

## HOMEOWNERS POLICY

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties, and what is and is not covered. This Policy is not complete without the Declarations.

In consideration of payment of the premium, in reliance upon all statements made and information furnished to us, including the statements and information provided in the application which is made part of this Policy, and subject to all the terms, conditions, and limitations of this Policy and its endorsements, we agree with you as follows:

### DEFINITIONS

Throughout this Policy the words **you** and **your** refer to the Named Insured shown on the Declarations and the spouse or domestic partner of such Named Insured, if a resident of the "residence premises". The words **we**, **us**, and **our** refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning as follows:

- A. "Actual cash value" means the cost to repair or replace damaged property with property of like kind and quality, less depreciation for age, physical deterioration, and obsolescence. Depreciation applies to the entire cost to repair or replace, including materials and labor.
- B. "Bodily injury" means bodily harm, sickness, or disease sustained by a person, including required care, loss of services, and death that results.
- C. "Business" means any trade, profession, occupation, or service of an "insured" or any "home-sharing host services". For this definition, "business" includes any part-time, temporary, or permanent activity engaged in for compensation.
- D. "Cannabis" means any good, product, or property that contains any amount of tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic. "Cannabis" includes, without limitation:
  - 1. Any plant of the genus Cannabis L., or any part thereof, such as any seed, stem, flower, stalk, or root;
  - 2. Marijuana; or
  - 3. Any compound, by-product, extract, derivative, mixture, or combination such as:
    - a. Resin, oil, or wax;
    - b. Hash or hemp; or
    - c. Infused liquid or edible cannabis;whether or not derived from any plant or any part of any plant set forth in Paragraph **D.1.** above.
- E. "Home-sharing host services" means:
  - 1. The:
    - a. Rental of or holding for rental; or
    - b. Mutual exchange of services;of the "residence premises", in whole or in part, by an "insured" to a "home-sharing tenant" through the use of a "home-sharing network";  
and
  - 2. Any other related property or service made available by an "insured" for use during such rental or mutual exchange of services, except those property or services provided by another party.

- F. "Home-sharing network " means an online-enabled or web application, website, or digital network that:
1. Is used for the purpose of facilitating, for money, mutual exchange of services, or other compensation or remuneration, the rental of a dwelling or other structure, in whole or in part; and
  2. Allows for the agreement and monetary transaction to be conducted with respect to such rental through such online-enabled or web application, website, or digital network.
- G. "Home-sharing tenant" means a person, other than an "insured", who has entered into an agreement or arranged compensation with an "insured" through the use of a "home-sharing network" for "home-sharing host services" and any person accompanying or staying with such person under such "home-sharing host services".
- H. "Insured" means you and residents of the "residence premises" who are:
1. A spouse or domestic partner of the Named Insured; or
  2. Persons under the age of 21 and in the care of any person named above.

Under **SECTION II – LIABILITY COVERAGE**, "insured" also means:

3. With respect to any watercraft to which this Policy applies, any person or organization legally responsible for watercraft owned by you or any person included in **H.1.** or **H.2.** above. A person or organization using or having custody of these watercraft in the course of any "business" or without consent of the owner is not an "insured";
  4. With respect to any vehicle to which this Policy applies:
    - a. Any person while engaged in your employ or that of any person included in **H.1.** or **H.2.** above; or
    - b. Any other person using the vehicle on an "insured premises" with your consent.
- I. "Insured premises" means:
1. The "residence premises";
  2. The part of other premises, other structures, and grounds used by you as a residence and:
    - a. Shown on the Declarations; or
    - b. Acquired by you during the policy period for your use as a residence;
  3. Any premises used by you in connection with a premises in **I.1.** or **I.2.** above;
  4. Any part of a premises not owned by an "insured" where an "insured" is temporarily residing;
  5. Vacant land, other than farmland, owned by or rented to an "insured";
  6. Land owned by or rented to an "insured" on which a one- or two-family dwelling is being built as a residence for an "insured";
  7. An individual or family cemetery plot or burial vault of an "insured"; or
  8. Any part of the premises occasionally rented to an "insured" for other than "business" use.
- J. "Lienholder" means the person or business that loaned you money on your home and is named on the Declarations, including any successor in interest or assignee.
- K. "Loss" means direct, sudden, and accidental damage.
- L. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful condition, that results in "bodily injury" or "property damage" during the policy period.

Under **SECTION I – PROPERTY COVERAGE**, an "occurrence" for any insured peril involving progressive "property damage" is the sum total of all damage insured under this Policy sustained during any period of 72 consecutive hours. Nothing in this provision alters the fact that this Policy does not insure any "property damage" commencing before the

effective date and time, or commencing after the expiration date and time, of this Policy.

- M.** "Personal watercraft" means vessels certified for maximum capacity of six people, with maximum overall length of no more than 16 feet including the inflatable portion, and that have an inboard engine and are propelled by impeller drive or jet drive. This definition includes any jet-driven water conveyance, but does not include vessels of a hydrofoil nature.
- N.** "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
- O.** "Residence employee" means:
  - 1.** An employee of an "insured" whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
  - 2.** One who performs similar duties elsewhere not related to the "business" of an "insured".
- P.** "Residence premises" means the one family dwelling, other structures, and grounds where you reside and that is shown as the "residence premises" on the Declarations.
- Q.** "Specified peril" means the perils of fire, smoke, explosion, lightning, windstorm, hail, volcanic eruption, and weight of ice, snow, or sleet.

SPECIMEN

## SECTION I – PROPERTY COVERAGES

### A. COVERAGE A – Dwelling

1. We cover:
  - a. The dwelling on the "residence premises" shown on the Declarations, including structures attached to the dwelling unless otherwise classified below; and
  - b. Air-conditioners, water-pumps, and oil or gas drums furnishing heating or cooking fuel for the home.

### B. COVERAGE B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space, including those connected to the dwelling by only a fence, utility line, or similar connection. Other structures include, without limitation, any fence, carport, detached garage, shed, gazebo, or other structure on the "residence premises" that is not attached to the dwelling or that is connected to the dwelling by only a fence, utility line, or similar connection. We offer this coverage only when premium has been paid and a Limit of Liability for Other Structures coverage is shown on the Declarations.
2. We do not cover other structures:
  - a. Used in whole or in part for "business";
  - b. Rented or held for rental to any person who is not an "insured", unless used solely as a private garage;
  - c. Used in whole or in part as a temporary or permanent residence by any person; or
  - d. Farm structures or livestock structures including, but not limited to barns, provided that, we do cover such structures if used solely for storage purposes unrelated to any farm or livestock operations.

### C. COVERAGE A and COVERAGE B do not cover:

1. Land or land values, including land on which the insured property is located, soil, and water, including ground water, surface water, process water, and drinking water;
2. Cost to replace, rebuild, stabilize, or otherwise restore the land including, without limitation, the cost of excavations, filling, back filling, or grading;
3. Underground pipes, flues, or drains;
4. Wells, brick, stone or concrete foundations or footings of any kind; pilings below the surface of the ground; piers, wharves, or docks; roadways, sidewalks, walkways, patios, or pavements; retaining walls that are not part of a covered building;
5. Power transmission and feeder lines, including fiber optic cable lines; or
6. Property while in transit unless otherwise endorsed on this Policy.

### D. COVERAGE C – Personal Property

1. We cover personal property owned or used by an "insured" while at the "insured premises". Our limit of liability for personal property located somewhere other than the "insured premises" is ten percent of the Limit of Liability for **COVERAGE C** shown on the Declarations. We offer this coverage only when premium has been paid and a Limit of Liability for Personal Property coverage is shown on the Declarations.
2. We do not cover personal property while being mailed or in the care, custody, or control of a public or private carrier. This limitation does not apply if, after a covered "loss", the property is moved to prevent the possibility of further damage.
3. **Special Limits of Liability.** These Special Limits are subject to and do not increase the **COVERAGE C** Limit of Liability as shown on the Declarations. The maximum amount we will pay per "occurrence" for each category of personal

property is the Special Limit listed for each such category below, subject to a total of \$2,000 per "occurrence" for all "loss" to any personal property included in these categories, regardless of the number of such items or categories of personal property involved in the "loss". Of this \$2,000, no more than the Special Limit for each category below will be paid for the "loss" to one or more items in that category.

- a. \$1,000 on silverware, goldware, and pewterware.
- b. \$1,000 on ceramics, china, crystal, antiques, and heirlooms.
- c. \$1,000 on firearms, ammunition, golf equipment, equipment, and accessories for any of these items.
- d. \$1,000 on audio or video recording devices, camcorders, cameras, records, tapes, compact discs, laser discs, and accessories of any of these items.
- e. \$1,000 on musical instruments, their equipment, and accessories.
- f. \$1,000 on books, manuscripts, tickets, photographs, stamps, coins, cards, and comic book collections.
- g. \$1,000 on tools, building materials, and supplies.
- h. \$1,000 on computers, computer software, discs, equipment, and accessories for these items.
- i. \$1,000 on rugs, tapestries, carpets (except wall-to-wall), wall hangings, or similar articles.
- j. \$1,000 on bric-a-brac, memorabilia, souvenirs, and collector items.
- k. \$1,000 on televisions and accessories or related equipment.
- l. \$1,000 on electronic gaming systems, video game cartridges and discs, and all related equipment and accessories for any of these items.
- m. \$1,000 on any security device or system and all related electronics, devices, and equipment.

**4. Personal Property Not Covered.** We do not cover:

- a. Articles separately described and specifically insured in this or other insurance;
- b. Accounts, bills, money, coins, currency, credit cards, fund transfer cards, stamps, food stamps, letters of credit, telephone cards, tickets, bullion, deeds, evidence of debt, notes, securities, precious metals and alloys, precious and semi-precious stones, fine arts, pearls, jewelry, watches, furs, fur garments, and garments containing fur;
- c. Aircraft, unmanned aerial system, trailers, motorcycles, farm machinery, campers, golf carts, go-carts, utility vehicles of any kind, motor vehicles, recreational vehicles, hovercraft, watercraft, including but not limited to, "personal watercraft", airboats, or any equipment or accessories for any of the above, except where such coverage is added by endorsement attached to this Policy. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo. Unmanned aerial system means a drone, unmanned aerial vehicle, remote controlled rotorcraft, or other motorized aerial vehicle under 55 pounds at take-off, including the weight of any cargo on board at such time. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, any flarecraft or air cushion vehicle.

However, we do cover:

- (1) Lawn or garden equipment used on the "insured premises"; and
- (2) Land conveyances or vehicles specifically designed to assist the handicapped, such as wheelchairs, or that are used solely to service the "residence premises" and are not subject to motor vehicle registration laws.
- d. Items carried or held as samples or for sale or delivery after sale;
- e. Animals, growing crops, drying crops, standing timber, trees, shrubs, lawns, plants, irrigation systems, except as provided for in **SECTION I - ADDITIONAL COVERAGES** of this Policy;
- f. Property intended for or used for "business" purposes in any way or at any time;
- g. Property owned by any:
  - (1) "Home-sharing tenant"
  - (2) Other person occupying the "residence premises" as a result of any "home-sharing host services"; and

(3) Roomer, boarder, or tenant, whether or not they are related to the "insured";

- h. Property in a space while rented or primarily held for rental to a "home-sharing tenant" or in an apartment rented or held for rental to others by an "insured".
- i. Property used primarily for "home-sharing host services".
- j. Antennas, including satellite dishes and all equipment related to the satellite systems, or solar panels, except as provided for in **SECTION I - ADDITIONAL COVERAGES** of this Policy;
- k. Contraband or property in the course of illegal transportation or trade;
- l. Power transmission and feeder lines, including fiber optic cable lines;
- m. Property while in transit unless otherwise endorsed on this Policy;
- n. Virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency, or any other type of electronic currency;
- o. Any:

(1) Controlled substance, other than "cannabis", as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812; and

(2) "Cannabis", regardless of whether such "cannabis" is considered a controlled substance.

This Paragraph 4.o. does not apply to:

- (1) Prescription drugs obtained through the lawful order of a licensed health care professional; or
- (2) Goods or products containing or derived from hemp including, but not limited to, food, clothing, lotions, oils, extracts, or paper, but only if such goods or products are not prohibited under applicable state or local statute, regulation, or ordinance.

#### **E. COVERAGE D – Additional Living Expense**

- 1. When a "loss" covered under this **SECTION I** causes the dwelling on the "residence premises" where you reside to become uninhabitable, we will cover, up to the Limit of Liability for **COVERAGE D** shown on the Declarations, the necessary increase in cost you incur, above and beyond your normal daily living expenses, to maintain your normal standard of living. Payment under this coverage is limited to 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. We offer this coverage only when premium has been paid and a Limit of Liability for Additional Living Expense coverage is shown on the Declarations.
- 2. The most we will pay for your additional living expenses in each period of thirty (30) consecutive days after the "loss" is the Limit of Liability for Additional Living Expense shown on the Declarations, multiplied by one-twelfth.
- 3. We do not cover Additional Living Expenses resulting solely from:
  - a. Mandatory or voluntary evacuation for any reason; or
  - b. Power failure.
- 4. This coverage is not reduced by the expiration of this Policy.

#### **SECTION I - ADDITIONAL COVERAGES**

**A. Fire Department Service Charge.** We will pay up to \$250 for charges, if any, each time the fire department is called to protect covered property from a Peril Insured Against.

No deductible applies to this additional coverage.

**B. Emergency Removal.** We insure covered property against direct loss from any cause while being removed from the "insured premises" when endangered by a Peril Insured Against and for no more than 30 days while removed. We will pay up to \$1,000 under this coverage.

- C. Trees, Shrubs, Plants, and Lawns.** We cover trees, shrubs, plants, and lawns on the "residence premises" for "loss" caused by the following Perils Insured Against: fire or lightning, explosion, riot or civil commotion, vandalism, malicious mischief, or aircraft.

We will pay up to \$10,000 of the **COVERAGE A** limit for all trees, shrubs, plants, or lawns. We will not pay more than \$1,500 for any one tree, shrub, plant, or lawn. We do not cover:

1. Property grown for "business" purposes; or
2. "Cannabis", whether or not grown for "business" purposes.

**D. Debris Removal.**

1. We will pay your reasonable expense, including the cost of demolition, for the removal of:
  - a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the "loss";
  - b. Ash, dust, or particles from volcanic eruption that has caused "loss" to a building or property contained in a building.
2. This expense is included in the Limit of Liability that applies to the damaged property. If the amount to be paid for the actual damage to property covered under **COVERAGE A**, plus the debris removal expense for such damaged property, is more than the **COVERAGE A** Limit of Liability, an additional 5% of the **COVERAGE A** Limit of Liability is available for debris removal expense applicable to such damaged property covered under **COVERAGE A**. The maximum amount payable under this additional coverage, subject always to the applicable Limit of Liability, is 25% of the amount of the damage or destruction from which such costs or expenses result; plus the deductible in this Policy applicable to that "loss".
3. We will also pay for your reasonable expense, up to \$500, for the removal from the "residence premises" of:
  - a. Your tree(s) felled by the peril of **Windstorm or hail**;
  - b. Your tree(s) felled by the peril of **Weight of ice, snow, or sleet**;
  - c. A neighbor's tree(s) felled by the perils named in **a.** or **b.** above;

Provided the tree(s) damages a covered structure. The \$500 limit is the most we will pay in any one "loss" regardless of the number of fallen trees. This tree removal limit is subject to and reduces the Limit of Liability applicable to the covered structure damaged by the felled tree.

- E. Antennas, Satellite Dishes, and Solar Panels.** We will pay up to \$1,000 for "loss" to your antenna, satellite dish, and solar panel(s) and all equipment related to such system(s).
- F. Reasonable Repairs.** We will pay the reasonable cost incurred by you for the necessary measures taken by you solely to protect covered property that is damaged by a Peril Insured Against from further damage. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this Policy and the damage is caused by a Peril Insured Against.

This additional coverage does not:

1. Increase the Limit of Liability that applies to the covered property; or
2. Relieve you of your duties, in case of a "loss" to covered property, described in **SECTION I – CONDITIONS**, item **2. Your Duties After Loss**, part **c.**

Unless otherwise indicated above, these **ADDITIONAL COVERAGES** do not increase the Limit of Liability applying to the damaged covered property.

## SECTION I – PERILS INSURED AGAINST

### A. **COVERAGE A – Dwelling** and **COVERAGE B – Other Structures**

We insure for direct, physical "loss" to property described in **COVERAGE A** and **COVERAGE B**, except where otherwise excluded under **SECTION I – EXCLUSIONS**.

### B. **COVERAGE C – Personal Property**

We insure for direct, physical "loss" to the property described in **COVERAGE C** caused by a peril listed below, except where otherwise excluded under **SECTION I – EXCLUSIONS**:

**1. Fire or lightning.**

**2. Windstorm or hail.**

This peril does not include "loss" caused by rain, snow, sleet, sand, or dust to the property contained in a building or structure unless the direct force of wind or hail damages the building or structure causing an opening in a roof or wall and the rain, snow, sleet, sand, or dust enters through such opening.

**3. Explosion.**

**4. Riot or civil commotion.**

**5. Aircraft**, including self-propelled missiles and spacecraft.

**6. Vehicles.**

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

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

**8. Theft**, including attempted theft and "loss" of property from a known place when it is likely that the property has been stolen.

**a.** This peril does not include "loss" caused by theft:

- (1)** Committed by an "insured";
- (2)** In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3)** From that part of a "residence premises" rented to a person other than an "insured"; or
- (4)** From the "residence premises" if the home has been vacant or unoccupied for 30 days immediately preceding the "loss"; or
- (5)** Arising out of or resulting from "home-sharing host services".

**b.** This peril does not include "loss" caused by theft that occurs off the "residence premises" of:

- (1)** Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily residing there. Property of a student who is an "insured" is covered while at a residence away from the "residence premises" if the student has been at such other residence at any time during the 45 days immediately before the "loss";
- (2)** Property while at, in, or on any watercraft, including without limitation, any furnishings, equipment, or outboard engines or motors; or
- (3)** Property while at, in or on any trailer or camper including, without limitation, any furnishings or equipment.

**9. Falling objects.**

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

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



- 11. Accidental discharge or overflow of water or steam** from within a plumbing, heating, air conditioning, or automatic fire protective sprinkler system or from within a household appliance.
- a. This peril does not include "loss":
- (1) To the system or appliance from which the water or steam escaped;
  - (2) Caused by or resulting from freezing except as described in the peril of freezing below; or
  - (3) Caused by accidental discharge or overflow that occurs off the "residence premises".
- b. In this peril, a plumbing system does not include a sump, sump pump, or related equipment.
- c. Payment for "loss" to certain types of personal property resulting from this peril will be subject to the **COVERAGE C - Special Limits of Liability**. In addition, our Limit of Liability for "loss" resulting from this peril is limited to 20% of the Limit of Liability for **COVERAGE A**. This Limit of Liability is included within and does not apply in addition to coverage available for **Ensuing Water Damage** to the **Dwelling** or **Other Structures**.
- 12. Sudden and accidental tearing apart, cracking, burning, or bulging** of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water. This peril does not include "loss" caused by or resulting from freezing.
- 13. Freezing** of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system or of a household appliance.
- This peril does not include "loss" to property caused by freezing while the dwelling is vacant, unoccupied, or being constructed unless you have used reasonable care to:
- a. Maintain heat in the building; or
  - b. Shut off the water supply and drain all systems and appliances of water.
- In this peril, a plumbing system does not include a sump, sump pump, or related equipment.
- 14. Sudden and accidental damage from artificially generated electrical current.** This peril does not include "loss" to a tube, transistor, or similar electronic component or to any circuitry.
- 15. Volcanic eruption** other than "loss" caused by earth movement, earthquake, land shock, or tremors.

## SECTION I – EXCLUSIONS

- A.** We do not insure for "loss" caused by:
1. Collapse.
  2. Freezing of a plumbing, heating, air conditioning, or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage, or overflow from within the system or appliance caused by freezing. This exclusion applies only while the dwelling is vacant, unoccupied, or being constructed, unless you used reasonable care to:
    - a. Maintain heat in the building; or
    - b. Shut off the water supply and drain all systems and appliances of water.
  3. Freezing, thawing, pressure, or weight of water or ice, whether driven by wind or not, to a:
    - a. Fence, pavement, patio, or swimming pool;
    - b. Foundation, retaining wall, or bulkhead; or
    - c. Pier, wharf, or dock.
  4. Theft:
    - a. If such "loss" arises out of or results from "home-sharing host services"; or

- b. In or to a dwelling under construction or of materials and supplies for use in the construction until the dwelling is finished and occupied.
- 5. Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if:
  - a. The "loss" arises out of or results from "home-sharing host services"; or
  - b. The dwelling has been vacant for more than 30 consecutive days immediately before the "loss". A dwelling being constructed is considered vacant.
- 6. Smoke from agricultural smudging or industrial operations.
- 7. Discharge, dispersal, seepage, migration, release, or escape of pollutants unless the discharge, dispersal, seepage, migration, release, or escape is itself caused by a "specified peril".

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
- 8. Settling, shrinking, bulging, or expansion, including resultant cracking of pavements, patios, foundations, walls, floors, roofs, or ceilings.
- 9. Any of the following:
  - a. Wear and tear, marring, deterioration;
  - b. Inherent vice, latent defect, mechanical breakdown;
  - c. Smog, rust, or other corrosion; or
  - d. Birds, vermin, rodents, opossum, raccoons, or insects;

#### **Ensuing Water Damage**

If an excluded peril listed in **A.9. a. through d.** results in sudden and accidental water damage from a plumbing, heating, air conditioning, or automatic fire protective sprinkler system or household appliance, we cover "loss" caused by such water, including the cost of tearing out and replacing any part of the dwelling necessary to repair the system or appliance.

We do not cover the "loss" to the system or appliance from which this water escaped.

We will pay up to 20% of the **COVERAGE A** Limit of Liability for such "loss". This does not increase the **COVERAGE A** Limit of Liability as shown on the Declarations.

However, we do insure for any ensuing "loss" to property described in **COVERAGE A** or **COVERAGE B** from any peril listed in item **A.** above, unless otherwise excluded or excepted in this Policy, provided that any such ensuing "loss" that constitutes **Ensuing Water Damage** pursuant to the Paragraph above, shall be limited as described above.

- B.** We do not insure for "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event contributing concurrently or in any other sequence to the "loss".
  - 1. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided for under this Policy.
  - 2. **Earth Movement**, meaning any natural earth movement including, but not limited to earthquake, earth shock, including land shock waves or tremors before, during, or after a volcanic eruption, landslide, mine subsidence, mudslide or mudflow, earth sinking, rising, or shifting, arising out of, resulting from, contributed to, or aggravated by any of the foregoing. We do insure for ensuing "loss" caused by the following, unless otherwise excluded:
    - a. Fire;
    - b. Explosion;
    - c. Breakage of glass or safety glazing material which is part of a building, storm door, or storm window; or
    - d. Theft.

**3. Water Damage,** meaning:

- a. Flood, surface water, 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;
- b. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump, or related equipment; or
- c. Water below the ground surface, including water which exerts pressure on or flows, seeps, or leaks through a building, doors, windows, or other openings, basements, sidewalks, or driveways whether paved or not, floors or paved surfaces, foundations, swimming pools, or other structures.
- d. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **a.**, **b.**, or **c.**
- e. Continuous or repeated seepage or leakage of water or steam over a period of time from a plumbing, heating, air conditioning, or automatic fire protective sprinkler system or from within a household appliance that results in deterioration, rust, or wet or dry rot. Continuous or repeated seepage or leakage from, within, or around any shower stall, shower tub, tub installation, or other plumbing fixture, including their walls, ceilings, or floors, is also excluded.

This exclusion applies regardless of whether any of the above in Paragraphs **a.** through **e.**, is caused by an act of nature or is otherwise caused.

However, we do insure for direct loss by fire, explosion, or theft resulting from water damage, unless otherwise excluded under this Policy.

- 4. Rainwater leakage,** meaning rain, snow, sleet, or ice, whether driven by wind or not, that damages the interior of any dwelling or structure or property inside, unless the direct force of wind or hail first damages the dwelling or structure causing an opening in the roof or wall of the dwelling or structure and the rain, snow, sleet, or ice enters through that opening.
- 5. Power Failure,** meaning the failure of power or other utility service if the failure takes place off the "residence premises". But, if a Peril Insured Against ensues on the "residence premises", we will pay only for that ensuing "loss".
- 6. Neglect,** meaning neglect of the "insured" to use all reasonable means to save and preserve property at and after the time of "loss".
- 7. War or Terrorism,** 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.

For the purpose of this exclusion, terrorism means any activity by an individual acting alone, or individuals acting as part of a group, that involves any violent act, including the threat of any activity or preparation for an activity that:

- a. Causes either damage to property, injury to person(s), or loss of income, or increased expense; and
- b. Appears to be intended to:
  - (1) Intimidate or coerce a civilian population;
  - (2) Disrupt any segment of an economy;
  - (3) Influence the policy of a government by intimidation or coercion;
  - (4) Affect the conduct of a government by destruction, assassination, kidnapping, or hostage-taking; or
  - (5) Advance a political, religious, or ideological cause; or

c. Involves the use, release, dispersal, discharge, escape, or application of:

- (1) Nuclear materials, or directly results in nuclear reaction or radiation or radioactive contamination; or
- (2) Pathogenic or poisonous biological or chemical materials.

Terrorism also includes any incident determined to be such by any official, department, or agency that has been specifically authorized by federal statute to make such determination.

**8. Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of **SECTION I – CONDITIONS**.

**9. Intentional Loss**, meaning any "loss" arising out of any act an "insured" commits or conspires to commit with the intent to cause a "loss". This exclusion applies to all "insureds", even "insureds" who did not commit or conspire to commit the act causing the "loss".

**10. Mysterious Disappearance**, meaning mysterious or unexplained loss of the insured property or misplaced insured property.

**11. Voluntary Parting of Possession**, meaning any "loss" resulting from an "insured person" voluntarily parting with title or possession of any insured property if induced to do so by any fraudulent scheme, trick, device, or false pretense.

**12. Fungus, Mold, Bacteria, or Wet or Dry Rot**, including the growth, proliferation, spread, or presence of any fungus, mold, bacteria, or wet or dry rot, and including:

- a. Any loss of use or delay in rebuilding, repairing, or replacing covered property, including any associated cost or expense due to interference at the premises or location of the rebuilding, repair, or replacement of that property by fungus, mold, bacteria, or wet or dry rot;
- b. Any remediation of any fungus, mold, bacteria, or wet or dry rot, including any cost or expense to:
  - (1) Remove or clean the fungus, mold, bacteria, or wet or dry rot from covered property or to repair, restore, or replace that property;
  - (2) Tear out and replace any part of the building or other property as needed to gain access to the fungus, mold, bacteria, or wet or dry rot;
  - (3) Contain, treat, detoxify, neutralize, or dispose of or in any way respond to or assess the effects of any fungus, mold, bacteria, or wet or dry rot; or
  - (4) Remove any property to protect it from the presence of or exposure to fungus, mold, bacteria, or wet or dry rot;
- c. The cost of any testing or monitoring of air or property to confirm the type, absence, presence, or level of fungus, mold, bacteria, or wet or dry rot, whether performed prior to, during, or after removal, repair, restoration, or replacement of covered property.

**13. Vacancy**, meaning any "loss" where the dwelling has been vacant for more than 30 consecutive days immediately before the "loss". A dwelling being constructed is considered vacant.

**14. Condensation**, meaning the buildup, accumulation, escape, seepage, leakage, or other means by which condensation from operation of an air conditioning system or other appliance results in "loss" to covered property.

**C.** We do not insure for "loss" to property described in **COVERAGE A** and **COVERAGE B** caused by any of the following. However, if any of the following excluded perils result in a "specified peril", we do cover the "loss" to property described in **COVERAGE A** and **COVERAGE B** caused by that "specified peril", unless otherwise excluded or excepted in this Policy.

- 1. Weather conditions**, which contribute in any way with a cause or event excluded above to produce the "loss".
- 2. Acts or decisions**, including the failure to act or decide, of any person, group, organization, or governmental body.
- 3. Faulty, inadequate, or defective:**

- a. Planning, zoning, development, surveying, or siting;
- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;
- c. Materials used in repair, construction, renovation, or remodeling; or
- d. Maintenance;

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

## SECTION I – CONDITIONS

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

1. To the "insured" for more than the amount of the "insured's" interest at the time of "loss"; or
2. For more than the applicable Limit of Liability.

For someone other than an "insured" to have an insurable interest eligible for coverage, they must be named on the Declarations or in an endorsement to the Policy.

**B. Your Duties After Loss.** In case of a "loss" to covered property, you must see that the following are done:

1. Give prompt notice to us;
2. Notify the police in case of "loss" by theft;
3. Protect the property from further damage. If repairs to the property are required, you must:
  - a. Make reasonable and necessary repairs to protect the property; and
  - b. Keep an accurate record of repair expenses;
4. Cooperate with us in the investigation of a claim;
5. Prepare an inventory of damaged personal property showing the quantity, description, "actual cash value", and amount of "loss". Attach all bills, receipts, and related documents that justify the figures in the inventory;
6. As often as we reasonably require:
  - a. Show the damaged property;
  - b. Provide us with records and documents we request and permit us to make copies; and
  - c. Submit to examination under oath, while not in the presence of any other "insured", and sign the same;
7. Send to us within 60 days after our request, your signed, sworn proof of "loss" which sets forth, to the best of your knowledge and belief:
  - a. The time and cause of "loss";
  - b. The interest of the "insured" and all others in the property involved and all liens on the property;
  - c. Other insurance which may cover the "loss";
  - d. Changes in title or occupancy of the property during the term of the policy;
  - e. Specifications of damaged buildings and detailed repair estimates;
  - f. The inventory of damaged personal property described in 5. above;
  - g. Receipts for additional living expenses incurred; and
  - h. Records that support your "loss".

**C. Deductible.** Unless otherwise indicated within this Policy, all covered "losses" are subject to deductible amounts shown on the Declarations or elsewhere in this Policy. We will not pay for "loss" until the amount of the adjusted "loss" exceeds the amount of the applicable deductible stated on the Declarations or in an endorsement attached to this Policy. One deductible shall apply to each "occurrence" including an "occurrence" that consists of a series of physical "losses" to property arising out of one physical source. The deductible may vary by coverage. If more than one

deductible may apply and the deductibles are not the same, the highest applicable deductible will apply.

**D. Loss Settlement.** Covered property "losses" are settled as follows:

**1.** Property of the following types:

- a. Personal property;
- b. Awnings, carpeting, household appliances, outdoor antennas, satellite dishes, solar panels, and other outdoor equipment, whether or not attached to buildings;
- c. Structures that are not buildings; and
- d. Other structures under **COVERAGE B**;

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

**2.** If no coinsurance percentage is shown on the Declarations, your dwelling under **COVERAGE A** is subject to the following:

**a.** The least of the following amounts:

- (1) The **COVERAGE A** Limit of Liability under this Policy;
- (2) The "actual cash value" of the part of the building damaged; or
- (3) The necessary amount actually spent to repair or replace the damaged building.

**b.** In the event of a partial hail "loss", we will settle the "loss" according to the provisions of **2.a.** above.

**3.** If a coinsurance percentage is shown on the Declarations, your dwelling under **COVERAGE A** is subject to the following:

**a.** We will not pay the full amount of any "loss" if the value of the dwelling at the time of "loss" multiplied by the coinsurance percentage shown on the Declarations is greater than the limit applicable to that property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of the dwelling at the time of "loss" by the coinsurance percentage;
- (2) Divide the limit applicable to the property by the figure determined in (1) above;
- (3) Multiply the total amount of loss, before application of any deductible, by the figure determined in (2) above; and
- (4) Subtract the deductible from the figure determined in (3) above.

**b.** We will pay the amount determined in **a.(4)** above or the **COVERAGE A** Limit of Liability, whichever is less.

**E. Loss to a Pair or Set.** In case of "loss" to a pair or set, we may elect to:

1. Repair or replace any part needed to restore the pair or set to its value before the "loss"; or
2. Pay the difference between the "actual cash value" of the property before and after the "loss"; or
3. Pay the reasonable cost of providing an acceptable decorative effect or utilization as circumstances may warrant. However, we do not guarantee the availability of replacements, and we will not be liable, in the event of damage to or "loss" of a part, for the value, repair, or replacement of the entire series of pieces or panels.

**F. Appraisal.** If you and we fail to agree on the amount of "loss", either may demand an appraisal of the "loss" after:

1. You have fully complied with all provisions of this Policy, including the provision entitled Your Duties After Loss; and
2. We have received a signed sworn proof of "loss" from you.

In this event, each party will choose a disinterested and competent appraiser within 15 days of the written demand. Such appraiser may not be a licensed public adjuster or have a financial interest in determining the amount of "loss".

The two appraisers will choose an umpire. If they cannot agree upon an umpire within 30 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", stating separately the "actual cash value" and replacement cost value as of the date of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two, will set the amount of "loss". Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

Coverage defenses are not waived by demand for appraisal.

- G. Other Insurance.** If any other policy purchased covers the same property and perils as covered by this Policy, then we will pay only for the amount of covered "loss" in excess of the amount due from that other insurance, whether or not such other insurance is paid, collectible, or in force. In no event shall we pay more than the applicable Limit of Liability shown on the Declarations.
- H. Mortgage Clause.** The word mortgagee includes trustee. If a mortgagee is named on the Declarations, any "loss" payable under **COVERAGE A** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

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;
3. Submits a signed, sworn statement of "loss" within 60 days after receiving notice from us of your failure to do so.

If we decide to cancel this Policy, the mortgagee will be notified at least ten days before the date of cancellation.

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.

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

- I. Suit Against Us.** No action can be brought unless the Policy provisions have been complied with and the action is started within one year after the date of "loss". If, under the insurance laws of the jurisdiction in which the property is located, such limitation is invalid, then such legal action shall be commenced within the shortest limit of time permitted by such laws.
- J. Our Option.** We shall have the option to take all or any part of damaged property at the ascertained or appraised value, or pay for the "loss" or to repair or replace any property lost or damaged with other property of like kind and quality, within a reasonable time. We will give notice within 30 days after receipt of the proof of "loss" of its intention to do so.
- K. Abandonment of Property.** In the event of a covered "loss" and the cost to repair your home is greater than the limit of liability shown on the Declarations, you are entitled to retain the title to your home. There may be no abandonment of any property to us.
- L. Loss Payment.** We will adjust all "losses" with you. We will pay you unless some other person is named in the Policy or is legally entitled to receive payment. "Loss" will be payable 60 days after we receive your proof of "loss" and reach an agreement with you or there is an entry of a final judgment appraisal award.

- M. No Benefit to Bailee.** We will not recognize any assignment of any benefit or grant any coverage that benefits a person or entity holding, storing, or moving property for a fee, regardless of any other provision of this Policy.
- N. 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 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.
- O. Nuclear Hazard Clause**
1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled and regardless of the cause, or any consequence of any of these.
  2. "Loss" caused by the "nuclear hazard" will not be considered "loss" caused by fire, explosion, or smoke, regardless of whether these perils are specifically named in or otherwise included within the Perils Insured Against in **SECTION I**.
  3. This Policy does not apply to "loss" caused directly or indirectly by "nuclear hazard", except that "loss" by fire resulting from the "nuclear hazard" is covered.
- P. Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered one volcanic eruption.
- Q. Automatic Reinstatement.** A "loss" to your property reduces our liability limit by the amount of the "loss" under the appropriate coverage. With the exception of physical "loss" caused by perils that are subject to annual aggregate limits, upon repair or replacement of the property, the limit will return to the limit shown on the Declarations.



## SECTION II – LIABILITY COVERAGES

### A. COVERAGE E – Personal Liability

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

1. Pay up to the **COVERAGE E** Limit of Liability for compensatory damages for which the "insured" is legally liable, including pre-judgment interest awarded against an "insured"; and
2. Provide a defense, at our expense and by counsel of our choice, even if the suit is groundless, false, or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the "occurrence" equals our **COVERAGE E** Limit of Liability.
3. We offer this coverage only when premium has been paid and a Limit of Liability for Personal Liability coverage is shown on the Declarations.

### B. COVERAGE F – Medical Payments To Others

We will pay the medical expenses that are incurred or medically ascertained within 12 months from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for necessary medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, and funeral services and prosthetic devices. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured premises" with the permission of an "insured"; or
2. To a person off the "insured premises", if the "bodily injury":
  - a. Arises out of a condition on the "insured premises";
  - b. Is caused by activities of an "insured"; or
  - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured".
3. We offer this coverage only when premium has been paid and a Limit of Liability for Medical Payments To Others coverage is shown on the Declarations.

## SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the applicable Limits of Liability:

### A. Claim Expenses. We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
2. Premiums on bonds required in a suit we defend, but not for bond amounts in excess of the **COVERAGE E** Limit of Liability. We need not apply for or furnish any bond;
3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
4. Post-judgment interest, meaning 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 **COVERAGE E** Limit of Liability.

### B. First Aid Expenses. We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this Policy. First aid to you or any other "insured" is not covered.

**C. Damage to Property of Others.** We will pay up to \$2,500 per "occurrence" for "property damage" to the property of others caused by and in the care, custody, and control of an "insured". We will not pay for "property damage":

1. To the extent of any amount recoverable under **SECTION I** of this Policy;
2. Caused intentionally by an "insured" who is 13 years of age or older;
3. To property owned by an "insured";
4. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
5. Arising out of:
  - a. A "business" engaged in by an "insured";
  - b. Any act or omission in connection with a premises owned, rented, or controlled by an "insured", other than the "insured premises";
  - c. The ownership, maintenance, operation, use, or loading or unloading of a motor vehicle, aircraft, hovercraft, excluded watercraft, or unmanned aerial system, as those terms are more fully described below.

## **SECTION II – EXCLUSIONS**

**A. COVERAGE E – Personal Liability and COVERAGE F – Medical Payments to Others** do not apply to "bodily injury" or "property damage":

1. Involving expected or intentional acts caused by or at the direction of an "insured", whether or not the resulting "bodily injury" or "property damage" was expected or intended. This exclusion applies even if the "insured" is insane, intoxicated, or otherwise impaired, if a person without that impairment who committed such an act would otherwise be deemed to have acted with the intent to cause "bodily injury" or "property damage".
2. Arising out of or in connection with a "business" engaged in by an "insured" or conducted from an "insured premises", regardless of whether the "business" is owned or operated by an "insured" or employs an "insured". 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".
3. Arising out of the rental or holding for rental of any part of any premises by an "insured". This exclusion does not apply to the rental or holding for rental of an "insured premises":
  - a. On an occasional basis if used only as a residence;
  - b. In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders.
4. Arising out of the rendering of or failure to render any professional service.
5. Arising out of any premises owned by or rented to an "insured", or rented to any other person or entity by an "insured", that is not an "insured premises".
6. Arising out of:
  - a. The ownership, maintenance, use, operation, or loading or unloading of any motor vehicle or any other motorized land conveyance including, without limitation, any trailer, recreational vehicle, or hovercraft, owned or operated by or rented or loaned to an "insured";
  - b. The entrustment by an "insured" of a motor vehicle or any other motorized land conveyance including, without limitation, any trailer, recreational vehicle, or hovercraft, to any person; or
  - c. Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using a conveyance excluded in paragraph **6.a.** or **6.b.** above.

This exclusion does not apply to:

- a. A motorized golf cart when used to play golf on a golf course;
- b. A vehicle or conveyance not subject to motor vehicle registration which is:
  - (1) Used solely to service an "insured's" residence;
  - (2) Designed for assisting the handicapped; or
  - (3) In dead storage on the "insured premises".

Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, any flarecraft or air cushion vehicle.

**7. Arising out of:**

- a. The ownership, maintenance, use, operation, or loading or unloading of an excluded watercraft described below;
- b. The entrustment by an "insured" of an excluded watercraft described below to any person; or
- c. Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an excluded watercraft described below.

Excluded watercraft include watercraft:

- a. Owned or operated by, or rented or loaned to any "insured", if the watercraft has inboard or inboard-outdrive motor power of more than 50 horsepower or is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;
- b. Powered by one or more outboard motors with more than 25 total horsepower, owned or operated by, or rented or loaned to any "insured" at the inception of this Policy. If you report to us in writing within 45 days after acquisition, your intention to insure an outboard motor of 25 total horsepower or less, that is acquired during the policy period, and if we agree, coverage will apply; or
- c. That is a "personal watercraft", regardless of horsepower or displacement.

Excluded watercraft do not include watercraft that are stored.

**8. Arising out of:**

- a. The ownership, maintenance, use, operation, or loading or unloading of any aircraft or unmanned aerial system;
- b. The entrustment by an "insured" of any aircraft or unmanned aerial system to any person; or
- c. Vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft or unmanned aerial system.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo. Unmanned aerial system means a drone, unmanned aerial vehicle, remote controlled rotorcraft, or other motorized aerial vehicle under 55 pounds at take-off, including the weight of any cargo on board at such time.

**9. Caused directly or indirectly by war or terrorism, 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;
- c. Destruction, seizure, or use for a military purpose; or
- d. Any activity by an individual acting alone, or individuals acting as part of a group, that involves any violent act, including the threat of any activity or preparation for an activity that:
  - (1) Causes either damage to property, injury to person(s), loss of income, or increased expense; and
  - (2) Appears to be intended to:

- (a) Intimidate or coerce a civilian population;
  - (b) Disrupt any segment of an economy;
  - (c) Influence the policy of a government by intimidation or coercion;
  - (d) Affect the conduct of a government by destruction, assassination, kidnapping, or hostage-taking; or
  - (e) Advance a political, religious, or ideological cause; or
- (3) Involves the use, release, dispersal, discharge, escape, or application of:
- (a) Nuclear materials, or directly results in nuclear reaction or radiation or radioactive contamination; or
  - (b) Pathogenic or poisonous biological or chemical materials.

Terrorism also includes any incident determined to be such by an official, department, or agency that has been authorized by federal statute to make such determination. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- 10. Arising directly or indirectly out of any actual or alleged transmission or spread of any form of communicable disease.
- 11. Arising out of sexual molestation, corporal punishment, or physical or mental abuse of any kind.
- 12. Arising out of the use, sale, manufacture, delivery, transfer, or possession by any person of any:
  - a. Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812; or
  - b. "Cannabis" whether or not such "cannabis" is considered a Controlled Substance.

Controlled Substances include but are not limited to cocaine, LSD, marijuana, and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

- 13. Arising out of childcare services provided by or at the direction of an "insured", any employee of an "insured", or any person acting or appearing to act on behalf of an "insured".
- 14. Resulting from or attributed to the intentional or accidental discharging of any firearm, regardless of any intent to injure or harm. This exclusion applies to "bodily injury" or "property damage" caused by an "insured" or any other resident or visitor whether at or away from the "insured premises".
- 15. Arising out of pollution, however caused. Pollution includes the actual, alleged, or potential presence in, or introduction into, the environment of any pollutant that was or is alleged to have the effect of making the environment impure, harmful, or dangerous. Environment includes any air, land, property, or structure or the air in any structure, water, or watercourse including underground water.
- 16. Arising out of asbestos or any asbestos-containing material.
- 17. Arising out of the toxic properties of lead or lead-containing products, materials, or substances. This exclusion applies to all forms of lead, including but not limited to solid, liquid, vapor, and fumes. This exclusion applies to, but is not limited to, any injury, damage, expense, cost, "loss", liability, or legal obligation to test for, monitor, abate, remove, or take any other remedial action with respect to lead or lead-containing products, materials, or substances. The addition of this exclusion does not imply that other policy provisions, including but not limited to any pollution exclusion, do not also exclude coverage for lead-related injury, damage, expense, cost, "loss", liability, or legal obligation.
- 18. Arising out of the actual, alleged, or potential presence of formaldehyde or the release of formaldehyde into the air.
- 19. Caused by any animal owned by you, or in your care, custody, or control, or that of your employee or agent.
- 20. Arising out of any naturally occurring or man-made lake, pond, river, reservoir, lagoon, cove, stream, channel, marsh, well, swimming or diving pool, current or stationary lap pool, spa, hot tub, wading pool, splash pad,

fountain, or other body of water, including any diving board, slide, or other attached equipment located on the "insured premises" or at any other location.

21. Arising out of the use of any trampoline owned by, or in the care, custody, or control of any "insured", whether or not the injury occurred on the "insured premises" or any other location.
22. Arising out of electronic aggression or cyber-bullying including, but not limited to, injury or damage from harassment or bullying committed by electronic means or through an electronic forum.
23. Arising out of the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any mold, fungi, bacteria, or wet or dry rot.

Exclusions 5., 6., 7., and 8. do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

**B. COVERAGE E – Personal Liability** does not apply to:

1. Liability:
  - a. For any "loss", cost, or expense arising out of any government direction or request that an "insured" test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants;
  - b. Under any oral or written contract or agreement or by contract or agreement in connection with any "business" of an "insured"; or
  - c. For any loss assessment charged against you as a member of an association, corporation, or community of property owners.
2. "Property damage" to property owned by any "insured" including, without limitation, any cost or expense incurred to repair, replace, enhance, restore, or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured premises".
3. "Property damage" to any property rented to, occupied or used by, or in the care of any "insured". However, this exclusion does not apply to "property damage" caused by fire, smoke, or explosion.
4. "Bodily injury" to you or any "insured" described within item 1. or 2. of "insured" as defined in this Policy. This exclusion also applies to any claim made or suit brought against you or an "insured" to repay or share damages with another person who may be obligated to pay damages because of "bodily injury" to an "insured".
5. "Bodily injury" to any person eligible to receive any benefits:
  - a. Voluntarily provided; or
  - b. Required to be provided;by the "insured" under any:
  - a. Workers' compensation law;
  - b. Non-occupational disability law; or
  - c. Occupational disease law.
6. "Bodily injury" or "property damage" for which an "insured" under this Policy:
  - a. Is also an "insured" under a nuclear energy liability policy; or
  - b. Would be an "insured" under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

- a. Nuclear Energy Liability Insurance Association;
- b. Mutual Atomic Energy Liability Underwriters;
- c. Nuclear Insurance Association of Canada;

or any of their successors.

7. Liability arising out of the sale of property including, without limitation, the "insured premises".

**C. COVERAGE F – Medical Payments To Others**, does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":

- a. Occurs off the "insured premises"; and
- b. Does not arise out of or in the course of the "residence employee's" employment by an "insured".

2. To any person eligible to receive benefits:

- a. Voluntarily provided; or
- b. Required to be provided;

under any:

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

3. From any:

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

all whether controlled or uncontrolled or however caused; or

- d. Any consequence of any of these.

4. To any:

- a. "Home-sharing tenant"; or
- b. Person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured premises".

**SECTION II – CONDITIONS**

**A. Limit of Liability.**

1. Our total liability under **COVERAGE E** for all damages resulting from any one "occurrence" will not exceed the **COVERAGE E** Limit of Liability shown on the Declarations. This limit is the same regardless of the number of "insureds" involved, claims made, suits filed, or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".
2. Our total liability under **COVERAGE F** for all medical expense payable for "bodily injury" to any one person arising out of one accident will not exceed the **COVERAGE F** Limit of Liability shown on the Declarations.

**B. Duties After Occurrence.** In the event of an accident or "occurrence", the "insured" will perform the following duties that apply. You will help us by seeing that these duties are performed:

1. Give written notice to us as soon as is practicable. Such notice must include:

- a. The identity of the Policy and "insured";
- b. Reasonably available information on the time, place, and circumstances of the accident or "occurrence"; and
- c. Names and addresses of any injured persons and witnesses;

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

3. Promptly send us every notice, demand, summons, or other process or legal papers relating to the accident or "occurrence";
  4. At our request, help us:
    - a. Effectuate settlement;
    - b. Enforce any right of contribution or indemnity against any person or entity who may be liable to an "insured" because of injury or damage to which this insurance may also apply;
    - c. With the conduct of suits, including attendance at hearings and trials; and
    - d. Secure and give evidence and obtain the attendance of witnesses;
  5. Under **SECTION II – ADDITIONAL COVERAGES, C. Damage to Property of Others**, you must submit to us within 60 days after the "loss", a sworn statement of "loss" and show the damaged property, if such property is in an "insured's" control;
  6. No "insured" will, except at the "insured's" own cost, voluntarily make any payment, assume any obligation, or incur any expense other than for first aid to others at the time of "bodily injury".
- C. Duties of an Injured Person – COVERAGE F – Medical Payments to Others.**
1. The injured person or someone acting for the injured person must:
    - a. Give us written proof of claim, under oath if required, as soon as practicable; and
    - b. Authorize us to obtain copies of all medical reports and records.
  2. The injured person must submit to a physical exam by a doctor of our choice when and as often as we reasonably require.
- D. Payment of Claim – COVERAGE F – Medical Payments to Others.** Payment under this coverage is made regardless of fault and is not an admission of liability by an "insured" or us.
- E. Suit Against Us.** No action can be brought against us unless there has been compliance with the Policy provisions. No one will have the right to join us as a party to any action against an "insured". Also, no action with respect to **COVERAGE E** can be brought against us until the obligation of the "insured" has been determined by final judgment or agreement signed by us.
- F. Bankruptcy of an Insured.** Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this Policy.
- G. Other Insurance – COVERAGE E – Personal Liability.** This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the applicable Limit of Liability of this Policy.

## **SECTIONS I AND II – CONDITIONS**

- A. Policy Period.** This Policy applies only to "loss" in **SECTION I**, or "bodily injury" or "property damage" in **SECTION II**, which occurs during the policy period. The policy period shall be as shown on the Declarations under policy period and successive periods as stated below. If we elect to continue this insurance, we will renew this Policy if you pay the required renewal premium for each successive policy period, subject to our premiums, rules, and forms then in effect. You must pay us prior to the end of the current policy term or else this Policy will expire. If a "lienholder" is named in the Policy, we will continue this insurance for the "lienholder's" interest for 30 days after written notice of termination to the "lienholder" and then this Policy will terminate as to the "lienholder's" interest.
- B. Concealment or Fraud.** The entire Policy will be void if, whether before or after a "loss", an "insured" has:
1. Intentionally concealed or misrepresented any material fact or circumstance;
  2. Engaged in fraudulent conduct; or

**3. Made false statements;**

relating to this insurance.

- C. 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 under this Policy.
- D. Minimum Earned Premium.** Cancellation of this Policy may result in application of the minimum earned premium amount shown on the Declarations.
- E. Cancellation.**
1. You may cancel this Policy at any time by returning it to us or letting us know in writing by mailing, or delivering to us, advance written notice 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 on the Declarations. Proof of mailing will be sufficient proof of notice.
    - a. When you have not paid the premium, whether payable to us or to your agent, we may cancel at any time by letting you know at least ten 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 ten 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:
      - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the Policy; or
      - (2) 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.
    - d. When this Policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.
  3. If this Policy is canceled by you or us, we will return the unearned share of the policy premium. If we cancel for reasons other than non-payment of premium, the refund will be pro-rata. If we cancel due to non-payment of premium or if you cancel for any reason, we will retain the greater of the minimum earned premium amount shown on the Declarations or the short rate premium amount.
- F. 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 on the Declarations, written notice at least 30 days before the expiration date of this Policy. Proof of mailing will be sufficient proof of notice.
- G. Assignment.** Assignment of this Policy will not be valid unless we give our written consent.
- H. Assignment of Claim Benefits.** No assignment of claim benefits, regardless of whether made before a loss or after a loss, shall be valid without your written consent and the written consent of all lienholders, mortgagees, loss payees, or additional interests named in this Policy.
- I. Subrogation.** After making payment under this Policy, we will have the right to recover from anyone held responsible. The "insured" will sign papers and do whatever is required to transfer this right to us. The "insured" shall not do anything after a "loss" to jeopardize our rights of subrogation. Any release from liability entered into by the "insured" in writing prior to "loss" under this Policy shall not affect this Policy nor the right of the "insured" person to recover under this Policy. Anyone receiving the benefit of a payment under this Policy will hold in trust for us the proceeds of any recovery of damages from another party, and reimburse us to the extent of the payment. This Condition does not apply under **SECTION II** for **Medical Payments To Others** or **Damage to Property of Others**.



- J. Death.** If any person named on the Declarations or their spouse or domestic partner, if a resident of the same household, dies:
1. We insure the legal representative of the deceased but only with respect to the "insured premises" and property of the deceased covered under the Policy at the time of death;
  2. For the purposes of this condition, "insured" includes:
    - a. Any member of your household who is an "insured" at the time of your death, but only while a resident of the "insured" premises; and
    - b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.
- K. Inspection.** We shall be permitted but not obligated to inspect the "insured's" property at any time. Neither our right to make inspections nor the making of inspections nor any report of inspection shall constitute an undertaking, on behalf of or for the benefit of the "insured" or others, to determine or warrant that such property is safe.
- L. Service of Suit and Jurisdiction.** In the event of the failure of the Company to pay any amount claimed to be due under this Policy, we will submit to the jurisdiction of any United States federal court of competent jurisdiction within the United States of America or any court of competent jurisdiction in Canada. In the event there is no United States federal court of competent jurisdiction, the Company will submit to the jurisdiction of any other court of competent jurisdiction within the United States of America. All matters arising under this Policy shall be determined in accordance with the choice of law rules of such court. Nothing in this clause constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.
- Service of process in any such suit may be made upon the President and Chief Executive Office of the Company or his designee at the address shown on the Declarations. In any suit instituted upon this contract and against the President and Chief Executive Office of the Company or his designee, we will abide by the final decision of such court or of any appellate court in the event of an appeal. The President and Chief Executive Officer of the Company or his designee are authorized and directed to accept service of process.
- Pursuant to any statute of any state, territory, or district of the United States of America, we designate the Superintendent, Commissioner, or Director Of Insurance or other officer specified for the purpose in the statute, or his successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the "insured" or any beneficiary under this Policy arising out of this contract of insurance. We designate the above-named as the person to whom said officer is authorized to mail such process or a true copy of such process.
- To the extent this Service of Suit and Jurisdiction provision conflicts with applicable state law, it is hereby amended to comply with said law but only to the extent necessary to bring it within the applicable law.
- M. Titles Of Paragraphs.** The several titles of the various paragraphs of this Policy and of endorsements attached to this Policy are included solely for convenience or reference and shall not limit or affect policy provisions to which they relate.
- N. Policy Conforms to Statute.** The terms of this Policy that are in conflict with the statutes of the state where the Policy is issued are amended to conform to statutory requirements.