain pipe located in a *basement*; or
 - (2) Overflows or discharges from a sump pit;and will either be the deductible amount shown in the Declarations or \$5,000, whichever is greater.
- c. With respect to this Extra Benefit, *basement* means any area of a building or other structure that is partly or completely below the level of the ground.
- d. This Extra Benefit is not in addition to the limit of insurance that applies to the damaged property.

13. Green Coverage

- a. With respect to this Extra Benefit:
 - (1) *Green* means products, materials, methods and processes certified by a *green authority* that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
 - (2) *Green authority* means an authority on *green* buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®) for Homes Green Building Rating System of the U.S. Green Building Council, National Association of Home Builders Green Home Building Guidelines, Energy Star Rating System or any other recognized *green* rating system we deem appropriate.

- b. We will pay up to \$10,000 for the reasonable cost to repair or replace covered damaged property using products or materials that are:
 - (1) *Green* alternatives to the products or materials of the covered property, in accordance with the standards of a *green authority*; and
 - (2) Otherwise of comparable quality and function to the covered property.
- c. *Green* includes, but is not limited to, the following:
 - (1) Energy efficient appliances, including clothes washers and dryers, dishwashers, refrigerators and freezers;
 - (2) Energy efficient electronics, including televisions, DVD and MP3 players, telephones, computers, monitors, printers, fax machines, scanners and copiers;
 - (3) Energy efficient heating and cooling systems, including heat pumps, boilers, central or room air conditioning, central fans, dehumidifiers, furnaces, programmable thermostats and ventilating fans;
 - (4) Energy efficient home envelope materials, including insulating material, air sealing, roof products, windows, doors and skylights;
 - (5) Energy efficient interior plumbing systems, including faucet and shower head restrictors, dual flush toilets and automatic faucet sensors;
 - (6) Energy efficient lighting systems, including light fixtures, ballasts, and automatic occupancy sensor shut-off and automatic day-light dimming controls;
 - (7) Low Volatile Organic Compound paints, primers, solvents, finishes, adhesives and sealants;
 - (8) Low emissions carpet and floor coverings, including adhesives to affix them to the floor;
 - (9) Permanently installed composite wood fixtures, including counters, cabinets and partitions; and
 - (10) Forest Stewardship Council® certified wood materials used for floors, decks, roofs and siding.
- d. The \$10,000 limit is the most we will pay for any one loss, regardless of the:
 - (1) Number of locations insured; or
 - (2) Number of claims made.
- e. This Extra Benefit:
 - (1) Is limited to the actual item(s) damaged and does not extend to any property that did not sustain direct physical loss or damage (including parts to entire systems, pairs or sets); and
 - (2) Applies only if the covered loss exceeds the applicable deductible.

14. Identity Fraud Expenses

- a. With respect to this Extra Benefit:
 - (1) *Identity fraud* means the act of knowingly transferring or using, without lawful authority, a means of identification of an *insured person* with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or any applicable state or local law.
 - (2) *Identity fraud expenses* means:
 - (a) Costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
 - (b) Costs for certified mail to law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
 - (c) Costs for telephone calls to merchants, businesses, law enforcement agencies, financial institutions, credit grantors, credit agencies, credit bureaus or similar organizations;
 - (d) Loan application fees for reapplying for a loan or loans when the original loan application was rejected because the lender obtained incorrect credit information;
 - (e) Lost income of an *insured person* resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel; and

- (f) Reasonable attorney fees incurred by an *insured person* as a result of *identity fraud* for the following, but only with prior notice and approval given by us:
 - (i) Defend lawsuits brought against an *insured person* by merchants, financial institutions or their collection agencies;
 - (ii) Remove any criminal or civil judgments wrongly entered against an *insured person*; and
 - (iii) Challenge the accuracy or completeness of any information in a consumer credit report.
- b. We will pay up to \$100,000 for *identity fraud expenses* that are reasonably and necessarily incurred by an *insured person* as the direct result of *identity fraud* first discovered or learned of during the *policy period*.
- c. Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an *insured person*, is considered to be one *identity fraud*, even if a series of acts continues into a subsequent *policy period*.
- d. We do not cover *identity fraud expenses* incurred due to any fraudulent, dishonest or criminal act by an *insured person*, or by any authorized representative of an *insured person*, whether acting alone or in collusion with others.
- e. This Extra Benefit does not apply to losses covered under Extra Benefit 16. Credit Cards, Debit Cards, Forgery, Counterfeit Money And Home Banking.
- f. No deductible applies to this Extra Benefit.

15. Kidnap Expenses

- a. With respect to this Extra Benefit:

Kidnap expenses means:

 - (1) Costs for notarizing affidavits or similar documents for law enforcement agencies or financial institutions;
 - (2) Costs for certified mail to law enforcement agencies or financial institutions;
 - (3) Costs for telephone calls to law enforcement agencies or financial institutions;
 - (4) Lost income of an *insured person* resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies and/or legal counsel;
 - (5) Reasonable attorney fees incurred by an *insured person* as a result of a kidnap and ransom, but only with prior notice and approval given by us;
 - (6) Costs of travel and accommodations incurred by an *insured person* while attempting to negotiate a kidnapping; and
 - (7) Fees and expenses of an independent forensic analyst, private investigator or negotiator hired by an *insured person*, but only with prior notice and approval given by us.
- b. We will pay up to \$100,000 for *kidnap expenses* that are reasonably and necessarily incurred by an *insured person* because of a kidnapping of an *insured person*.
- c. Any act or series of acts committed by one or more persons is considered to be one loss, even if a series of acts continues into a subsequent *policy period*.
- d. We do not cover *kidnap expenses* incurred due to a kidnapping of an *insured person* by an *insured person*, or by any authorized representative of an *insured person*, whether acting alone or in collusion with others.
- e. No deductible applies to this Extra Benefit.

16. Credit Cards, Debit Cards, Forgery, Counterfeit Money And Home Banking

- a. We will pay up to \$10,000 for:
 - (1) The legal obligation of an *insured person* to pay because of the theft or unauthorized use of credit cards, debit cards or other similar bank cards, or their account numbers, issued to or registered in an *insured person's* name;
 - (2) Loss to an *insured person* caused by forgery or alteration of any check or negotiable instrument;
 - (3) Loss to an *insured person* through acceptance in good faith of counterfeit United States or Canadian paper currency; and

- (4) Loss to an *insured person* resulting from the unauthorized use of an *insured person's* personal financial accounts.
 - b. We do not cover:
 - (1) Use of a credit card, debit card or other similar bank card, personal home computer or portable computing device:
 - (a) By you or a *family member*;
 - (b) In excess of the amount authorized by you or a *family member*;
 - (c) By a person or entity with unlimited use of a credit card, debit card or other similar bank card, or their account numbers; or
 - (d) If an *insured person* has not complied with all terms and conditions under which the cards, checks or negotiable instruments are issued or the accounts accessed; or
 - (2) Loss arising out of *business* use or dishonesty of an *insured person*.
 - c. All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.
 - d. We may investigate and settle any claim or suit that we decide is appropriate. If a suit is brought against an *insured person* for liability under **a.(1)** above, we will provide a defense at our expense by counsel of our choice. Our duty to defend a claim or suit ends when the amount we pay for the loss equals \$10,000.
 - e. No deductible applies to this Extra Benefit.
- 17. Mortgage Expenses**
- a. We will pay for the following mortgage expenses incurred by you if a *total loss* occurs to the *residence premises* from a loss covered by this policy:
 - (1) Up to \$50,000 for the total increased amount of your monthly mortgage payments created as a result of a higher interest rate on a replacement *residence premises* at the same location. We will pay this increased amount every month until the final payment date or until you no longer occupy the replacement premises, whichever occurs sooner. However, we will not pay for points or service charges, or for any taxes; and
 - (2) Up to \$2,000 for legal costs related to the mortgage, including fees for attorneys, title searches, appraisals and applications. However, legal costs do not include fines, judgments, points, service charges or legal services provided by any attorney other than your own.
 - b. The limits described in **a.(1)** and **(2)** above are the most we will pay for the total of all mortgage expenses, regardless of the number of monthly mortgage payments, legal costs or mortgages.
 - c. No deductible applies to this Extra Benefit.
- 18. Personal Computer Records**
- a. We will pay up to \$10,000 for the cost of recreating personal data stored by you or a *family member* in a personal home computer or portable computing device owned by you or a *family member* and resulting from:
 - (1) The introduction of a computer virus, worm or other malware;
 - (2) The *unauthorized access* or *unauthorized use* of your or a *family member's* personal home computer or portable computing device by anyone other than you or a *family member*; or
 - (3) A loss covered by this policy.
 - b. With respect to this Extra Benefit:
 - (1) *Unauthorized access* means the gaining of access to your or a *family member's* personal home computer or portable computing device by an unauthorized person or persons, or by an authorized person in an unauthorized manner.
 - (2) *Unauthorized use* means the use of your or a *family member's* personal home computer or portable computing device by an unauthorized person or persons, or by an authorized person in an unauthorized manner.
 - c. No deductible applies to this Extra Benefit.

19. Food Spoilage

- a. We cover food or wine while contained in a refrigerator or freezer located at the *residence premises* which spoils due to the loss of power to, or mechanical failure of, the refrigerator or freezer.
- b. This Extra Benefit does not apply if:
 - (1) The plug from an electrical outlet is removed;
 - (2) An electrical switch is turned off; or
 - (3) You did not use all reasonable means to protect the food or wine from spoiling.
- c. The most we will pay for a covered loss to wine is \$5,000.
- d. This Extra Benefit is not in addition to the limit of insurance that applies to the damaged property.
- e. A \$250 deductible applies to this Extra Benefit.

20. Residence Premises Alteration Coverage

- a. If you or a *family member* becomes permanently physically disabled as a result of injury from a sudden and accidental event during the *policy period*, we will pay up to the lesser of \$50,000 or:
 - (1) 5% of the Dwelling limit for a dwelling where the loss occurs; or
 - (2) 5% of the Personal Property limit or 5% of the Building Additions And Alterations limit, whichever is greater, for a condominium, cooperative unit or apartment where the loss occurs;for the reasonable and necessary alteration expenses you incur to make the *residence premises* accessible and habitable for you or a *family member*.
- b. The alterations must be:
 - (1) Made on behalf of you or a *family member*;
 - (2) Constructed by individuals experienced in such alterations; and
 - (3) In compliance with any applicable laws or requirements for approval by the appropriate government authorities.
- c. This \$50,000 limit is the most we will pay regardless of the number of persons or *residence premises*.

21. Public Service Charges

We will pay for:

- a. Your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a loss covered by this policy; or
- b. Police department charges incurred when the police department is called due to the accidental activation of a burglary alarm system.

No deductible applies to this Extra Benefit.

22. System Coverage

We will pay up to \$2,500 for repairs of a plumbing, heating, air conditioning, ventilating or sump pump system if such system was the cause of a covered loss to property covered by this policy.

This Extra Benefit:

- a. Applies only if the covered loss exceeds the applicable deductible; and
- b. Is not in addition to the limit of insurance that applies to the covered property.

23. Loss Prevention Device

After a covered loss, we will pay up to \$2,500 for the cost and installation of an approved loss prevention device to protect your residence against the same loss in the future. Approved loss prevention devices include alarm systems, sprinkler systems, security systems, sump pumps, automatic water shut-off devices, lightning protection systems, electric back-up systems, or any other loss prevention device approved by us.

This Extra Benefit:

- a. Applies only if the covered loss exceeds the applicable deductible; and
- b. Is not in addition to the limit of insurance that applies to the covered property.

24. Reward Coverage

We will pay up to \$5,000 for information leading to an arrest and conviction in connection with a fire, theft or vandalism loss covered by this policy. This is the most we will pay regardless of the number of persons providing the information.

No deductible applies to this Extra Benefit.

25. Lock Replacement

We will pay to replace the locks on the *residence premises* if the keys are lost or stolen. You must notify us within 72 hours of discovering the loss.

No deductible applies to this Extra Benefit.

26. Increased Realty Tax Assessment

If a loss covered by this policy results in a *total loss* to a covered residence or other structure, we will pay up to \$25,000 for the increased tax liability directly related to the repair, rebuilding or reconstruction of the damaged property at the same location and that is assessed within two years of the *total loss*. However, we will only pay the first such increased assessment following any realty tax assessment that is insured under this coverage for up to one year.

No deductible applies to this Extra Benefit.

27. Pet Coverage

We will pay for direct physical damage to covered property caused by a domestic animal you own.

In addition, we will pay up to a total of \$5,000 for the following reasonable expenses you incur that directly result from a covered loss which damages a residence covered by this policy:

- a. The kenneling of your domestic animal if you are displaced from your residence;
- b. Veterinarian service charges to treat your injured domestic animal;
- c. Expenses related to the euthanizing of your domestic animal, including burial and cremation expenses; and
- d. The costs associated with the replacement of your domestic animal with one of a similar breed.

This \$5,000 limit is the most we will pay for any one loss for the total of all expenses, regardless of the number of domestic animals.

28. Cost Of Temporary Repairs

We will pay the reasonable and necessary cost incurred by you for the temporary repairs made to protect covered property from further damage caused by a loss covered by this policy.

This Extra Benefit:

- a. Is not in addition to the limit of insurance that applies to the covered property; and
- b. Does not relieve you of your duties in case of a loss to covered property, as described in **1.e.** of the Property Conditions section.

29. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a loss covered by this policy. This coverage applies for 90 days from the date of removal.

This Extra Benefit is not in addition to the limit of insurance that applies to the covered property.

30. Moving And Storing Expenses

We will pay for the reasonable and necessary expenses incurred for the moving and storing of covered personal property from a *residence premises* because the personal property is endangered by a loss covered by this policy.

We will continue to pay these expenses:

- a. For up to 90 days if the *residence premises* is not damaged as a result of the covered loss; or
- b. If the *residence premises* is damaged as a result of the covered loss, for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

No deductible applies to this Extra Benefit.

31. Preventative Measures

- a. We will reimburse you up to \$10,000 for the reasonable and necessary cost incurred for the protection of the *residence premises* because the *residence premises* is in *imminent* danger by an extreme act of nature covered by this policy, meaning hurricanes, tropical storms, nor'easters, blizzards, or any other similar weather event, and wildfires.
- b. With respect to this Extra Benefit, *imminent* means:
 - (1) For an act of nature that is a hurricane, tropical storm, nor'easter, blizzard, or similar weather event:
 - (a) The approaching act of nature is within 72 hours of directly impacting the *residence premises*; or
 - (b) A civil authority initiates an evacuation order for the area including the *residence premises* as a result of the approaching act of nature.
 - (2) For an act of nature that is a wildfire:
 - (a) An approaching wildfire is within three miles of the *residence premises*; or
 - (b) A civil authority initiates an evacuation order for the area including the *residence premises* as a result of the approaching wildfire.
- c. We will not pay for any costs that would otherwise be associated with regular housekeeping and maintenance.
- d. No deductible applies to this Extra Benefit.

PROPERTY WE DO NOT COVER

1. Tenant Property

We do not cover property of roomers, boarders and other tenants, except property of roomers and boarders related to an *insured person*.

2. Business Property

We do not cover *business* property, except to the extent described in Extra Benefit 8. Business Property.

3. Animals

We do not cover animals, including birds and fish, except to the extent described in ExtraBenefit 27. Pet Coverage.

4. Motor Vehicles

We do not cover any motorized land vehicles, including their accessories, equipment and parts or any electronic devices designed to be operated solely by power from the electrical system of that vehicle. However, we do cover *recreational motor vehicles*, but only if at the time of a loss, the *recreational motor vehicle*:

- a. Is not being operated in, or practicing for, any prearranged or organized race, speed contest or other similar competition, including but not limited to timed events, rallies, sports events or stunting activities; or
- b. Is not on a racetrack, test track, or any other track or course of any kind.

5. Aircraft

We do not cover aircraft, meaning any contrivance used or designed to carry people or cargo in flight, including any parts whether or not attached to the aircraft.

6. Property Insured With Other Companies

We do not cover property that is insured under a valuable articles or similar policy not issued by us or one of our affiliated companies.

LOSSES WE COVER

We cover direct physical loss to property described in Part I of this policy, subject to Losses We Do Not Cover.

LOSSES WE DO NOT COVER

We do not cover loss that is caused directly or indirectly, or which ensues from or is the result of any of the following, unless noted otherwise. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss.

1. Earth Movement

a. We do not cover any loss caused by earth movement, meaning:

- (1) Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- (2) Landslide, mudslide or mudflow;
- (3) Subsidence or sinkhole; or
- (4) Any other earth movement including earth sinking, rising or shifting.

This exclusion 1. applies regardless of whether any of the above, in a.(1) through a.(4), is caused by an act of nature or is otherwise caused.

However, direct loss by fire, explosion, breakage of glass which is part of a building, storm door or storm window or theft resulting from any of the above, in a.(1) through a.(4), is covered.

b. This exclusion does not apply to personal property.

2. Flood Or Surface Water

a. We do not cover any loss caused by:

- (1) Flood, surface water, water accumulated outside of a building or structure, including but not limited to standing or ponding water, run-off of water from a paved surface, driveway, walkway, patio or other similar surface, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- (2) Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- (3) Waterborne material carried or otherwise moved by any of the water referred to in a.(1) and a.(2) of this exclusion.

b. This exclusion 2.:

- (1) Applies regardless of whether any of the above, in a.(1) through a.(3), is caused by an act of nature or is otherwise caused; and
- (2) Applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

c. This exclusion does not apply to:

- (1) Direct loss by fire, explosion or theft to covered property that ensues from any of the above, in a.(1) through a.(3); or
- (2) Personal property that is not at any residence an *insured person* owns, rents, occupies or controls.

3. Intentional Acts

We do not cover any loss arising out of any act or omission committed by or at the direction of an *insured person* with the intent to cause a loss. An intentional act or omission is one whose consequences could have been foreseen by a reasonable person.

4. Criminal Or Dishonest Acts

We do not cover any loss caused by any criminal, dishonest, or fraudulent act or omission by or at the direction of an *insured person*, even if such *insured person* is not actually charged with or convicted of a crime, including if the *insured person* enters a no-contest plea.

5. Misappropriation

We do not cover any loss caused by misappropriation, meaning the taking, damaging or destroying of personal property by or at the direction of an *insured person*.

6. Neglect

We do not cover any loss caused by neglect of an *insured person* who neglects to use all reasonable means to save and preserve covered property at and after the time of a loss covered by this policy.

7. Governmental Action

We do not cover any loss caused by the destruction, confiscation or seizure of covered property 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 by this policy.

8. War

We do not cover any loss caused by war, including the following and any consequence of any of the following:

- a. 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 will be deemed a warlike act even if accidental.

9. Nuclear Hazard

We do not cover any loss caused by *nuclear hazard*.

- a. *Nuclear hazard* means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
- b. Loss caused by the *nuclear hazard* will not be considered loss caused by fire, explosion, or smoke, whether these causes of loss are specifically named in or otherwise included within the losses we cover.
- c. This policy does not apply under Part I to loss caused directly or indirectly by *nuclear hazard*, except that direct loss by fire resulting from the *nuclear hazard* is covered.

10. Collapse

We do not cover any loss caused by collapse, except to the extent coverage is provided in Extra Benefit 6. Collapse.

11. Gradual Deterioration

We do not cover any loss caused by gradual deterioration, wear and tear, warping, corrosion or rust. We do cover any ensuing loss not otherwise excluded.

12. Breakdown

We do not cover any loss caused by breakdown, including mechanical breakdown, electrical or electronic breakdown, latent defect, inherent vice or any quality in covered property that causes it to damage or destroy itself.

We do cover:

- a. Any ensuing loss not otherwise excluded; and
- b. The spoilage of food as provided in Extra Benefit 19. Food Spoilage.

13. Pollution Or Contamination

We do not cover any loss caused by the discharge, dispersal, seepage, migration, or release or escape of pollutants from any source at any time. Nor do we cover the cost to extract pollutants from land or water, or the cost to remove, restore or replace polluted or contaminated land or water. A pollutant is any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed. A contaminant is an impurity resulting from the mixture of or contact of a substance with a foreign substance.

14. Smog

We do not cover any loss caused by smog, including smoke from agricultural smudging or industrial operation.

15. Fungi, Wet Or Dry Rot, Or Bacteria

We do not cover any loss caused by the presence, growth, proliferation, spread or any activity of *fungi*, wet or dry rot, or bacteria, including the costs to test for, monitor, clean up, remove, or in any way respond to or assess the effects of *fungi*, wet or dry rot, or bacteria.

This exclusion does not apply:

- a. When *fungi*, wet or dry rot, or bacteria results from fire or lightning, unless otherwise excluded; or
- b. To the extent coverage is provided in Extra Benefit 9. Ensuing Fungi, Wet Or Dry Rot, Or Bacteria.

16. Freezing Or Pressure To Certain Structures

We do not cover any loss caused by freezing, thawing, pressure or weight of water, ice or snow, whether driven by wind or not, to a:

- a. Fence, pavement, patio or swimming pool;
- b. Footing, foundation, bulkhead, wall or any other structure or device that supports all or part of a building, or other structure;
- c. Retaining wall or bulkhead that does not support all or part of a building or other structure; or
- d. Pier, wharf or dock.

We do cover any ensuing loss not otherwise excluded.

17. Freezing Of Systems Or Appliances

We do not cover any loss caused by 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 if the residence is *vacant* or unoccupied, or being constructed or renovated, unless you have used reasonable care to:

- a. Maintain heat in the entire building; or
- b. Shut off the water supply and drain all systems and appliances of water.

However, 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.

18. Structural Movement

We do not cover any loss caused by settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, landings, steps, footings, foundations, walls, floors, roofs or ceilings. We do cover any ensuing loss not otherwise excluded.

19. Watercraft Accidents

We do not cover any loss to a watercraft caused by the stranding, swamping or sinking of that watercraft or its trailer, or outboard motor. We also do not cover loss caused by collision of a watercraft other than collision with a land vehicle, unless another exclusion applies.

20. Loss By Animals

a. We do not cover any loss caused by:

- (1) Birds, rodents or insects; or
- (2) Nesting or infestation, or discharge or release of waste products or secretions.

- b. This exclusion does not apply to:
 - (1) Any ensuing loss not otherwise excluded; or
 - (2) The extent coverage is provided in Extra Benefit **27. Pet Coverage**.

21. Dampness Or Extreme Temperatures

We do not cover any loss to personal property caused by humidity, damp air or extreme temperature.

This exclusion does not apply to:

- a. Loss caused directly by rain, snow, sleet or hail; or
- b. The extent coverage is provided in Extra Benefit **19. Food Spoilage**.

22. Restoration

We do not cover any loss caused by the restoration, refinishing, renovating or repairing of personal property, except jewelry, watches and furs.

23. Weather Conditions

We do not cover any loss caused by weather conditions, but only if weather conditions contribute in any way with a cause or event otherwise excluded to produce the loss.

24. Acts Or Decisions

We do not cover any loss caused by acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. We do cover any ensuing loss not otherwise excluded.

25. Faulty, Inadequate Or Defective Planning, Design Or Materials

We do not cover any loss caused by faulty, inadequate or defective:

- a. Planning, zoning, development, surveying, siting;
- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, 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*.

We do cover any ensuing loss not otherwise excluded.

26. Uninsured Personal Property At Owned Residence

We do not cover any loss caused directly or indirectly by wind to personal property located at a residence you own that does not have personal property coverage listed in the Declarations of this policy or any other policy issued by us or one of our affiliated companies.

Personal property at a newly acquired residence is not subject to this exclusion for 60 days after you begin to move personal property there.

27. Water Back-Up And Sump Overflow Or Discharge

We do not cover any loss caused by water or waterborne material which:

- a. Backs up through a sewer or drain; or
- b. Overflows or is otherwise discharged from a sump, sump pump or related equipment.

This exclusion does not apply to the extent coverage is provided in Extra Benefit **12. Water Back-Up And Sump Overflow Or Discharge**.

28. Business

We do not cover any loss to a residence or other structure if a *business* is regularly conducted in the residence or other structure, and such *business* involves the rental of the residence or other structure for any reason other than private residential purposes.

Special Exception Rule For Escaping Water

If any of the causes of loss as described in Exclusions **11. Gradual Deterioration**, **13. Pollution Or Contamination**, **18. Structural Movement**, or **20. Loss By Animals**, cause water to escape from within a household appliance, or plumbing, heating, or air conditioning system, we cover the loss caused by the water. We provide this coverage unless an exclusion applies other than Exclusions **11. Gradual Deterioration**, **13. Pollution Or Contamination**, **18. Structural Movement**, or **20. Loss By Animals**. We do not cover loss to the household appliance, or plumbing, heating, or air conditioning system.

PROPERTY CONDITIONS

1. Duties After Loss

In case of a loss covered by this policy, we have no duty to provide coverage under this policy unless there has been full compliance with the following duties by an *insured person* or their representative:

- a. Give prompt notice to us or our agent;
- b. Notify the police in case of loss by theft or vandalism;
- c. Notify the appropriate law enforcement agency in case of loss as provided for in Extra Benefits **14. Identity Fraud Expenses** and **15. Kidnap Expenses**;
- d. Notify the appropriate financial institution in case of loss as provided for in Extra Benefit **16. Credit Cards, Debit Cards, Forgery, Counterfeit Money And Home Banking**;
- e. Protect the property from further damage. If repairs to the property are required, an *insured person* must:
 - (1) Make reasonable and necessary repairs to protect the property; and
 - (2) Keep an accurate record of repair expenses;
- f. Cooperate with us in the investigation of a claim;
- g. Prepare an inventory of damaged personal property showing the quantity, description and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
- h. 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 person*;
- i. Send to us, within 60 days after our request, a signed, sworn proof of loss which sets forth, to the best of an *insured person's* knowledge and belief:
 - (1) The time and cause of loss;
 - (2) The interests of all *insured persons* 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 **g.** above;
 - (7) Receipts for additional living expenses incurred and records that support the fair rental value loss;
 - (8) Receipts, bills or other records that support your claim for *identity fraud expenses* or *kidnap expenses*; and
 - (9) Evidence or affidavit that supports a claim under Extra Benefit **16. Credit Cards, Debit Cards, Forgery, Counterfeit Money And Home Banking**, stating the amount and cause of loss.

2. Insurable Interest And Limit Of Insurance

Even if more than one person has an insurable interest in the covered property, we will not be liable in any one loss:

- a. To an *insured person* for more than the amount of such *insured person's* interest at the time of loss; or
- b. For more than the limit of insurance that applies to the covered property, regardless of the number of claims made or locations insured.

3. Loss Settlement

This Condition explains how we settle losses. These provisions apply to the limit of insurance that is specified in the Declarations for the property where the loss occurs, unless noted otherwise.

a. Application Of Deductible

- (1) With respect to any one loss, we will pay only that part of the total of all covered loss that exceeds the deductible amount shown in the Declarations, unless noted otherwise in this policy.
- (2) We will waive the deductible amount shown in the Declarations if the direct physical loss to covered property is greater than \$50,000, except if the following apply:
 - (a) Covered property with deductibles of more than \$50,000;
 - (b) Windstorm Or Hail deductible;
 - (c) Hurricane or similar deductible;
 - (d) Flood deductible;
 - (e) Earthquake deductible;
 - (f) Vacancy deductible;
 - (g) Construction deductible;
 - (h) Builders Risk deductible;
 - (i) Water Back-Up And Sump Overflow Or Discharge deductible; or
 - (j) Any other special or specifically listed deductible.
- (3) If your residence has been *vacant* for more than 30 consecutive days immediately before a covered loss, we will apply the greater of the deductible amount shown in the Declarations or:
 - (a) 5% of the Dwelling limit for a dwelling where the loss occurs; or
 - (b) 5% of the Personal Property limit or 5% of the Building Additions And Alterations limit, whichever is greater, for a condominium, cooperative unit or apartment where the loss occurs.

This vacancy deductible applies to your residence, personal property and Extra Benefits. If the limit of insurance for your residence is increased because of **d. Full Replacement Cost Protection** below, the deductible will be based on the increased limit. This vacancy deductible does not apply if we give our prior written consent.
- (4) If at any time during the *policy period* you are:
 - (a) Newly constructing your residence or other structures; or
 - (b) Constructing additions or making renovations to your residence or other structures that equal or are in excess of:
 - (i) 10% of the Dwelling limit for a dwelling where the loss occurs, or \$500,000, whichever is less;
 - (ii) 10% of the Building Additions And Alterations limit for a condominium, cooperative unit or apartment where the loss occurs, or \$500,000, whichever is less; or
 - (iii) 10% of the Other Structures limit for an other structure where the loss occurs, or \$500,000, whichever is less;

we will apply the greater of the deductible amount shown in the Declarations or:

 - (a) 5% of the Dwelling limit for a dwelling where the loss occurs;

(b) 5% of the Personal Property limit or 5% of the Building Additions And Alterations limit, whichever is greater, for a condominium, cooperative unit or apartment where the loss occurs; or

(c) 5% of the Other Structures limit for an other structure where the loss occurs.

This construction deductible applies to your residence, other structures, personal property and Extra Benefits. This construction deductible does not apply if we give our prior written consent.

(5) If a change in occupancy of your residence or other structures occurs during the *policy period* in which your residence or other structures is regularly rented to others for private residential purposes, we will apply the greater of the deductible amount shown in the Declarations or:

(a) 5% of the Dwelling limit for a dwelling where the loss occurs;

(b) 5% of the Personal Property limit or 5% of the Building Additions And Alterations limit, whichever is greater, for a condominium, cooperative unit or apartment where the loss occurs; or

(c) 5% of the Other Structures limit for an other structure where the loss occurs.

This change in occupancy deductible applies to your residence, other structures, personal property and Extra Benefits. This change in occupancy deductible does not apply if we give our prior written consent.

(6) We will apply the highest deductible if more than one deductible applies to the covered loss.

b. Residences And Other Structures

(1) Covered losses will be settled on a *replacement cost* basis, except as provided in (2) or (3) below. If you choose to repair or replace the *residence premises*, payment will not exceed the least of the following:

(a) The amount that we could reasonably be expected to pay to have the property repaired to its condition immediately prior to loss;

(b) The actual cost to replace the property; or

(c) The limit of insurance that applies to the covered property as agreed to by you and us, including any increase that may apply as described under provision **d. Full Replacement Cost Protection** below.

(2) Covered losses will be settled on an *actual cash value* basis if:

(a) Your residence has been *vacant* for more than 30 consecutive days immediately before a covered loss. This provision (a) does not apply if we give our prior written consent;

(b) A change in occupancy of your residence or other structures occurs during the *policy period* in which your residence or other structures is regularly rented to others for private residential purposes. This provision (b) does not apply if we give our prior written consent; or

(c) Actual repair or replacement is not complete. Once actual repair or replacement is complete, we will settle the loss as described in (1) above. However, if the cost to repair or replace the damage is less than 5% of the limit of insurance that applies to the covered property, we will settle the loss as described in (1) above whether or not actual repair or replacement is complete.

(3) If at any time during the *policy period* you are:

(a) Newly constructing your residence or other structures; or

(b) Constructing additions or making renovations to your residence or other structures that equal or are in excess of:

(i) 10% of the Dwelling limit for a dwelling where the loss occurs, or \$500,000, whichever is less;

(ii) 10% of the Building Additions And Alterations limit for a condominium, cooperative unit or apartment where the loss occurs, or \$500,000, whichever is less; or

(iii) 10% of the Other Structures limit for an other structure where the loss occurs, or \$500,000, whichever is less;

payment will not exceed the least of the following:

- (a) The *actual cash value* of the covered property;
- (b) 80% of the *replacement cost* of the covered property; or
- (c) The limit of insurance that applies to the covered property as agreed to by you and us.

This provision (3) does not apply if we give our prior written consent.

- (4) If you choose not to repair or replace the *residence premises* after a covered *total loss*, we will pay the lesser of the *replacement cost* of the damaged building or other structure at the same premises prior to the loss, or the limit of insurance that applies to the covered property as described in (1), (2) or (3) above. You may not make further claim on a *replacement cost* basis.
- (5) You may make claim under this policy for loss or damage on an *actual cash value* basis. You may then make claim within 180 days after loss for any additional payment on a *replacement cost* basis.

c. Personal Property

- (1) Covered losses will be settled on a *replacement cost* basis, except as provided in (2) below. Payment will not exceed the least of the following:
 - (a) The amount that we could reasonably be expected to pay to have the property repaired to its condition immediately prior to loss;
 - (b) The amount that we could reasonably be expected to pay to replace the article with a new one substantially identical to the article lost or damaged;
 - (c) The amount specified in Special Limits Of Insurance under the Property Coverage section; or
 - (d) The Personal Property limit shown in the Declarations, including any increase that may apply as described under provision d. Full Replacement Cost Protection below.
- (2) Covered losses will be settled on an *actual cash value* basis for property that:
 - (a) Is not maintained in good or workable condition;
 - (b) Exhibits signs of excessive wear;
 - (c) Is obsolete or unusable from its originally intended purpose;
 - (d) Is in a residence or other structure that you are:
 - (i) Newly constructing at any time during the *policy period*; or
 - (ii) Constructing additions or making renovations at any time during the *policy period* that equal or are in excess of:
 - i. 10% of the Dwelling limit for a dwelling where the loss occurs, or \$500,000, whichever is less;
 - ii. 10% of the Building Additions And Alterations limit for a condominium, cooperative unit or apartment where the loss occurs, or \$500,000, whichever is less; or
 - iii. 10% of the Other Structures limit for an other structure where the loss occurs, or \$500,000, whichever is less.

This provision (d) does not apply if we give our prior written consent; or

 - (e) Is in a residence that has been *vacant* for more than 30 consecutive days immediately before a covered loss. This provision (e) does not apply if we give our prior written consent.
- (3) If a covered loss takes place:
 - (a) At a *residence premises* with personal property coverage shown in the Declarations for a location, we will pay up to the Personal Property limit for that location; or
 - (b) At a *residence premises* with no personal property coverage shown in the Declarations for a location, or at an *insured person's* residence that is not the *residence premises*, we will pay up to the greater of:
 - (i) \$10,000;
 - (ii) 10% of the highest Personal Property limit shown in the Declarations for a dwelling, or

- (iii) 15% of the highest Personal Property limit shown in the Declarations for a condominium, cooperative unit or apartment.

The limit described in (b)(i), (ii) or (iii) above does not apply to personal property moved or being moved from the *residence premises* to a residence you newly acquire during the *policy period* within the first 60 days after moving property there.

The limit that applies to a covered loss, as described in (a) or (b) above, is the most we will pay regardless of the number of policies providing you with Personal Property coverage.

d. Full Replacement Cost Protection

- (1) We will pay up to the current *replacement cost* of a covered residence or other structure after a loss covered by this policy, even if this amount is greater than the limit of insurance shown in the Declarations.
- (2) This provision **d.** applies only if you:
 - (a) Insure the residence or other structure in an amount agreed to by you and us, including any adjustments based on appraisals, revaluations and annual adjustments for inflation;
 - (b) Repair or replace the residence or other structure at the same location (or a different location if the land is declared unusable by a civil authority); and
 - (c) Begin to repair or replace the residence or other structure within 180 days from the date the loss is reported to us, or a later date if agreed to by us.
- (3) When we increase the limit of insurance for your residence, the same percentage of increase will also apply to the limit of insurance for personal property for that loss.
- (4) This provision **d.** does not apply if:
 - (a) At any time during the *policy period* you are:
 - (i) Newly constructing your residence or other structures; or
 - (ii) Constructing additions or making renovations to your residence or other structures that equal or are in excess of:
 - i. 10% of the Dwelling limit for a dwelling where the loss occurs, or \$500,000, whichever is less;
 - ii. 10% of the Building Additions And Alterations limit for a condominium, cooperative unit or apartment where the loss occurs, or \$500,000, whichever is less; or
 - iii. 10% of the Other Structures limit for an other structure where the loss occurs, or \$500,000, whichever is less.
 - (b) The residence has been *vacant* for more than 30 consecutive days immediately before a covered loss. This provision (b) does not apply if we give our prior written consent; or
 - (c) A change in occupancy of your residence or other structures occurs during the *policy period* in which your residence or other structures is regularly rented to others for private residential purposes. This provision (c) does not apply if we give our prior written consent.

4. Appraisal

If you and we fail to agree on the amount of loss, either 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. The appraisers shall submit a written report of an agreement to us, and the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A written decision agreed to by the two appraisers, or either appraiser and the umpire, will set the amount of loss. We do not waive any of our rights under this policy by agreeing to an appraisal.

Each party will:

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

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;
- b. Pay the difference between *actual cash value* of the property before and after the loss; or
- c. Receive the undamaged portion, and then pay the *replacement cost* of the entire pair or set.

6. 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 insurance that applies under this policy bears to the total amount of insurance covering the loss.

However, if there is other insurance:

- (1) In the name of a Homeowners, Condominium or Cooperative Association; or
 - (2) For the coverages as described under Extra Benefits **14. Identity Fraud Expenses**, **15. Kidnap Expenses** or **16. Credit Cards, Debit Cards, Forgery, Counterfeit Money And Home Banking**;
then this insurance is excess over any amounts payable under such other insurance;
- b. A service agreement, this insurance 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.

7. Legal Action Against Us

No action can be brought against us unless there has been full compliance with all of the terms under Part I of this policy and the action is started within two years after the date of loss.

8. 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.

9. Abandonment Of Property

We need not accept any property abandoned by an *insured person*.

10. Loss Payment

We will adjust all covered 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. We 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.

11. Mortgage Clause

- a. If a mortgagee is named in this policy, any loss payable 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.
- c. Property Conditions **4. Appraisal**, **7. Legal Action Against Us** and **10. Loss Payment** also apply to the mortgagee.
- d. 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.

- e. 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.
- f. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

12. 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.

13. 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.

14. Loss Payable Clause

If the Declarations show a loss payee for certain listed insured personal property, the definition of *insured person* is changed to include that loss payee with respect to that property. If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

15. Policy Period

This policy applies only to loss which occurs during the *policy period*.

PART II – LIABILITY

LIABILITY COVERAGES

1. Personal Liability

If a claim is made or a suit is brought against an *insured person* for *damages* because of *personal injury* or *property damage* caused by an *occurrence* to which this coverage applies anywhere in the world, we will pay up to our limit of liability for the *damages* for which an *insured person* is legally liable.

2. Medical Expenses

We will pay *damages* up to \$50,000 for the necessary and reasonable *medical expenses* that are incurred within three years from the date of an accident causing *bodily injury* anywhere in the world. We do not admit any legal liability by paying these expenses. This coverage does not apply to you or regular residents of your household except *domestic employees*. As to others, this coverage applies only:

- a. To a person on the *insured location* with the permission of an *insured person*; or
- b. To a person off the *insured location*, if the *bodily injury*:
 - (1) Arises out of a condition on the *insured location* or the ways immediately adjoining;
 - (2) Is caused by the activities of an *insured person*;
 - (3) Is caused by a *domestic employee* in the course of the *domestic employee's* employment by an *insured person*; or
 - (4) Is caused by an animal owned by or in the care of an *insured person*.

EXTRA BENEFITS

We will pay the following Extra Benefits in addition to the Personal Liability limit.

1. Legal Services

- a. We will defend an *insured person* against any suit seeking *damages for personal injury or property damage* caused by an *occurrence* to which this coverage applies. We will provide this defense at our expense by counsel selected in accordance with provision e. below, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.
- b. As part of our defense, investigation or settlement, we will also pay the following expenses:
 - (1) Expenses we incur and costs taxed against an *insured person* in any suit we defend;
 - (2) Premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability. We need not apply for or furnish any bond;
 - (3) Reasonable expenses incurred by an *insured person* at our request, including actual loss of earnings (but not loss of other income) up to \$1,000 per day, for assisting us in the investigation or defense of a claim or suit;
 - (4) 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; and
 - (5) All prejudgment interest awarded against an *insured person* on that part of the judgment we pay or offer to pay. We will not pay any prejudgment interest based on that period of time after we make an offer to pay the limit of liability that applies.
- c. Our duty to settle or defend or pay expenses ends when our limit of liability for the *occurrence* has been exhausted by payment of a judgment or settlement.
- d. In jurisdictions where we are prevented from defending an *insured person* for a covered loss because of laws or other reasons, we will pay any expenses incurred with our prior consent for the *insured person's* defense.
- e. An *insured person* may choose counsel from a panel of firms selected by us. If a panel counsel is not established in the jurisdiction where the suit is brought, we reserve the right to select counsel.

2. First Aid Expenses

We will pay expenses for first aid to others incurred by an *insured person* for *damages for bodily injury* covered under this policy. However, we will not pay for first aid to an *insured person*.

3. Voluntary Payments

- a. We will pay, at *replacement cost*, up to \$10,000 per *occurrence* for *damages* to the property of others caused by an *insured person*.
- b. We will not pay for *property damage*:
 - (1) To the extent of any amount recoverable under Part I;
 - (2) Caused intentionally by an insured person who is 13 years of age or older;
 - (3) To property owned by an *insured person*;
 - (4) To property owned by or rented to a tenant of an *insured person* or a resident in your household; or
 - (5) Arising out of:
 - (a) A *business* engaged in by an *insured person*;
 - (b) Any act or omission in connection with a premises owned, rented or controlled by an *insured person*, other than the *insured location*; or
 - (c) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or motor vehicle.
- c. The \$10,000 limit is the most we will pay per *occurrence*, regardless of the number of *insured persons* or claims made.

4. Loss Assessment

- a. We will pay up to \$100,000 for your share of loss assessment charged during the *policy period* against you, as owner or tenant of the *residence premises*, by a Homeowners, Condominium or Cooperative Association when the assessment is made as a result of *damages* for:
 - (1) An *occurrence* covered by this policy; or
 - (2) Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (a) Is elected by the members of a Homeowners, Condominium or Cooperative Association; and
 - (b) Serves without deriving any income from the exercise of duties which are solely on behalf of a Homeowners, Condominium or Cooperative Association.
- b. Regardless of the number of assessments, the limit of \$100,000 is the most we will pay for loss arising out of:
 - (1) One *occurrence*; or
 - (2) A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
- c. Liability Condition 7. Policy Period does not apply to this Extra Benefit.

DAMAGES WE DO NOT COVER

1. Expected Or Intended Damage

- a. We do not cover any *damages* arising out of any willful or malicious act or omission, or any other act or omission, committed by or at the direction of an *insured person* which is expected or intended to cause *personal injury* or *property damage*, even if the resulting *personal injury* or *property damage*:
 - (1) Is of a different kind, quality or degree than initially expected or intended; or
 - (2) Is sustained by a different person, entity, real or personal property, than initially expected or intended.
- b. An expected or intentional act or omission is one whose consequences could have been foreseen by a reasonable person.
- c. This exclusion does not apply to *damages* for *bodily injury* or *property damage* resulting from the use of reasonable force by an *insured person* to protect persons or property. The use of excessive force will not be considered reasonable.

2. Motor Vehicles

We do not cover any *damages* arising out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any motorized land vehicle, including a trailer while being towed.

However, we do cover *recreational motor vehicles* but only if, at the time of an *occurrence*, the *recreational motor vehicle*:

- a. Is not being operated in, or practicing for, any prearranged or organized race, speed contest or other similar competition, including but not limited to timed events, rallies, sports events or stunting activities; or
- b. Is not on a racetrack, test track, or any other track or course of any kind.

3. Watercraft

We do not cover any *damages* arising out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any watercraft:

- a. That is 26 feet or more in length or more than 50 horsepower and which is owned by an *insured person* or furnished or rented to an *insured person* for longer than 30 days;

- b. Used for any *business* or commercial purpose; or
- c. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion c. does not apply to a sailing vessel less than 26 feet in length.

This exclusion does not apply to watercraft that are stored.

4. Aircraft

We do not cover any *damages* arising out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any aircraft used or designed to carry people or cargo in flight.

5. Hovercraft

We do not cover any *damages* arising out of the ownership, maintenance, occupancy, operation, use, loading or unloading, entrustment to any person, failure to supervise or negligent supervision of any person, or vicarious liability of any person, of any hovercraft, including but not limited to, flarecraft and air cushion vehicles.

6. Business

We do not cover any *damages* arising out of or in connection with a *business* engaged in by an *insured person*, whether or not the *business* is owned or operated by an *insured person* or employs an *insured person*. This exclusion applies but is not limited 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*.

This exclusion does not apply to:

- a. A *residence premises* listed in the Declarations that you own and rent to others for private residential purposes;
- b. An *incidental business*; or
- c. Any *damages* for *bodily injury*, *property damage* or *medical expenses* arising out of the physical condition of your residence or other structure covered by this policy when *business* or professional activities are legally conducted by you or a *family member* in that residence or other structure, but only if:
 - (1) You or a *family member* do not have any employees involved in the *business* or professional activities who are subject to any workers' compensation, disability benefits, unemployment compensation, or other similar laws;
 - (2) You or a *family member* are not a home day care provider; and
 - (3) There is no other valid collectible insurance;

unless another exclusion applies.

7. Professional Services

We do not cover any *damages* arising out of the rendering of or failure to render professional services.

8. Premises Not An Insured Location

We do not cover any *damages* arising out of a premises:

- a. Owned by an *insured person*;
- b. Rented to an *insured person*; or
- c. Rented to others by an *insured person*;

that is not an *insured location*.

9. War

We do not cover any *damages* caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. 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 will be deemed a warlike act even if accidental.

10. Nuclear Hazard

We do not cover any *damages* caused directly or indirectly by nuclear reaction, radiation or radioactive contamination, regardless of how it was caused, or any consequence of any of these.

11. Communicable Disease

We do not cover any *damages* which arise out of any communicable disease from an *insured person*, including but not limited to:

- a. The transmittal of;
 - b. Exposure to;
 - c. Perceived threat of; or
 - d. Fear of transmittal or exposure to;
- any communicable disease.

12. Molestation, Harassment Or Abuse

We do not cover any *damages* arising out of:

- a. Sexual molestation;
 - b. Sexual harassment;
 - c. Physical or mental abuse; or
 - d. Corporal punishment;
- whether intended or not.

13. Discrimination

We do not cover any *damages* arising out of actual, alleged or threatened discrimination or harassment due to age, race, color, sex, religion, national origin, sexual preference, handicapped status, or any other type of unlawful discrimination.

14. Controlled Substance

We do not cover any *damages* arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs.

This exclusion does not apply to the legitimate use of prescription drugs by a person following the lawful orders of a licensed health care professional.

15. Criminal Or Dishonest Acts

We do not cover any *damages* arising out of criminal, dishonest or fraudulent acts or omissions by or at the direction of an *insured person*, even if such *insured person* is not actually charged with or convicted of a crime, including if the *insured person* enters a no-contest plea.

16. Contractual Liability

We do not cover any *damages* for which an *insured person* assumes liability under any contract or agreement.

This exclusion does not apply to written contracts:

- a. That directly relate to the ownership, maintenance or use of an *insured location*; or
 - b. Where the liability of others is assumed by you prior to an *occurrence*;
- unless another exclusion applies.

17. Civic Activities

We do not cover any *damages* arising out of civic or public activities performed by an *insured person*. However, we do cover you or a *family member* if:

- a. The annual compensation of the civic or public activity does not exceed \$20,000; and

- b. The hours required to perform the civic or public activity do not exceed an annual average of 20 hours of work per week;
during the *policy period*.

18. Directors And Officers Liability

We do not cover any *damages* arising out of an act, error or omission of an *insured person* as an officer or member of a board of directors of a corporation or organization.

This exclusion does not apply if the corporation or organization is not-for-profit and the *insured person* receives no compensation other than reimbursement of expenses, unless another exclusion applies.

19. Assessments

We do not cover any assessment charged against an *insured person* as a member of an association, corporation or community of property owners, except as provided in Extra Benefit 4. Loss Assessment.

20. Damage To Owned Or Non-Owned Property

We do not cover any *damages* for *property damage* to property:

- a. Owned or transported by an *insured person*; or
- b. Rented to, occupied or used by or in the care of an *insured person*, except *property damage* caused by fire, smoke or explosion.

21. Injury To Employees

We do not cover any *damages* for:

- a. *Medical expenses* sustained by a *domestic employee* if the *bodily injury*.
 - (1) Occurs off the *insured location*; and
 - (2) Does not arise out of or in the course of the *domestic employee's* employment by an *insured person*; or
- b. *Personal injury* sustained by any person arising out of any employment or personnel related practices, policies, acts or omissions, including but not limited to:
 - (1) Refusal to employ or termination of employment;
 - (2) Coercion, criticism, demotion, failure to promote, evaluation, reassignment, discipline, defamation, self-defamation, harassment, humiliation, discrimination, libel, slander, false arrest or imprisonment, and violation of a person's right of privacy; or
 - (3) Any consequential injury or *damages* as a result of (1) or (2) above.

This exclusion b. applies:

- (1) To all claims, demands, charges, complaints or suits by any person or organization for *damages*, including *damages* for care and loss of services;
- (2) Whether an *insured person* may be held liable as an employer or in any other capacity either directly or indirectly related to employment; and
- (3) To repay or share *damages* with another person who may be obligated to pay *damages* because of such injury or liability.

22. Workers' Compensation Or Disability

We do not cover any *damages* to any person eligible to receive any benefits voluntarily provided or required to be provided by an *insured person* under any:

- a. Workers' compensation law;
- b. Unemployment compensation;
- c. Disability benefits;
- d. Occupational disease law;
- e. Jones Act or General Maritime Law; or
- f. Other similar laws.

However, we do provide coverage in excess over any other insurance for *damages* an *insured person* is legally obligated to pay for *bodily injury* or *medical expenses* to a *domestic employee* of a location shown in the Declarations which are not compensable under workers' compensation, unless another exclusion applies.

23. Resident Liability

We do not cover any *damages* for:

- a. *Personal injury* to you or an *insured person* as defined under Definition **10.a.**. This exclusion also applies to any claim made or suit brought against you or an *insured person*:
 - (1) To repay; or
 - (2) Share *damages* with;
another person who may be obligated to pay *damages* because of *personal injury* to an *insured person*; or
- b. *Medical expenses* to any person, other than a *domestic employee* of an *insured person*, regularly residing on any part of the *insured location*.

24. Employment-Related Benefits Or Unpaid Wages

We do not cover any *damages* or benefits an *insured person* is legally required to provide or voluntarily provides for any:

- a. Employment-related benefits;
- b. Retirement benefits;
- c. Stock options;
- d. Perquisites;
- e. Deferred compensation or any other type of similar compensation;
- f. Improper payroll deductions;
- g. Unpaid wages; or
- h. Overtime pay for hours actually worked or labor actually performed.

LIABILITY CONDITIONS

1. Duties After Occurrence

In case of an *occurrence* covered by this policy, we have no duty to provide coverage unless there has been full compliance with the following duties by an *insured person* or their representative:

- a. Give written notice to us or our agent 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 person*;
 - (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. With respect to Medical Expenses:
 - (1) The injured person or their representative will:
 - (a) Give us written proof of claim, under oath if required, as soon as is practical; and

(b) Authorize us to obtain copies of medical reports and records;

(2) The injured person will submit to a physical examination by a doctor of our choice when and as often as we reasonable require;

f. With respect to Extra Benefit 3. Voluntary Payments, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an *insured person's* control; and

g. No *insured person* shall, except at such *insured person's* own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the *personal injury*.

2. Limit Of Liability

Our total liability under Personal Liability for all *damages* resulting from any one *occurrence* will not be more than the Personal Liability limit shown in the Declarations, regardless of the number of *insured persons*, claims made, persons injured, locations insured, or vehicles or watercraft involved in the *occurrence*.

Our total liability under Medical Expenses for all *damages* for *medical expenses* payable for *bodily injury* to one person as the result of one accident will not be more than \$50,000.

3. Legal Action Against Us

a. No action can be brought against us unless there has been full compliance with all of the terms under Part II.

b. No one will have the right to join us as a party to any action against an *insured person*.

c. No action can be brought against us until the obligation of such *insured person* has been determined by final judgment or agreement signed by us.

4. Severability Of Insurance

This insurance applies separately to each *insured person*. This condition will not increase our limit of liability for any one *occurrence*.

5. Bankruptcy

Bankruptcy or insolvency of an *insured person* will not relieve us of our obligations under this policy.

6. 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.

7. Policy Period

This policy applies only to *damages* which first occur during the *policy period*.

8. Transfer Of Control

You may take control of any outstanding claim or suit previously reported to us only if we both agree that you should, or if a court orders you to do so. If your limits are exhausted, we will notify you of all outstanding claims or suits so that you can take control of the defense. We will help transfer control to you. We shall take whatever reasonable steps are necessary to continue the defense of any outstanding claim, and avoid a default judgment during the transfer of control to you. If we do so, we shall not waive or give up any of our rights. You shall pay all reasonable expenses we incur for taking such steps after the limits have been exhausted.

PART III – GENERAL CONDITIONS

1. Concealment Or Fraud

We do not provide coverage to an *insured person* who, whether before or after a loss or *occurrence*, 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.

2. Termination

a. Cancellation

- (1) You may cancel this policy at any time by letting us know in writing of the future date cancellation is to take effect.
- (2) We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
 - (a) When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
 - (b) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
 - (c) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (i) If there has been a material misrepresentation or concealment of fact or circumstance which if known to us would have caused us not to issue the policy; or
 - (ii) If the risk has changed substantially since the policy was issued.
This can be done by letting you know at least 30 days before the date cancellation takes effect.
- (3) When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- (4) If the return premium is not refunded with the notice of cancellation or when this policy is canceled by you, we will refund it within a reasonable time after the date cancellation takes effect.

b. Nonrenewal

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

3. Liberalization Clause

If we broaden the coverages provided by this policy without an additional premium charge, the changes will automatically apply to this policy as of the effective date on which the changes are adopted in your state.

4. Waiver Or Change Of Policy Provisions

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

5. Assignment

Assignment of this policy will not be valid unless we give our written consent.

6. Our Right To Recover Payment

If we make payment to a person under the terms of this policy, that person's right to recover any payments is automatically transferred to us. The person must do nothing after loss to impair such rights of recovery. The person who receives our payment agrees to:

- a. Sign and deliver all related papers and cooperate with our effort to recover payments; and
- b. Do nothing to jeopardize or interfere with our ability to recover payments.

This General Condition does not apply to Medical Expenses coverage or Extra Benefit **3. Voluntary Payments** under Part II.

7. Death

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

a. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and

b. *Insured person* includes:

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

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

8. Conformance With State Law

If part of this policy does not comply with the laws of the state in which it is written, that part is amended to comply with those laws.