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**IN THE CIRCUIT COURT OF THE SECOND CIRCUIT OF THE
STATE OF HAWAII**

NELDA PAGDILAO; AMIR SHEIKHAN;
TINA LEUNG; H. EUGENE SMITH;
WILLIAM B. MOFFETT II; PETER
BASILE; and PUNDY LLC

Plaintiffs,

v.

FIRST INSURANCE COMPANY OF
HAWAII, a Hawaii corporation; ZEPHYR
INSURANCE COMPANY, INC., a Hawaii
corporation; ALLSTATE INSURANCE
COMPANY, an Illinois corporation;
LIBERTY MUTUAL FIRE INSURANCE
COMPANY, a Wisconsin corporation;
STATE FARM FIRE AND CASUALTY
COMPANY, an Illinois corporation; DB
INSURANCE COMPANY, LTD., a Hawaii
corporation,

Defendants.

CIVIL No.
(Other Non-Motor Vehicle Tort – *Maui Fire*)

**COMPLAINT; DEMAND FOR JURY
TRIAL**

COMPLAINT

Plaintiffs NELDA PAGDILAO; AMIR SHEIKHAN; TINA LEUNG; H. EUGENE SMITH; WILLIAM B. MOFFETT II; PETER BASILE, and PUNDY, LLC (the "**Plaintiffs**"), by and through their undersigned attorneys, file this Complaint against Defendants FIRST INSURANCE COMPANY OF HAWAII, a Hawaii corporation, ZEPHYR INSURANCE COMPANY, INC., a Hawaii corporation, ALLSTATE INSURANCE COMPANY, an Illinois corporation, LIBERTY MUTUAL FIRE INSURANCE COMPANY, a Wisconsin corporation, STATE FARM FIRE AND CASUALTY COMPANY, an Illinois corporation, and DB INSURANCE COMPANY, LTD., a Hawaii corporation (the "**Subrogation Insurer Defendants**"), alleging the following:

INTRODUCTION

1. This action arises out of the greed of Hawaii's insurance industry to put their own selfish profits ahead of the suffering of the people of Maui who are the true victims of the Maui Fires. After having made \$4.2 billion in profits over the past ten years in one of the most lucrative insurance markets in the entire nation, Hawaii's insurance industry seeks a "refund" of payments they made to their premium-paying customers under contract. This refund is in the guise of a "subrogation" action that in effect seeks to recover money from a limited settlement fund before each and every one of their insureds – who are the only real victims of the Maui Fires – has been fully compensated. Hawaii's insurance industry's bad faith subrogation claims represent a gross departure from Hawaii law and the "spirit of aloha" in the name of profits.

2. Plaintiff Nelda Pagdilao is a survivor of the tragic wildfire that struck the town of Lahaina on August 8, 2023. Mrs. Pagdilao's husband, Pablo Pagdilao, died in the Lahaina Fire.

After urging his wife to save herself by climbing over and staying below the seawall for safety, Mr. Pagdilao perished in the fire. Partially paralyzed from a stroke, Mr. Pagdilao was not physically able to follow her to safety. She lost her home where she raised her four children and their own young families. She lost her entire Lahaina community. Her husband, her home, and her community perished in the Maui Fires.

3. Like so many other plaintiffs, Mrs. Pagdilao filed a claim with her homeowners insurance company, Defendant First Insurance Company of Hawaii (“**FICOH**”). She had been a longtime customer of FICOH who timely paid her premiums every year. Defendant FICOH acknowledged that Mrs. Pagdilao’s covered losses to rebuild her Lahaina home far exceeded her dwelling policy limits and so promptly paid her policy limits. Because Mrs. Pagdilao has not been fully compensated for her losses, she has filed her own suit in the Second Circuit Court against the parties responsible for the Lahaina Fires (the “**Tortfeasors**”) seeking recovery for losses that exceed what her insurance coverage provided.¹ Mrs. Pagdilao seeks recovery for losses that her property insurance coverage did not cover or that exceeded her policy limits, including her wrongful death losses arising out of the death of her husband Mr. Pagdilao, severe emotional distress for having lived through the Lahaina Fire, the costs to rebuild her home which far exceed her insurance coverage, loss of use and enjoyment of her property, and alternative living expenses that are estimated to far exceed her policy coverage given the length of time it will take to rebuild her home and the Lahaina community.

¹ The Tortfeasors include Hawaiian Electric Industries, Inc., Hawaiian Electric Company, Inc., Hawai‘i Electric Light Company, Inc., Maui Electric Company Limited, Spectrum Oceanic, LLC, Cincinnati Bell, Inc., Hawaiian Telcom, Inc., the Trustees of the Bishop Estate, Hawai‘i Housing Finance and Development Corporation, the County of Maui and the State of Hawai‘i. All the Tortfeasors are listed as Defendants in the Master Complaint filed in the Special Proceeding, In re Maui Fire Cases, 2CSP-23-0000057.

4. On January 12, 2024, over 140 insurance companies, including FICOH and the other Subrogation Insurers, filed a lawsuit seeking to recover compensation for the payments they made to victims of the wildfires, including Mrs. Pagdilao. These insurance companies raced to the courthouse without any investigation or inquiry into – let alone a judicial determination of – whether their insureds had been fully compensated or made whole for their losses. In fact, FICOH knows full well that Mrs. Pagdilao has not been made whole when FICOH paid its full policy limits to Mrs. Pagdilao.

5. Worse yet, FICOH is competing with survivors of the Lahaina Fires like Mrs. Pagdilao for compensation. The insurers know full well that any settlement of the Lahaina Fires will consist of a limited fund due to the solvency concerns and limited assets and insurance coverage of the Tortfeasors. Because the limited fund is expected to be insufficient to cover the full losses of all Maui Fire victims, the insurers know that any money they take from the limited sources of recovery is money that effectively comes from Mrs. Pagdilao and their other insureds.

6. But make no mistake about the different uses Mrs. Pagdilao will have for her recovery from the limited settlement fund funded by the Tortfeasors compared to FICOH's uses. Mrs. Pagdilao will use the funds she recovers to rebuild her family, her home, and the social and economic fabric of Lahaina Town. The Subrogation Insurers will send their recovery off island to corporate boardrooms as far away as Tokyo and London.

7. Plaintiffs Amir Hossein Sheikhan and Tina Sikying Leung are also survivors of the Lahaina Fires, along with their three-year-old son, N.S. Mr. Sheikhan and Ms. Leung evacuated from their home in Lahaina after their home completely burned down. They lived in their car with their three-year-old son in the immediate aftermath. They have been displaced completely from their home ever since. Mr. Sheikhan and Ms. Sikying had timely paid

premiums to Allstate for coverage. After these Plaintiffs presented their claim to Allstate for coverage, Allstate immediately paid their dwelling policy limits, knowing full well that Mr. Sheikhan and Ms. Sikying have not been fully compensated for their dwelling costs alone, not to mention their severe emotional distress injuries and other property damage either not covered by Allstate or in excess of their policy limits. Allstate, too, has joined a subrogation lawsuit seeking to recover money at the expense of its insureds, including Mr. Sheikhan and Ms. Sikying.

8. The other Plaintiffs in this lawsuit have similar stories against different insurance companies.

9. Property insurance companies in Hawaii rake in approximately \$3 billion in premiums per year. Through their own subrogation action, these companies seek to take money away from their premium-paying insureds who are the real victims of the Maui Wildfires without showing that these victims have been fully compensated. The insurance companies' efforts are unfair, inequitable, and unlawful.

FACTUAL BACKGROUND

10. As alleged in the insurance companies' own complaint, on August 8, 2023, a series of wildfires ignited on the island of Maui in the State of Hawaii after several energized power lines ignited desiccated vegetation during foreseeably dry and windy conditions. As stated by the insurers in their complaint against potentially responsible parties, "Based on currently documented information, the fire burned over 2,100 acres, destroyed 2,200 homes and businesses, and killed 100 people." Based on publicly available information, the insurers are estimated to have paid out more than \$1 billion in insurance claims. By comparison, based on publicly available information alone, the Maui Wildfire victims are estimated to have sustained over \$5.5 billion in property damage without accounting for wrongful death, personal injury, and

business loss claims. By all accounts, it is universally understood that the liability exposure of the Maui Fire victims may exceed the ability of some of the responsible parties and their insurers to pay, meaning the victims will not be made whole for their losses. Despite the reality of a limited source of funds with which to fully compensate their insureds, the subrogation insurers have chosen to compete with their own insureds to seize a pattern of the limited fund, at the expense and on the backs of their premium-paying insureds.

11. On January 12, 2024, over 140 insurance companies filed a lawsuit seeking to recover compensation for the claims they made to victims of the wildfires, including Plaintiffs, required to be paid under their contracts of insurance. These insurance companies raced to the courthouse without any investigation or inquiry into – let alone a judicial determination of – whether their insureds had been made whole for their losses. In fact, in most situations, the insurers know full well that their insureds have not, and will not be made whole for their losses when the insurers pay full policy limits on claims exceeding policy coverages.

12. In the years leading up to the Maui Fires, property insurance companies made enormous profits in the State of Hawaii from premiums paid by the people of the State of Hawaii. In 2014-2022, property insurance companies earned roughly \$5.9 billion in premiums, while paying out only roughly \$1.7 billion in losses, giving the insurers a ***direct profit of \$4.2 billion*** over this nine year period. This premium-earned-to-losses-paid ratio, called the “loss ratio” in the industry, represents a 71% profit for property insurers. The property insurers have already made billions in premiums to contractually agree to pay the Maui Fire victims in the event of a fire. They should not get any more money.

13. It would be unfair and unlawful for the insurance companies to compete with their insureds over any recovery against the parties responsible for causing the Maui Fires. That is so

because the insurance companies have already been paid to cover the risks at issue and should have no right to recover more than the premiums they earned, unless it is judicially determined that the insureds themselves have been fully compensated.

14. To give the insurance companies an equal right to recovery against tortfeasors would contradict the fundamental principles of property and casualty insurance: The Plaintiffs pay the insurance companies to bear the risk of future events, including wildfires, and the insurance companies are obligated by contractual duty to pay Plaintiffs if the fire risk materializes. The insurance companies must bear that risk irrespective of whether a third party is at fault and irrespective of whether recovery of a third party is made or available. Indeed, as outlined below, Hawaii law requires the insurance companies to pay claims without regard to any recovery from a third party.

15. Defendants are multibillion dollar insurance companies that seek to recover payments they made to the Maui Wildfire victims before those victims have been made whole for their losses. In a clear demonstration of profits over people, Defendants are prioritizing their own profits over the economic, social, and physical well-being of the victims of the Maui Wildfires. Moreover, because Defendants have a preexisting contractual obligation to pay the victims of the Maui Wildfires, the vast majority of any recovery Defendants obtain will not go to the efforts to rebuild the economic and social fabric of Lahaina. The money will go off-Island to insurers as far away from Lahaina as Lloyds of London.

16. To add greater insult to their insureds, some insurers have already informed their insureds that they will raise rates as much as 800% in order to renew their prior policies for the same coverage, creating greater pressure on residents to forego rebuilding.

17. Fortunately for the victims of the Maui Wildfires, Defendants' efforts to prioritize

their own profits over the people of Lahaina is against Hawaii law in numerous respects. First, Defendants' efforts to recover ahead of their insureds violates the "made whole" doctrine. The "made whole" doctrine restricts the ability of any insurer to enforce a subrogation right until after the insured has been fully compensated for all of the insureds' injuries. That doctrine makes sense for the people of Lahaina. The burden of loss should rest on the Defendants who were *already paid* by the Plaintiffs to assume the risk and had a *preexisting contractual duty to pay*. The victims of the Lahaina Fire should not bear the risk of loss in the event recovery from the tortfeasors is inadequate to compensate all the victims for their losses.

18. Second, Defendants' efforts to recover ahead of their insureds would constitute an unfair practice under Hawaii's insurance law. HRS § 531:13-103 declares it to be an unfair method of competition or unfair or deceptive practice in the business of insurance to "limit[] coverage available to an individual because the individual may have a third-party claim for recovery of damages." HRS § 431:13-103(10). This section prohibits any insurer from seeking subrogation that, in essence, takes compensation away from the insured through collateral sources . In other words, this section prohibits the insurers from competing with the insured in a recovery against a third party. If the insurers were able to seek subrogation that prioritizes their recovery over the insureds' recovery, then the insurers would be limiting the coverage available. For example, imagine if an insured had \$1 million of insurance coverage at the time of the fire. The insured paid his or her premiums for years. After the Maui Fires, the insured's home burned down with losses worth \$2 million in property damage alone. The insurer pays the insured the policy limit and then seeks to recover *as an equal* the full \$1 million it paid out, even though the insured has not been fully compensated. The tortfeasors fund a settlement that allocates \$1.5 million to the insured for all of his or her losses (including, potentially, wrongful death losses,

severe burn injuries, severe emotional distress, and loss of use and enjoyment of the property). If the insurer takes back any piece of the \$1 million it paid the insured from the \$1.5 million awarded to the insured's losses, it is effectively limiting the coverage available to its own insured in violation of HRS § 531:13-103.

PARTIES

19. Plaintiff Nelda Pagdilao is a citizen of the State of Hawaii domiciled in Lahaina, County of Maui. At the time of the Lahaina Fire, Plaintiff Nelda Pagdilao was insured by Defendant First Insurance Company of Hawaii, Policy No. HPX1000115928-26. Attached hereto as Exhibit 1 is a copy of the homeowners insurance policy believed to be in effect at the time of the Lahaina Fire. Mrs. Pagdilao has not been fully compensated for her insured and uninsured losses, nor has there been any judicial determination of that fact.

20. Plaintiffs Amir Sheikhan and Tina Leung are citizens of the State of Hawaii domiciled in Lahaina, County of Maui. At the time of the Lahaina Fire, Plaintiffs Amir Sheikhan and Tina Leung were insured by Allstate, Policy No. 817 537 830. Attached hereto as Exhibit 2 is a copy of the homeowners insurance policy believed to be in effect at the time of the Lahaina Fire. Plaintiffs have not been fully compensated for their insured and uninsured losses, nor has there been any judicial determination of that fact.

21. Plaintiff H. Eugene Smith is a citizen of Hawaii domiciled in Lahaina, County of Maui. At the time of the Lahaina Fire, Plaintiff Mr. Smith was insured by Liberty Mutual Fire Insurance Company (“**Liberty Mutual**”), Policy No. H3226810060940. Attached hereto as Exhibit 3 is a copy of the homeowners insurance policy believed to be in effect at the time of the Lahaina Fire. After Mr. Smith presented a claim for property damage as a result of the Lahaina Fires, Liberty Mutual paid him the policy limits for dwelling coverage. Plaintiff Smith has not

been fully compensated for his insured and uninsured losses as a result of the Lahaina Fire (including the costs to rebuild his property), nor has there been any judicial determination of that fact.

22. Plaintiff William B. Moffett II is a citizen of the State of Hawaii domiciled in Lahaina, County of Maui. At the time of the Lahaina Fires, Mr. Moffett had an insurance policy for a home with State Farm Fire and Casualty Company, Policy No. 91-20-8857-7. The State Farm policy documents believed to govern coverage are attached hereto as Exhibit 4. After Mr. Moffett presented a claim for property damage as a result of the Lahaina Fires, State Farm paid him under his policy. Plaintiff Moffett has not been fully compensated for his insured and uninsured losses as a result of the Lahaina Fire (including the costs to rebuild his property), nor has there been any judicial determination of that fact.

23. Plaintiff Peter Basile is a citizen of the State of Hawaii domiciled in Lahaina, County of Maui. At the time of the Lahaina Fires, Mr. Basile had an insurance policy for a home with Zephyr Insurance Company, Inc. ("**Zephyr**"), Policy No. HIH0006208. The policy documents believed to govern coverage are attached hereto as Exhibit 5. After Mr. Basile presented a claim for property damage as a result of the Lahaina Fires, Zephyr paid him under his policy. Plaintiff Moffett has not been fully compensated for his insured and uninsured losses as a result of the Lahaina Fire (including the costs to rebuild his property), nor has there been any judicial determination of that fact.

24. Plaintiff Pundy LLC is a citizen of Hawaii. At the time of the Lahaina Fires, Pundy LLC had an insurance policy with DB Insurance Company, Ltd. ("**DB**"), Policy No. DPP 130023609. The policy documents believed to govern coverage are attached hereto as Exhibit 6. After Pundy LLC presented a claim for property damage as a result of the Lahaina Fires, DB

paid him under his policy. Plaintiff Pundy LLC has not been fully compensated for his insured and uninsured losses as a result of the Lahaina Fire (including the costs to rebuild his property), nor has there been any judicial determination of that fact.

25. Defendant FICOH is an insurance company incorporated and headquartered in the State of Hawaii. Defendant FICOH is a plaintiff seeking to enforce its alleged subrogation rights against the Tortfeasors in *Amguard Insurance Company, et al. v. Maui Electric Company, Ltd., et al.*, Case No. 1CCV-24-0000068. Defendant FICOH seeks to enforce its alleged subrogation rights without showing that every insured of FICOH has been made whole for their losses caused by the Maui Fires. Defendant FICOH's parent company Tokio Marine, through FICOH and other subsidiaries, has approximately 10% of the property insurance market in Hawaii and files as a group with the Hawaii insurance regulator. Upon information and belief, all Tokio Marine property insurance companies use a standard policy form nearly identical to the policy form issued to Plaintiff Mrs. Pagdilao.

26. Defendant Allstate Insurance Company (“**Allstate**”) is incorporated in the State of Illinois. Defendant Allstate is a plaintiff seeking to enforce its alleged subrogation rights against the Tortfeasors in *Amguard Insurance Company, et al. v. Maui Electric Company, Ltd., et al.*, Case No. 1CCV-24-0000068. Defendant Allstate seeks to enforce its alleged subrogation rights without showing that every insured of Allstate has been made whole for their losses caused by the Maui Fires. Allstate has approximately 4.5% of the property insurance market in the State of Hawaii. Upon information and belief, Allstate uses a standard policy form nearly identical to the policy form issued to Plaintiffs Sheikhan and Leung.

27. Defendant Liberty Mutual is an insurance company incorporated in the State of Wisconsin. Defendant Liberty Mutual is a plaintiff seeking to enforce its alleged subrogation

rights against the Tortfeasors in *Amguard Insurance Company, et al. v. Maui Electric Company, Ltd., et al.*, Case No. 1CCV-24-0000068. Defendant Liberty Mutual seeks to enforce its alleged subrogation rights without showing that every insured of Liberty Mutual has been made whole for their losses caused by the Maui Fires. Liberty Mutual has approximately 3.7% of the property insurance market in the State of Hawaii. Upon information and belief, Liberty Mutual uses a standard policy form nearly identical to the policy form issued to Plaintiff Smith.

28. Defendant State Farm Fire and Casualty Company is an insurance company incorporated in the State of Illinois. Defendant State Farm is a plaintiff seeking to enforce its alleged subrogation rights against the Tortfeasors in *Amguard Insurance Company, et al. v. Maui Electric Company, Ltd., et al.*, Case No. 1CCV-24-0000068. Defendant State Farm seeks to enforce its alleged subrogation rights without showing that every insured of State Farm has been made whole for their losses caused by the Maui Fires. State Farm has approximately 17% of the property insurance market in the State of Hawaii. Upon information and belief, State Farm uses a standard policy form nearly identical to the policy form issued to Plaintiff Moffett.

29. Defendant Zephyr is an insurance company incorporated in the State of Hawaii. Defendant Zephyr is a plaintiff seeking to enforce its alleged subrogation rights against the Tortfeasors in *Amguard Insurance Company, et al. v. Maui Electric Company, Ltd., et al.*, Case No. 1CCV-24-0000068. Defendant Zephyr seeks to enforce its alleged subrogation rights without showing that every insured of Zephyr has been made whole for their losses caused by the Maui Fires. Zephyr has approximately 7.3% of the property insurance market in the State of Hawaii. Upon information and belief, Zephyr uses a standard policy form nearly identical to the policy form issued to Plaintiff Basile.

30. Defendant DB is an insurance company incorporated in the State of Hawaii.

Defendant DB is a plaintiff seeking to enforce its alleged subrogation rights against the Tortfeasors in *Amguard Insurance Company, et al. v. Maui Electric Company, Ltd., et al.*, Case No. 1CCV-24-0000068. Defendant DB seeks to enforce its alleged subrogation rights without showing that every insured of DB has been made whole for their losses caused by the Maui Fires. DB has approximately 4.49% of the property insurance market in the State of Hawaii. Upon information and belief, DB uses a standard policy form for commercial property insurance nearly identical to the policy form issued to Plaintiff Pundy LLC.

THE POLICIES AT ISSUE

31. Plaintiff Mrs. Pagdilao is insured by Policy No. HPX1000115928-26, attached hereto as Exhibit 1. Mrs. Pagdilao's standard First Insurance homeowners policy does not clearly, expressly, or conspicuously abrogate or modify the "made whole" doctrine, nor does the policy give any relevant contractual subrogation rights to Defendant First Insurance. Mrs. Pagdilao has not been fully compensated for her insured and uninsured losses caused by the Lahaina Fires. Upon information and belief, other insureds of Defendant First Insurance have not been fully compensated for their insured and uninsured losses caused by the Lahaina Fires.

32. Plaintiffs Amir Sheikhan and Tina Leung were insured by Allstate, Policy No. 817 537 830, attached hereto as Exhibit 2. The standard Allstate homeowners policy covering Plaintiffs Sheikhan and Leung does not clearly, expressly, or conspicuously abrogate or modify the "made whole" doctrine. Plaintiffs Sheikhan and Leung have not been fully compensated for their insured and uninsured losses caused by the Lahaina Fires. Upon information and belief, other insureds of Allstate have not been fully compensated for their insured and uninsured losses caused by the Lahaina Fires.

33. Plaintiff Eugene Smith was insured by Liberty Mutual, Policy No.

H3226810060940, attached hereto as Exhibit 3. Mr. Smith's standard Liberty Mutual homeowners policy does not clearly, expressly, or conspicuously abrogate or modify the "made whole" doctrine. Plaintiff Smith has not been fully compensated for his insured and uninsured losses caused by the Lahaina Fires. Upon information and belief, other insureds of Liberty Mutual have not been fully compensated for their insured and uninsured losses caused by the Lahaina Fires.

34. Plaintiff William B. Moffett II was insured by State Farm, Policy No. 91-20-8857-7, attached hereto as Exhibit 4. Mr. Moffett's standard State Farm rental dwelling policy does not clearly, expressly, or conspicuously abrogate or modify the "made whole" doctrine. Plaintiff Moffett has not been fully compensated for his insured and uninsured losses caused by the Lahaina Fires. Upon information and belief, other insureds of State Farm have not been fully compensated for their insured and uninsured losses caused by the Lahaina Fires.

35. Plaintiff Basile was insured by Zephyr, Policy No. HIH0006208, attached hereto as Exhibit 5. Basile's standard homeowners policy with Zephyr does not clearly, expressly, or conspicuously abrogate or modify the "made whole" doctrine, nor does the policy give any relevant contractual subrogation rights to Defendant Zephyr. Plaintiff Basile has not been fully compensated for his insured and uninsured losses caused by the Lahaina Fires. Upon information and belief, other insureds of Zephyr have not been fully compensated for their insured and uninsured losses caused by the Lahaina Fires.

36. Plaintiff Pundy LLC was insured by DB, Policy No. DPP 130023609, relevant excerpts of which are attached hereto as Exhibit 6. Pundy LLC's standard commercial property policy with DB, which uses an ISO form common in the industry, does not clearly, expressly, or conspicuously abrogate or modify the "made whole" doctrine. Plaintiff Pundy LLC has not been

fully compensated for his insured and uninsured losses caused by the Lahaina Fires. Upon information and belief, other insureds of DB have not been fully compensated for their insured and uninsured losses caused by the Lahaina Fires.

COUNT II

(Declaratory Relief on Bad Faith Claim Under Hawaii Law)

37. Plaintiffs reallege and incorporate by reference all preceding allegations.

38. Plaintiffs seek declaratory relief under HRS § 632-1 and HRCP 57. HRS § 632-1

provides:

In cases of actual controversy, courts of record, within the scope of their respective jurisdictions, shall have power to make binding adjudications of right, whether or not consequential relief is, or at the time could be, claimed, and no action or proceeding shall be open to objection on the ground that a judgment or order merely declaratory of right is prayed for . .

Relief by declaratory judgment may be granted in civil cases where an actual controversy exists between contending parties, or where the court is satisfied that antagonistic claims are present between the parties involved which indicate and [sic] inevitable litigation or where in any such case the court is satisfied that a party asserts a legal relation, status, right, or privilege in which the party has a concrete interest and that there is a challenge or denial of the asserted relation, status, right, or privilege by an adversary party who also has or asserts a concrete interest therein, and the court is satisfied also that a declaratory judgment will serve to terminate the uncertainty or controversy giving rise to the proceeding.

39. This case presents an actual controversy between Plaintiffs and Defendants concerning the applicability, scope, nature, and extent of the "made whole" doctrine under Hawaii law.

40. Under Hawaii law, there is a legal duty implied that the insurer must act in good faith in dealing with its insured, and a breach of that duty of good faith gives rise to an independent tort cause of action.

41. Statutory violations of Hawaii's unfair methods of competition and unfair or

deceptive acts or practices law is evidence in support of a common law cause of action for bad faith.

42. Plaintiffs have a right to a declaration by this Court of the following:

a. The "made whole" doctrine applies to all contracts of insurance under Hawaii law, including Plaintiffs' contracts of insurance.

b. Under the "made whole" doctrine, Subrogation Insurer Defendants are barred from seeking subrogation without showing that all insureds covered by the occurrence have been fully compensated for all losses suffered as a result of the occurrence.

c. Under the "made whole" doctrine, Plaintiffs must be fully compensated before Subrogation Insurer Defendants' right to subrogation arises.

d. Under the "made whole" doctrine, Subrogation Insurer Defendants have no standing to bring an independent subrogation action without showing that their insureds, including Plaintiffs, have been fully compensated for losses arising out of the subject occurrence.

e. Under the "made whole" doctrine, Subrogation Insurer Defendants have no standing or right to bring a subrogation action without a legal determination that each Plaintiff has been fully compensated for losses arising out of the subject occurrence.

f. The "made whole" doctrine is not subject to contractual waiver or modification under Hawaii law as a matter of public policy and as an interpretation of HRS § 531:13-103 and other statutory law.

g. To the extent the "made whole" doctrine is subject to contractual waiver or modification under Hawaii law, any such waiver must be clear, conspicuous, and unambiguous.

h. If permitted, to the extent policy coverage in advance does not include contractual subrogation rights or otherwise waive or modify the "made whole" doctrine, any

transfer or assignment of rights to payment made in connection with the payment of any claim that waives or modifies the "made whole" rule violates Hawaii public policy and § 531:13-103(10).

i. The Subrogation Insurer Defendants' subrogation action filed on January 12, 2024 must be dismissed for lack of standing.

j. Under the "made whole" doctrine in the context of a mass catastrophe like the Maui Fires, Subrogation Insurer Defendants may not seek to enforce or recover funds under their subrogation rights unless and until each has shown that all their insureds have been "made whole" for losses as a result of the Maui Fires, i.e. the "occurrence" under their policies and, in the absence of such showing, the Subrogation Insurer Defendants are effectively taking money from one of its insureds.

k. Under the "made whole" doctrine in the context of a mass catastrophe like the Maui Fires, Defendants Subrogation Insurers may not seek to enforce or recover funds under their subrogation rights unless and until all insureds have been "made whole" for their losses.

43. Plaintiffs have a right to a declaration by this Court that the Subrogation Insurer Defendants have acted in bad faith for the following reasons:

a. The "made whole" doctrine applies to all contracts of insurance under Hawaii law, including Plaintiffs' contracts of insurance.

b. In violation of the "made whole" doctrine and HRS § 431:13-103 and § 663-10, Subrogation Insurer Defendants have asserted subrogation recovery rights against each Plaintiff without showing that all insureds covered by the occurrence have been fully compensated for all losses suffered as a result of the occurrence.

c. In violation of the "made whole" doctrine and HRS § 431:13-103 and §

663-10, Subrogation Insurer Defendants have asserted a subrogation action independent of Plaintiffs without showing that their insureds, including Plaintiffs, have been fully compensated for losses arising out of the subject occurrence.

d. In violation of the "made whole" doctrine and HRS § 431:13-103 and § 663-10, Subrogation Insurer Defendants have asserted a subrogation right knowing that their insurance policies either do not waive the made whole rule or do not contain any contractual subrogation right at all.

e. In violation of the "made whole" doctrine and HRS § 431:13-103 and § 663-10, Subrogation Insurer Defendants have asserted a subrogation rights that in substance and effect limit the coverage they have provided to their insured Plaintiffs.

COUNT III

(Bad Faith Claim Under Hawaii Law)

44. Plaintiffs reallege and incorporate by reference all preceding allegations.

45. Each Plaintiff has a contract of insurance with the respective Subrogation Insurer Defendant as alleged herein.

46. Each contract of insurance has an implied covenant of good faith and fair dealing that neither party will deprive the other of the benefits of the agreement.

47. Each contract of insurance imposes a statutory duty of good faith in performance or enforcement of a contract of insurance. HRS § 431:1-102.

48. Each of the Subrogation Insurer Defendants has breached the implied covenant of good faith and fair dealing by the following conduct:

a. The Subrogation Insurer Defendants have sought to recover money paid to their insured Plaintiffs, thereby depriving those Plaintiffs of the benefits of their contracts of

insurance, without investigating whether or showing that Plaintiffs will be fully compensated for their losses.

b. The Subrogation Insurer Defendants have made unreasonable and bad faith misrepresentations by asserting their right to recover 100 percent of payments they made to the Plaintiffs and other insureds.

c. The Subrogation Insurer Defendants' conduct with respect to seeking full recovery under their subrogation rights without showing that their insureds, including Plaintiffs, can or will be fully compensated is not an isolated instance with respect to the Maui Fires, but is part of a pattern and practice of seeking full subrogation regardless of its entitlement, thereby establishing a bad faith subrogation practice that injures their insureds.

d. The Subrogation Insurer Defendants are limited the coverage they are providing to their insureds including Plaintiffs by prioritizing their recovery through subrogation over the recovery available to their insureds, including Plaintiffs, from third party tortfeasors.

49. The Subrogation Insurer Defendants' breach of the covenant of good faith and fair dealing and the statutory duty of good faith has or will cause injury to their insureds, including Plaintiffs.

WHEREFORE, Plaintiffs pray as follows:

- A. That special and general damages be awarded to each Plaintiffs;
- B. That declaratory relief be granted and judgment entered as stated above;
- C. That attorneys fees, interest, and other costs be awarded to Plaintiffs;
- D. That Plaintiffs be given any other relief as this Court deems just.

DATED: July 19, 2024

PANISH | SHEA | RAVIPUDI LLP

By: /s/ Jesse Creed
Jesse Creed
Attorneys for Plaintiffs NELDA PAGDILAO;
AMIR SHEIKHAN; TINA LEUNG; H.
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Attorneys for Plaintiffs

**IN THE CIRCUIT COURT OF THE SECOND CIRCUIT OF THE
STATE OF HAWAII**

NELDA PAGDILAO; AMIR SHEIKHAN;
TINA LEUNG; H. EUGENE SMITH;
WILLIAM B. MOFFETT II; PETER
BASILE; and PUNDY LLC

Plaintiffs,

v.

FIRST INSURANCE COMPANY OF
HAWAII, a Hawaii corporation; ZEPHYR
INSURANCE COMPANY, INC., a Hawaii
corporation; ALLSTATE INSURANCE
COMPANY, an Illinois corporation;
LIBERTY MUTUAL FIRE INSURANCE
COMPANY, a Wisconsin corporation;
STATE FARM FIRE AND CASUALTY
COMPANY, an Illinois corporation; DB
INSURANCE COMPANY, LTD., a Hawaii
corporation,

Defendants.

CIVIL No.
(Other Non-Motor Vehicle Tort – Maui Fire)

DEMAND FOR JURY TRIAL

Plaintiffs NELDA PAGDILAO; AMIR SHEIKHAN; TINA LEUNG; H. EUGENE SMITH; WILLIAM B. MOFFETT II; PETER BASILE, and PUNDY, LLC (the "**Plaintiffs**"), by and through their undersigned attorneys, hereby demand a jury trial on all issues triable by jury.

DATED: July 19, 2024

PANISH | SHEA | RAVIPUDI LLP

By: /s/ Jesse Creed
Jesse Creed
Attorneys for Plaintiffs NELDA PAGDILAO;
AMIR SHEIKHAN; TINA LEUNG; H.
EUGENE SMITH; WILLIAM B. MOFFETT II;
PETER BASILE, and PUNDY, LLC

EXHIBIT 1



PRIVACY NOTICE FOR PERSONAL LINES POLICYHOLDERS

Protection of your private information is a matter of great importance to the First Insurance Company of Hawaii, Ltd. (FICOH) affiliated companies. While the nature of insurance requires that insurance companies periodically gather personal information about you or your employees, FICOH recognizes that access to nonpublic personal financial and health information must be safeguarded. This notice explains our overall commitment to privacy with respect to nonpublic personal financial or health information that FICOH maintains about you and your employees.

WHY WE COLLECT INFORMATION

We collect information about you or your employees that is necessary to review, process or service requests or products, benefits or other services. For example, we may collect nonpublic personal financial and health information to determine eligibility for coverage or benefits under one or more of our products.

THE TYPES OF INFORMATION WE COLLECT

Most of the information we collect is obtained from you, the policyholder, and when required, from your employees. Generally, we request identification information such as name, address, phone number and social security number. Additional information is collected in connection with providing a product or service. We may obtain additional information from our affiliates, such as information about your transactions with them. We may also obtain information from third parties such as the department of motor vehicles, the department of labor, consumer credit reporting agencies, health care providers and health information clearinghouses.

HOW WE DISCLOSE INFORMATION

The information we collect as described above is used to make coverage, service, benefit and other insurance-related decisions. This information is sometimes shared, as permitted by law, with FICOH affiliates and nonaffiliated third parties to carry out daily business functions; review, process or service your products or services; or in connection with product offerings. Examples of nonaffiliated third parties with whom we may share information are insurance agents and brokers; insurance regulatory authorities; claim service administrators engaged by us to adjust, administer, service or process claims and reinsurance companies.

Other than as described above, we do not share your or your employees' personal information with nonaffiliated third parties.

HOW WE PROTECT INFORMATION

FICOH restricts access to information to those employees or service providers who need to know the information in order to provide products or services to you or your employees. We regularly review our security measures and employee education programs to help protect this information and when we share information with nonaffiliated third parties, we require that they have standards to keep this information private.

This privacy policy notice is not in lieu of any other privacy notice issued by any other affiliate, business unit, department or division of FICOH. This privacy policy continues to apply even when your relationship with FICOH has terminated.

WHOM TO CONTACT REGARDING PRIVACY MATTERS

You may contact the FICOH Privacy Unit by mail addressed to FICOH Attn: Compliance Department, PO Box 2866, Honolulu, HI 96803. Please include your name and policy number in any correspondence with us.

THIS NOTICE IS PROVIDED ON BEHALF OF THE FOLLOWING FICOH AFFILIATED COMPANIES:

First Insurance Company of Hawaii, Ltd.

First Indemnity Insurance of Hawaii, Inc.

First Fire and Casualty Insurance of Hawaii, Inc.

First Security Insurance of Hawaii, Inc.



**First Insurance
Company of Hawaii**
A Member of the Tokio Marine Group



TOKIO MARINE GROUP
*To Be a **Good Company***

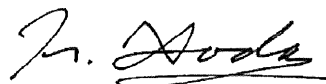
Homeowners Policy

PABLO PAGDILAO
841 KOPILI ST
Lahaina, HI 96761

Business Insurance Services, Inc.
Kurt Otake
2115 Wells Street
Wailuku, HI 96793
808-244-6006

Policy Number: HPX1000115928-26
Effective: 10/01/2022 to 10/01/2023

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless signed by our authorized representative.

A handwritten signature in black ink, appearing to read "J. Hodge". The signature is written in a cursive style with a horizontal line underneath the name.

President



Policy Number HPX1000115928-26	Policy Period From 10/01/2022 To 10/01/2023	Coverage Provided By First Fire and Casualty Insurance of Hawaii Inc.
Renewal of: HPX1000115928-25	12:01 AM Standard Time	Issued: 10/01/2022

Named Insured and Address PABLO PAGDILAO NELDA PAGDILAO 841 KOPILO ST Lahaina, HI 96761	Agency: Business Insurance Services, Inc. Producer: Kurt Otake 2115 Wells Street Wailuku, HI 96793 808-244-6006
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Residence Premises

Residence Premises is located at the above address unless otherwise stated:
841 KOPILO STREET, Lahaina, HI 96761-

Year of Construction	Construction	Territory	Protection Class	Residence
1986	Frame Double Wall (Wood or Steel)	Maui, Molokai, Lanai	5	Owner Occupied

Schedule of Coverages

This policy provides only those coverages where a premium or limit of liability is shown.

Section I Coverage	Limit of Liability	Premium
Coverage A - Dwelling	\$707,309	\$1,906
Coverage B - Other Structures	\$70,731	
Coverage C - Personal Property	\$353,655	
Coverage D - Loss of Use	\$212,193	
Deductible Other Than Hurricane	\$1,000	(\$229)
Section II Coverage	Limit of Liability	Premium
Coverage E - Personal Liability	\$300,000 each occurrence	\$12
Coverage F - Medical Payments to Others	\$1,000 each person	\$0

YOUR POLICY DOES NOT INCLUDE COVERAGE FOR HURRICANE OR FLOOD

Additional Coverages

Coverage	Premium
Equipment Breakdown Endorsement Limit of Liability \$50,000 / Deductible \$500	\$0
Extension of Coverage	\$26
Hurricane Exclusion	(\$575)
Limited Fungi, Wet or Dry Rot, or Bacteria Coverage Section I Limit of Liability \$10,000 Section II Limit of Liability \$50,000	\$0
Optional Inclusion - Hawaii	\$0



**First Insurance
Company of Hawaii**
A Member of the Tokio Marine Group

HOMEOWNERS
Renewal
Declarations

Additional Coverages

Coverage	Premium
Premises Alarm or Fire Protection System	(\$34)

Premium Summary	Premium
Section I Coverage	\$1,677
Section II and Additional Coverages	(\$571)
Total Premium	\$1,106

Additional Interests

Interest	Loan Number
First Mortgagee Institution: PHH MORTGAGE SERVICE ISAOA ATIMA Address: PO BOX 5954 Springfield, OH 45501-5954	7145051244



POLICY FORMS

Form Number	Edition	Title
PL FLYR 00 01	01 20	Privacy Notice For Personal Lines Policyholders
PL FGF 00 01	01 20	Policy Jacket and Execution Clause
HHO 30 00D	01 20	Homeowners Declarations Page
HO 00 03	05 11	Homeowners 3 - Special Form
HHO 05 18	05 11	Hurricane Exclusion - Hawaii
HHO 30 04	01 20	Liquor Liability Exclusion
HO 01 52	02 12	Special Provisions - Hawaii
HHO 30 06	01 20	Equipment Breakdown Endorsement
HO 23 80	05 11	Optional Inclusion - Hawaii
HHO 30 03	01 20	Extension Of Coverage Endorsement
HO 04 16	10 00	Premises Alarm Or Fire Protection System
HO 04 27	05 11	Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage
HO 04 77	10 00	Ordinance Or Law Increased Amount Of Coverage
HPL 00 01	01 20	Certificate of Insurance

If an asterisk (*) appears after the edition date, a copy of the form is attached to the policy. If there is no asterisk, refer to prior policy(ies) for the form.

Nina S. Ota

Vice President

HOMEOWNERS 3 – SPECIAL FORM

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

- A.** In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.
- B.** In addition, certain words and phrases are defined as follows:
- 1.** "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:
 - a.** Liability for "bodily injury" or "property damage" arising out of the:
 - (1) Ownership of such vehicle or craft by an "insured";
 - (2) Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
 - (3) Entrustment of such vehicle or craft by an "insured" to any person;
 - (4) Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
 - (5) Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.
 - b.** For the purpose of this definition:
 - (1) Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
 - (2) Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
 - (3) Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
 - (4) Motor vehicle means a "motor vehicle" as defined in **7.** below.
 - 2.** "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
 - 3.** "Business" means:
 - a.** A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b.** Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4) The rendering of home day care services to a relative of an "insured".
 - 4.** "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".
 - 5.** "Insured" means:
 - a.** You and residents of your household who are:
 - (1) Your relatives; or
 - (2) Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;
 - b.** A student enrolled in school full-time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (1) 24 and your relative; or

- (2) 21 and in your care or the care of a resident of your household who is your relative; or
- c. Under Section II:
 - (1) With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person described in 5.a. or b. "Insured" 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 a "motor vehicle" to which this policy applies:
 - (a) Persons while engaged in your employ or that of any person described in 5.a. or b.; or
 - (b) Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

- 6. "Insured location" means:
 - a. The "residence premises";
 - b. The part of 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 premises described in a. and b. above;
 - d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an "insured";
 - f. Land owned by or rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured";

- g. Individual or family cemetery plots or burial vaults of an "insured"; or
- h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
- 7. "Motor vehicle" means:
 - a. A self-propelled land or amphibious vehicle; or
 - b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in a. above.
- 8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
 - a. "Bodily injury"; or
 - b. "Property damage".
- 9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
- 10. "Residence employee" means:
 - a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.
- 11. "Residence premises" means:
 - a. The one-family dwelling where you reside;
 - b. The two-, three- or four-family dwelling where you reside in at least one of the family units; or
 - c. That part of any other building where you reside;

and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:
 - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
 - b. 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".
2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures from which any "business" is conducted; or
 - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

2. Limit For Property At Other Locations

a. Other Residences

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

- (1) Moved from the "residence premises" because it is:
 - (a) Being repaired, renovated or rebuilt; and
 - (b) Not fit to live in or store property in; or
- (2) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

b. Self-storage Facilities

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

- (1) Moved from the "residence premises" because it is:
 - (a) Being repaired, renovated or rebuilt; and
 - (b) Not fit to live in or store property in; or
- (2) Usually located in an "insured's" residence, other than the "residence premises".

3. Special Limits Of Liability

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 Coverage C limit of liability.

- a. \$200 on 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.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories 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.
- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- j. \$1,500 on portable electronic equipment that:
 - (1) Reproduces, receives or transmits audio, visual or data signals;

- (2) Is designed to be operated by more than one power source, one of which is a "motor vehicle's" electrical system; and

- (3) Is in or upon a "motor vehicle".

- k. \$250 for antennas, tapes, wires, records, disks or other media that are:

- (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and

- (2) In or upon a "motor vehicle".

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;

- b. Animals, birds or fish;

- c. "Motor vehicles".

This includes a "motor vehicle's" equipment and parts. However, this Paragraph 4.c. does not apply to:

- (1) Portable electronic equipment that:

- (a) Reproduces, receives or transmits audio, visual or data signals; and

- (b) Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.

- (2) "Motor vehicles" not required to be registered for use on public roads or property which are:

- (a) Used solely to service a residence; or

- (b) Designed to assist the handicapped;

- d. Aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;

- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;

- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";

- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in **E.10.** Landlord's Furnishings under Section **I** – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.

We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;
- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in **E.6.** Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section **I** – Property Coverages; or
- k. Water or steam.

D. Coverage D – Loss Of Use

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

1. Additional Living Expense

If a loss covered under Section **I** makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under Section **I** makes that part of the "residence premises" rented to others or held for rental by you 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 time required to repair or replace such premises.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in **1.** Additional Living Expense and **2.** Fair Rental Value above for no more than two weeks.

4. Loss Or Expense Not Covered

We do not cover loss or expense due to cancellation of a lease or agreement.

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

E. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of:

- (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit is available for such expense.

b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your trees felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's trees felled by a Peril Insured Against under Coverage **C**;

provided the trees:

- (3) Damage a covered structure; or
- (4) Do not damage a covered structure, but:
 - (a) Block a driveway on the "residence premises" which prevents a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or

- (b) Block a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$1,000 limit is the most we will pay in any one loss, regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This 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 C.4. under Section I – Conditions.

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

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

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

We will pay up to \$500 for 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 Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

a. We will pay up to \$500 for:

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

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.

This coverage is additional insurance. No deductible applies to this coverage.

- b. We do not cover:
 - (1) Use of a credit card, electronic fund transfer card or access device:
 - (a) By a resident of your household;
 - (b) By a person who has been entrusted with either type of card or access device; or
 - (c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or
 - (2) Loss arising out of "business" use or dishonesty of an "insured".
- c. If the coverage in a. above applies, the following defense provisions also apply:
 - (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
 - (2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.
 - (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.

7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:
 - (1) Earthquake; or
 - (2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph Q. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Additional Coverage – Collapse, abrupt 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 intended purpose.
- c. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by one or more of the following:
 - (1) The Perils Insured Against named under Coverage C;
 - (2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
 - (3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or

- (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- e. 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 d.(2) through (6) above, unless the loss is a direct result of the collapse of a building or any part of a building.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

9. Glass Or Safety Glazing Material

- a. We cover:
 - (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
 - (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
 - (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.
- b. This coverage does not include loss:
 - (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in a.(3) above; or
 - (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in a.(2) above. A dwelling being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C, other than Theft.

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

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

11. Ordinance Or Law

- a. You may use up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.

- c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

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.

This coverage is additional insurance.

12. Grave Markers

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

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

SECTION I – PERILS INSURED AGAINST

A. Coverage A – Dwelling And Coverage B – Other Structures

1. We insure against direct physical loss to property described in Coverages A and B.

2. We do not insure, however, for loss:

- a. Excluded under Section I – Exclusions;
- b. Involving collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;

except as provided in E.8. Collapse under Section I – Property Coverages; or

c. Caused by:

- (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if 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.

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.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

(2) 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) 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;

(3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;

(4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

(5) Mold, fungus or wet rot. However, we do insure for loss caused by mold, fungus or wet rot that is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:

- (a) A plumbing, heating, air conditioning or automatic fire protective sprinkler system, or a household appliance, on the "residence premises"; or
- (b) A storm drain, or water, steam or sewer pipes, off the "residence premises".

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment; or

(6) Any of the following:

- (a)** Wear and tear, marring, deterioration;
- (b)** Mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;
- (c)** Smog, rust or other corrosion, or dry rot;
- (d)** Smoke from agricultural smudging or industrial operations;
- (e)** Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under Coverage C.

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;
- (f)** Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
- (g)** Birds, rodents or insects;
- (h)** Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or
- (i)** Animals owned or kept by an "insured".

Exception To c.(6)

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage A or B resulting from an accidental discharge or overflow of water or steam from within a:

- (i)** Storm drain, or water, steam or sewer pipe, off the "residence premises"; or

- (ii)** Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

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

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

Section I – Exclusion A.3. Water, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under c.(5) and (6) above.

Under 2.b. and c. above, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

B. Coverage C – Personal Property

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

- 1. Fire Or Lightning**
- 2. Windstorm Or Hail**

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

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

3. Explosion

4. Riot Or Civil Commotion

5. Aircraft

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

9. Theft

- a. This peril includes attempted theft and loss of property from a known place when it is likely that the property has been stolen.
- b. This peril does not include loss caused by theft:
 - (1) Committed by an "insured";
 - (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
 - (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or
 - (4) That occurs off the "residence premises" of:
 - (a) Trailers, semitrailers and campers;
 - (b) Watercraft of all types, and their furnishings, equipment and outboard engines or motors; or
 - (c) Property while at any other residence owned by, rented to, or occupied by an "insured", except while an "insured" is temporarily living there. Property of an "insured" who is a student is covered while at the residence the student occupies to attend school as long as the student has been there at any time during the 90 days immediately before the loss.

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;
 - (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
 - (4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I – Exclusion A.3. Water, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, but only if you have used reasonable care to:
- (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain all systems and appliances of water.

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.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that is a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

- A. 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 sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **A.1.a.** does not apply to the amount of coverage that may be provided for in **E.11**. Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or

- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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.

This Exclusion **A.1.** applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting.

This Exclusion **A.2.** applies regardless of whether any of the above, in **A.2.a.** through **A.2.d.**, is caused by an act of nature or is otherwise caused.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.2.a.** through **A.2.d.**, is covered.

3. Water

This means:

- 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 which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- c. 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
- d. Waterborne material carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this exclusion.

This Exclusion **A.3.** applies regardless of whether any of the above, in **A.3.a.** through **A.3.d.**, is caused by an act of nature or is otherwise caused.

This Exclusion **A.3.** 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.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.3.a.** through **A.3.d.**, is covered.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a. 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.

7. Nuclear Hazard

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in **N.** Nuclear Hazard Clause under Section I – Conditions.

8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

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

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **A**, **B** or **C** by order of any governmental or public authority.

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

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

1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A.** 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, 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".

SECTION I – CONDITIONS

A. Insurable Interest And Limit Of Liability

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

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

B. Deductible

Unless otherwise noted in this policy, the following deductible provision applies:

With respect to any one loss:

1. Subject to the applicable limit of liability, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.
2. If two or more deductibles under this policy apply to the loss, only the highest deductible amount will apply.

C. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages;
4. 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;
5. Cooperate with us in the investigation of a claim;
6. 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;
7. 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 another "insured", and sign the same;
8. 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 interests of all "insureds" 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 **6.** above;

- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money** under Section I – Property Coverages, stating the amount and cause of loss.

D. Loss Settlement

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.11. Ordinance Or Law** under Section I – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building.If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.

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

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

c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:

- (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
- (2) Those supports described in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (3) Underground flues, pipes, wiring and drains.

d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in 2.a. and b. above.

However, if the cost to repair or replace the damage is both:

- (1) Less than 5% of the amount of insurance in this policy on the building; and
- (2) Less than \$2,500;

we will settle the loss as noted in 2.a. and b. above whether or not actual repair or replacement is complete.

e. You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition D. Loss Settlement, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

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 to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

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

Each party will:

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

G. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. 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.

H. Suit Against Us

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

I. 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.

J. 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:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

K. Abandonment Of Property

We need not accept any property abandoned by an "insured".

L. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs F. Appraisal, H. Suit Against Us and J. Loss Payment under Section I – Conditions also apply to the mortgagee.
3. 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.

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

- a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. 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.

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

M. 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.

N. Nuclear Hazard Clause

1. "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.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

O. 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.

P. Volcanic Eruption Period

One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

Q. Policy Period

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

R. Concealment Or Fraud

We provide coverage to no "insureds" under this policy 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.

S. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, the definition of "insured" 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.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

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

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

B. Coverage F – Medical Payments To Others

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

1. To a person on the "insured location" with the permission of an "insured"; or

2. To a person off the "insured location", if the "bodily injury":

- a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
- b. Is caused by the activities of an "insured";
- c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
- d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS

A. "Motor Vehicle Liability"

1. Coverages E and F do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion A.1. does not apply, there is still no coverage for "motor vehicle liability", unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used solely to service a residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
 - d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or

- (2) Owned by an "insured" provided the "occurrence" takes place:
 - (a) On an "insured location" as defined in Definition **B.6.a., b., d., e. or h.**; or
 - (b) Off an "insured location" and the "motor vehicle" is:
 - (i) Designed as a toy vehicle for use by children under seven years of age;
 - (ii) Powered by one or more batteries; and
 - (iii) Not built or modified after manufacture to exceed a speed of five miles per hour on level ground;
- e. A motorized golf cart that is owned by an "insured", designed to carry up to four persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
 - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (c) Cross public roads at designated points to access other parts of the golfing facility; or
 - (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.
- d. Used for any "business" purpose.
- 2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
 - a. Is stored;
 - b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
 - c. Is not a sailing vessel and is powered by:
 - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
 - (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or
 - (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - (i) You declare them at policy inception; or
 - (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

B. "Watercraft Liability"

- 1. Coverages **E** and **F** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

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

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured", even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity or property than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force by an "insured" to protect persons or property;

2. "Business"

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion **E.2.** 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".

- b. This Exclusion **E.2.** does not apply to:

- (1) The rental or holding for rental of an "insured location";
 - (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; or
 - (c) In part, as an office, school, studio or private garage; and
- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

4. "Insured's" Premises Not An "Insured Location"

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

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

5. War

"Bodily injury" or "property damage" 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;

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

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

8. Controlled Substance

"Bodily injury" or "property damage" 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. However, 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.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's" Premises Not An "Insured Location" 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".

F. Coverage E – Personal Liability

Coverage E does not apply to:

1. Liability:
 - a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in D. Loss Assessment under Section II – Additional Coverages;
 - b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence";unless excluded in a. above or elsewhere in this policy;
2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";
3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
5. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada;or any of their successors; or

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

6. "Bodily injury" to you or an "insured" as defined under Definition 5.a. or b.

This exclusion also applies to any claim made or suit brought against you or an "insured" to:

- a. Repay; or
- b. Share damages with; another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

Coverage F does not apply to "bodily injury":

1. To a "residence employee" if the "bodily injury":
 - a. Occurs off the "insured location"; and
 - b. Does not arise out of or in the course of the "residence employee's" employment by an "insured";
2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
3. From any:
 - a. Nuclear reaction;
 - b. Nuclear radiation; or
 - c. Radioactive contamination;all whether controlled or uncontrolled or however caused; or
- d. Any consequence of any of these; or
4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the 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 more than 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. 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.

B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
2. We will not pay for "property damage":
 - a. To the extent of any amount recoverable under Section I;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;
 - c. To property owned by an "insured";
 - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
 - e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".
 This Exclusion e.(3) does not apply to a "motor vehicle" that:
 - (a) Is designed for recreational use off public roads;
 - (b) Is not owned by an "insured"; and
 - (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
 - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. 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.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II – CONDITIONS

A. Limit Of Liability

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

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

B. Severability Of Insurance

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

C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. With respect to **C. Damage To Property Of Others under Section II – Additional Coverages**, submit to us within 60 days after the loss a sworn statement of loss and show the damaged property, if in an "insured's" control;
6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

D. Duties Of An Injured Person – Coverage F – Medical Payments To Others

1. The injured person or someone acting for the injured person 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 exam by a doctor of our choice when and as often as we reasonably require.

E. Payment Of Claim – Coverage F – Medical Payments To Others

Payment under this coverage is not an admission of liability by an "insured" or us.

F. Suit Against Us

1. No action can be brought against us unless there has been full compliance with all of the terms under this Section II.
2. No one will have the right to join us as a party to any action against an "insured".
3. Also, no action with respect to Coverage E can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured"

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

H. 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.

I. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

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

SECTIONS I AND II – CONDITIONS

A. Liberalization Clause

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this policy; or
2. An amendatory endorsement.

B. 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.

C. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the 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:
 - (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. 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 returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. 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.

E. Assignment

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

F. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Coverage F or Paragraph C. Damage To Property Of Others under Section II – Additional Coverages.

G. Death

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

1. 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

2. "Insured" includes:

a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence 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.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HURRICANE EXCLUSION - HAWAII

This endorsement must be attached to all policies.

For the premium charged, the following is added:

A. Section I - Exclusions

The following is added. In Forms **HO 00 03** and **HO 00 05**, it is added to Paragraph **A**.

Hurricane

We do not insure for loss caused directly or indirectly by a hurricane, including windstorm during a hurricane, meaning:

A storm or storm system that has been declared and defined by the Central Pacific Hurricane Center of the National Weather Service, to be a hurricane. As applied to each island in the State of Hawaii, under this policy, a **hurricane** will be deemed to exist for the duration:

1. Beginning at the time a hurricane watch or warning is issued for a particular island by the Central Pacific Hurricane Center of the National Weather Service; and
2. Ending 72 hours following the cancellation of the hurricane watch or warning for the particular island by the Central Pacific Hurricane Center of the National Weather Service.

Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss unless loss by:

1. Fire;
2. Explosion;
3. Riot or civil commotion;
4. Vandalism or malicious mischief; or
5. Theft;

ensues and then we will pay only for the ensuing loss.

B. Policy Provisions Amended

With respect to loss caused by hurricane, the following policy provisions are amended:

SECTION I – ADDITIONAL COVERAGES

For all forms, Paragraph 1. **Debris Removal** is replaced by the following:

1. Debris Removal

We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$1,000 in the aggregate, for the removal from the residence premises of:

- a. Your trees felled by the peril of Windstorm Or Hail, except Hurricane as defined in **A. Section I – Exclusions** in this endorsement, or Weight of Ice, Snow or Sleet (Forms **HO 00 02, HO 00 03, HO 00 04** and **HO 00 06** only); or
- b. A neighbor's trees felled by a Peril Insured Against under Coverage **C**;
provided the trees;
- c. Damage to a covered structure; or
- d. Do not damage a covered structure; but:
 - (1) Block a driveway on the "residence premises" which prevents a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
 - (2) Block a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

For Form **HO 00 05** under **E. Additional Coverages**, Paragraph **10.b. Windstorm Or Hail** is replaced by the following:

- b. Windstorm Or Hail, other than a hurricane as defined in **A. Section I - Exclusions** in this endorsement.
This peril does not include loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard motors, only while in a fully enclosed building.

SECTION I – PERILS INSURED AGAINST

FORMS HO 00 02, HO 00 04, HO 00 06 AND HO 00 08

Paragraph **2. Windstorm Or Hail** is replaced by the following:

- 2. Windstorm Or Hail, other than a hurricane as defined in **A. Section I – Exclusions** in this endorsement.
This peril does not include loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.
This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard motors, only while in a fully enclosed building.

FORM HO 00 03

Under Paragraph **A. Coverage A – Dwelling And Coverage B – Other Structures**, Paragraph **2.c.(2)** is replaced by the following:

- (2) Freezing, thawing, pressure or weight of water or ice, whether or not driven by wind, or by hurricane as defined in **A. Section I – Exclusions** in this endorsement, 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;

Under Paragraph, **B. Coverage C – Personal Property**, Paragraph **2. Windstorm Or Hail** is replaced by the following:

- 2. Windstorm Or Hail, other than a hurricane as defined in **A. Section I – Exclusions** in this endorsement.
This peril does not include loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing and opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

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

FORM HO 00 05

Paragraph **A.2.b.** is replaced by the following:

- b. Freezing, thawing, pressure or weight of water or ice, whether or not driven by wind, or by hurricane as defined in **A. Section I – Exclusions** in this endorsement, to a:
 - (1) Fence, pavement, patio or swimming pool;
 - (2) Footing, foundation, bulkhead, wall or any other structure or device, that supports all or part of a building or other structure;
 - (3) Foundation, retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (4) Pier, wharf or dock;

Paragraph **C.1.a.** is replaced by the following:

- a. Fire, lightning, hail, windstorm other than hurricane as defined under **A. Section I – Exclusions** in this endorsement;

SECTION I – EXCLUSIONS

Paragraph **3. Water Damage** is replaced by the following:

3. Water:

This means:

- 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, or hurricane as defined in **A. Section I – Exclusions** in this endorsement, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- c. 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
- d. Waterborne material carried or otherwise moved by any of the water referred to in **3.a.** through **3.c.** of this exclusion.

This Exclusion **3.** applies regardless of whether any of the above, in **3.a.** through **3.d.**, is caused by an act of nature or is otherwise caused.

This Exclusion **3.** 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.

However, direct loss by fire, explosion or theft resulting from any of the above, in **3.a.** through **3.d.**, is covered.

(This is **A.3.** in Forms **HO 00 03** and **HO 00 05.**)

- C. The following optional endorsements are amended, as follows, if made part of this policy:

Endorsement **HO 05 24** Special Personal Property Coverage

Under the **Section I – Perils Insured Against** provisions in Endorsement **HO 05 24** describing Coverage **C** losses which are not insured, Paragraph **2.b.** is replaced by the following:

- b. Freezing, thawing, pressure or weight of water or ice, whether or not driven by wind, or by hurricane as defined in **A. Section I – Exclusions** in this endorsement, to a:
 - (1) Fence, pavement, patio or swimming pool;
 - (2) Footing, foundation, bulkhead, wall or any other structure or device that supports all or part of a building or other structure;

- (3) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
- (4) Pier, wharf or dock;

Paragraph **2.e.(1)** is replaced by the following:

- (1) Fire, lightning, hail, windstorm other than hurricane as defined under **A. Section I – Exclusions** in this endorsement;

Endorsement **HO 17 31** Unit-Owners Coverage **C**, Special Coverage

Under the **Section I – Perils Insured Against** provisions in Endorsement **HO 17 31** describing Coverage **C** losses which are not insured, Paragraph **3.b.** is replaced by the following:

- b. Freezing, thawing, pressure or weight of water or ice, whether or not driven by wind, or by hurricane as defined in **A. Section I – Exclusions** in this endorsement, to a:
 - (1) Fence, pavement, patio or swimming pool;
 - (2) Footing, foundation, bulkhead, wall, or any other structure or device, that supports all or part of a building or other structure;
 - (3) Retaining wall or bulkhead that does not support all or part of a building or other structure; or
 - (4) Pier, wharf or dock;

Endorsement **HO 17 32** Unit-Owners Coverage **A**, Special Coverage

Under the **Section I – Perils Insured Against** provisions in Endorsement **HO 17 32** describing Coverage **A** losses which are not insured Paragraph **2.c.(2)** is replaced by the following:

- (2) Freezing, thawing, pressure or weight of water or ice, whether or not driven by wind, or by hurricane as defined in **A. Section I – Exclusions** in this endorsement, 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;

All other provisions of this policy apply.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIQUOR LIABILITY EXCLUSION

SECTION II – EXCLUSIONS

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

The following exclusion is added:

Liquor Liability

- a. "Bodily injury" or "property damage" for which any "insured" may be held liable by reason of:
 - (1) Causing or contributing to the intoxication of any person;
 - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – HAWAII

DEFINITIONS

Paragraph **A.** is replaced by the following:

A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and:

1. The spouse; or
2. A partner who has entered into a civil union, recognized under Hawaii law, with the "named insured";

if a resident of the same household. "We", "us" and "our" refer to the company providing this insurance.

The following definition is added:

"Domestic abuse", as used in this endorsement, means:

1. Physical harm, bodily injury, assault or the infliction of fear of imminent physical harm, bodily injury or assault between family members;
2. Sexual assault of one family or household member by another;
3. Stalking of one family or household member by another family or household member; or
4. Intentionally, knowingly or recklessly causing damage to property so as to intimidate or attempt to control the behavior of another family or household member.

SECTION I – EXCLUSIONS

Paragraph **8. Intentional Loss** is replaced by the following:

8. Intentional Loss

a. Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

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

b. However, this exclusion will not apply to deny an "insured's" claim for an otherwise covered property loss if such loss is caused by an act of "domestic abuse" by another "insured" under the policy, and the "insured" making claim:

- (1) Files a police report and cooperates with any law enforcement investigation relating to the act of "domestic abuse"; and

(2) Did not cooperate in or contribute to the creation of the loss.

c. If we pay a claim pursuant to Paragraph **8.b.**, our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the limit of liability.

(This is Exclusion **A.8.** in Forms **HO 00 03** and **HO 00 05.**)

SECTION I – CONDITIONS

LOSS SETTLEMENT

In Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, Paragraph **2.d.** is replaced by the following:

d. We will pay no more than the actual cash value of the damage unless:

- (1) Actual repair or replacement is complete; or
- (2) The cost to repair or replace the damage is both:
 - (a) Less than 5% of the amount of insurance in this policy on the building; and
 - (b) Less than \$2,500.

Paragraph **J. Loss Payment** is replaced by the following:

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of final judgment; or
3. There is a filing of an appraisal award with us.

Paragraph **R. Concealment Or Fraud** is replaced by the following:

R. Concealment Or Fraud

With respect to all "insureds" covered under this policy, concealment or misrepresentation, whether made before or after a loss, shall prevent recovery if it:

1. Was made with actual intent to deceive; or

2. Materially affects either the acceptance of the risk or the hazard assumed by us.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

Paragraph 1. is replaced by the following in all forms and in Endorsements **HO 24 73** and **HO 24 82**:

1. Pay up to our limit of liability for the damages for which the "insured" is legally liable; and

Paragraph 1. is replaced by the following in Endorsement **HO 24 10**:

1. Pay for the damages for which an "insured" is legally liable, subject to the Aggregate Limit Of Liability, as shown in the Schedule and described in Section II – Conditions, A. Aggregate Limit Of Liability; and

SECTION II – CONDITIONS

Paragraph **A. Limit Of Liability** is replaced by the following:

A. Limit Of Liability

1. Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** Limit Of Liability shown in the Declarations. 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. Sublimit Of Liability

Subject to Paragraph 1. above, our total liability under Coverage **E** for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sublimit is within, but does not increase, the Coverage **E** limit of liability.

3. The limit of liability in 1. above and sublimit in 2. above apply regardless of the number of "insureds", claims made or persons injured.
4. Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** Limit Of Liability shown in the Declarations.

5. This condition (A.) does not apply with respect to damages arising out of "fungi", wet or dry rot, or bacteria when Endorsement **HO 04 26**, **HO 04 27** or **HO 04 28** is attached.

Paragraph **J. Concealment Or Fraud** is replaced by the following:

J. Concealment Or Fraud

Concealment or misrepresentation by an "insured" covered under this policy, whether made before or after a loss, shall prevent recovery if it:

1. Was made with actual intent to deceive; or
2. Materially affects either the acceptance of the risk or the hazard assumed by us.

SECTIONS I AND II – CONDITIONS

C. Cancellation

Paragraph 3. is replaced by the following:

3. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our short rate procedure. When we cancel, the return premium will be pro rata.

F. Subrogation

The following is added:

If we pay an "insured" who is a victim of "domestic abuse" for a loss caused by an act of "domestic abuse", the rights of that "insured" to recover damages from the perpetrator of the abuse are transferred to us to the extent of our payment. That "insured" may not waive such rights to recover against the perpetrator of the "domestic abuse".

Paragraph **G. Death** is replaced by the following:

G. Death

If any person named in the Declarations or:

1. The spouse; or
2. A partner who has entered into a civil union, recognized under Hawaii law, with the "named insured";

if a resident of the same household, dies, the following apply:

1. 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

2. "Insured" includes:

- a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence 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.

All other provisions of this policy apply.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENDORSEMENT

As respects this Equipment Breakdown Endorsement, we will provide insurance as described in this endorsement for coverages provided by the:

HOMEOWNERS HO 00 03 – SPECIAL FORM
HOMEOWNERS HO 00 04 – CONTENTS BROAD FORM
HOMEOWNERS HO 00 05 – COMPREHENSIVE FORM
HOMEOWNERS HO 00 06 – UNIT – OWNERS FORM

A. Equipment Breakdown Coverage

1. With regard to Coverage **A** – Dwelling, Coverage **B** – Other Structures, and Coverage **C** – Personal Property, the following is added to PERILS INSURED AGAINST: We will pay for direct physical loss to Covered Property caused by a "breakdown" to "covered equipment".
2. With regard to Coverage **D** – Loss of Use, such coverage is extended to include loss caused by a "breakdown" to "covered equipment".

B. Equipment Breakdown Coverage Extension

With respect to coverage provided by this endorsement, we provide the following additional coverage for loss caused by or resulting from a "breakdown" to "covered equipment". The limits of insurance for these Coverage Extensions are part of, not in addition to, the limit applicable to this endorsement as shown in paragraph **1** of **E. Limit of Liability**.

1. **Pollutants** – We will pay for the additional cost to repair or replace covered property because of contamination by "pollutants". This includes the additional expenses to clean up or dispose of such property. We will also pay the cost to extract "pollutants" from land or water on the "insured location".

Additional costs mean those in excess of what would have been required to repair or replace damage to covered property had no "pollutants" been involved.

The most we pay for loss, damage, or expense under this Coverage Extension, is \$10,000.

2. **Sump Overflow Coverage Extension** – We will pay for direct physical loss to covered property caused by or resulting from the overflow of water or waterborne material from a sump if such overflow is the result of a "breakdown" to "covered equipment" that is a sump pump or any other "covered equipment" necessary to operate that sump pump.

We will not pay for any loss or damage under this Coverage Extension if such loss, damage, or damage is covered elsewhere by the policy, regardless of any applicable deductible, or whether you can collect on it or not.

This coverage extension applies despite paragraph **3.b.** of the water damage exclusion.

3. **Expediting Costs** – With respect to direct physical loss to covered property, we will pay the reasonable extra cost you necessarily incur to:
 - a. make temporary repairs or to; or
 - b. expedite the permanent repairs or replacement of;
the damaged property.

C. Equipment Breakdown Exclusions

With regard to the coverage provided by this endorsement only, the following exclusion applies in addition to the Exclusions found elsewhere in this policy:

We will not pay for a "breakdown" caused directly or indirectly by or resulting from any of the following: fire; lightning; windstorm; hail; explosion; riot or civil commotion; vehicles; smoke; vandalism or malicious mischief; theft; falling objects; weight of ice, snow or sleet; freezing; water or steam; or collapse. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area. However, we will pay for a "breakdown" to "covered equipment" if fire; explosion; riot or civil commotion; vehicles; smoke; vandalism or malicious mischief; or theft occurs away from the "residence premises" shown in the declarations and causes an electrical surge or other electrical disturbance that comes through utility transmission lines.

D. Conditions

The following provision applies to the coverage provided by this endorsement in addition to the Loss Settlement Condition:

New Generation. If "covered equipment" cannot be repaired if the cost to repair is more than the cost to replace, the following provision may be chosen:

If you want to replace damaged "covered equipment" with materials that are safer, conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact, we will pay up to 50% more than "covered equipment" of like kind and quality would have cost at the time of the "breakdown" including such costs required to attain green or other environmental certifications.

E. Limit of Liability

1. The most we will pay for a loss covered under this endorsement is \$50,000. This amount is part of, not in addition to, the applicable Limit of Liability shown in the Declarations.
2. The most we will pay for loss involving the spoilage of perishable property is \$10,000. This amount is part of, not in addition to, the amount in **E.1.** above.

F. Deductible

Subject to the Limit of Liability in **E.** above, we will only pay that part of the total for all loss payable under this endorsement that exceeds the \$500 deductible.

G. Definitions. The following definitions apply in addition to other definitions found elsewhere in the policy.

1. "Breakdown"

- a. "Breakdown" means a fortuitous event that causes direct physical damage to "covered equipment" caused by the following:

- (1) Electrical failure caused by artificially generated electric current, including arcing;
- (2) Failure of pressure or vacuum equipment; or
- (3) Mechanical failure including rupture or bursting caused by centrifugal force;

At the time the "breakdown" occurs, it must manifest itself by physical damage to the "covered equipment" that necessitates repair or replacement.

- b. "Breakdown" does not mean:

- (1) Defects, erasures, errors, limitations or viruses in "computer equipment", "data", "media" and/or programs including the inability to recognize and process any date or time or provide instructions to "covered equipment". However, if a "breakdown" to "covered equipment" ensues, we will pay the ensuing loss or damage not otherwise excluded;
- (2) Functioning of any safety or protective device;
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection; or
- (4) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification.

2. "Computer Equipment" means:

- a. Your programmable electronic equipment that is used to store, retrieve and process data; and

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- b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

It does not include "data" or "media".

3. "Covered Equipment"

- a. "Covered equipment" means and includes any:

- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
- (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; or
- (3) Communication equipment and "computer equipment"; or
- (4) Fiber optics; or
- (5) Outside yard maintenance equipment with power measuring equal to or less than 25hp, including but not limited to lawn mowers, garden tractors, snow removal equipment, weed whackers, chain saws, log splitters, wood chippers and blowers.

- b. "Covered equipment" does not mean or include any:

- (1) "Media";
- (2) Insulating or refractory material;
- (3) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
- (4) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including well casing;
- (5) Motor vehicle, tractor or watercraft, including any "covered equipment" mounted on or used solely with any motor vehicle, tractor or watercraft;
- (6) Outside yard maintenance equipment with power measuring greater than 25hp, including but not limited to lawn mowers, garden tractors, snow removal equipment, weed whackers, chain saws, log splitters, wood chippers and blowers; or
- (7) Excavation or construction equipment including any "covered equipment" mounted on or used solely with any excavation or construction equipment.

4. "Data" means:

- a. Programmed and recorded material stored on "media" and
- b. Programming records used for electronic data processing, or electronically controlled equipment.

5. "Media" means electronic data processing or storage material such as films, tapes, discs, drums or cells. However, "media" does not include any hard disc drive that is an internal component of "computer equipment".

- H. If a loss covered under this EQUIPMENT BREAKDOWN ENDORSEMENT is also covered elsewhere in this policy, the coverage provided by this EQUIPMENT BREAKDOWN ENDORSEMENT is excess over any amount covered elsewhere in this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OPTIONAL INCLUSION – HAWAII

SECTION I – CONDITIONS

D. Loss Settlement

Paragraph 2.f. is added:

- f. Buildings shall include cooking, heating, refrigerating, cooling, ventilating, washing and drying appliances, and floor coverings cemented to the floor.

All other provisions of this policy apply.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENSION OF COVERAGE ENDORSEMENT

For an additional premium, your policy is amended as described below.

SECTION I – PROPERTY COVERAGES

C. Coverage C – Personal Property

1. Covered Property

The following paragraph is added:

We will pay, up to \$1,000 in any one loss, for loss to personal property, away from the "residence premises" or any other location owned, rented, occupied or controlled by an "insured" caused by:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Flood (meaning only the overflow of streams or other bodies of water); or
- c. Collision, upset or overturn of a land vehicle or watercraft transporting such property.

3. Special Limits Of Liability

Paragraph e. is replaced by the following:

All policy forms except form **HO 00 05** – Comprehensive Form and **HO 00 08** – Modified Coverage Form attached:

- e. \$2,000 for loss by theft or jewelry, watches, furs, precious and semi-precious stones, but not more than \$1,000 for any one such article.

Form **HO 00 05** – Comprehensive Form attached:

- e. \$2,000 for loss by theft, misplacing or losing of jewelry, watches, furs, precious or semi-precious stones, but not more than \$1,000 for any one such article.

D. Coverage D – Loss Of Use

The following is added to this section:

If the "residence premises" becomes not fit to live in because of loss of heat, light, electrical power or gas at the "residence premises" resulting from an off-premises interruption of such utilities, we cover the Additional Living Expense or Fair Rental value loss as provided under **1.** and **2.** above, for up to one week, beginning 48 hours after loss of use begins. The off-premises interruption of utilities must be the result of direct damage by a Peril Insured Against in this policy.

E. Additional Coverages

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

The limit of liability for this coverage is increased from \$500 to \$1,500.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

The limit of liability for Coverage E – Personal Liability shown in the Declarations is increased by \$100,000.

B. Coverage F – Medical Payments To Others

The limit of liability for Coverage F – Medical Payments shown in the Declarations is increased by \$1,000.

SECTION II – EXCLUSIONS

B. "Watercraft Liability"

Exclusion **2.c.(2) (b), (c), and (d)** is replaced by the following:

- (b) More than 50 horsepower if the outboard engine or motor is not owned by an "insured"
- (c) More than 50 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or
- (d) More than 50 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - (i) You declare them at policy inception; or
 - (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

F. Coverage E – Personal Liability

Exclusion 3. is replaced by the following:

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

PERSONAL INJURY COVERAGE

Coverage E – Personal Liability is extended to cover damages because of "personal injury". The definition of "bodily injury" is amended to include "personal injury".

DEFINITION

"Personal injury" means injury arising out of one or more of the following offenses, but only if the offense was committed during the policy period:

- 1. False arrest, detention or imprisonment;
- 2. Malicious prosecution;
- 3. The wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- 4. Oral or written publication, in any manner, of material that violates a person's right of privacy.

"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.

However, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

SECTION II – LIABILITY COVERAGES

A. Coverage E – Personal Liability

The following is added to **Coverage E – Personal Liability**

Personal Injury Coverage

If a claim is made or suit is brought against an "insured" for damages resulting from an offense, defined under "personal injury", to which this coverage applies, we will:

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

SECTION II – EXCLUSIONS

With respect to the coverage provided by this endorsement, **Section II – Exclusions** is replaced by the following:

This insurance does not apply to:

- 1. "Personal injury":
 - a. Caused by or at the direction of an "insured" with the knowledge that the act would violate the rights of another and would inflict "personal injury";
 - b. Arising out of oral or written publication of material, if done by or at the direction of an "insured" with knowledge of its falsity;

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- c. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- d. Arising out of a criminal act committed by or at the direction of an "insured";
- e. Arising out of liability assumed by an "insured" under any contract or agreement except any indemnity obligation assumed by an "insured" under a written contract directly relating to the ownership, maintenance or use of the premises;
- f. Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an "insured";
- g. Arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured". 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:

- (1) The rental or holding for rental of an "insured location";
 - (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; or
 - (c) In part, as an office, school, studio or private garage; and
 - (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;
 - h. Arising out of civic or public activities performed for pay by an "insured";
 - i. To you or an "insured" as defined under Definition 5.a. or 5.b.;
- This exclusion also applies to any claim made or suit brought against you or an "insured" to:
- (1) Repay; or
 - (2) Share damages with;
another person who may be obligated to pay damages because of "personal injury" to an "insured";
- j. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
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; or
 - k. Arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria.

2. Any loss, cost or expense arising out of any:

- a. Request, demand or order that an "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants, "fungi", wet or dry rot, or bacteria; or
- b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, clean up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants, "fungi", wet or dry rot, or bacteria.

SECTION II – ADDITIONAL COVERAGES

With respect to the coverage provided by this endorsement, Paragraph **D. Loss Assessment** is replaced by the following:

D. Loss Assessment

We will pay up to \$1,000 for your share of loss assessment charged against you, as an owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of "personal injury" not excluded under this endorsement.

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

Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of "personal injury".

SECTION II – CONDITIONS

With respect to the coverage provided by this endorsement, Section II – Condition I. **Policy Period** does not apply and Conditions **A. Limit Of Liability**, **B. Severability Of Insurance** and **C. Duties After "Occurrence"** are replaced by the following:

A. Limit Of Liability

Our total liability under Personal Injury Coverage for all damages resulting from any one offense will not be more than the Limit Of Liability shown in the Declarations for Coverage E. This limit is the same regardless of the number of "insureds", claims made or suits brought.

B. Severability Of Insurance

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one offense.

C. Duties After Offense

In the event of a covered offense, you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and "named insured";
 - b. Reasonably available information on the time, place and circumstances of the offense; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the offense;
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "personal injury".

SECTION II – ADDITIONAL COVERAGES

Additional Coverage **C. Damage To Property Of Others** is replaced by the following:

1. We will pay, at replacement cost, up to \$1,250 per "occurrence" for "property damage" to property of others caused by an "insured".

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMISES ALARM OR FIRE PROTECTION SYSTEM

We acknowledge the installation of an alarm system and/or automatic sprinkler system approved by us on the "residence premises". You agree to maintain this system or systems, for which we have granted a credit, in working order and to let us know promptly of any change, including removal, made to the system(s).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE

SCHEDULE

These limits of liability apply to the total of all loss or costs payable under this endorsement, regardless of the number of "occurrences", the number of claims made, or the number of locations insured under this endorsement and listed in this Schedule.		
1.	Section I – Property Coverage Limit Of Liability for the Additional Coverage "Fungi", Wet Or Dry Rot, Or Bacteria	\$
2.	Section II – Coverage E Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

DEFINITIONS

The following definition is added:

"Fungi"

- a. "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.
- b. Under Section II, this does not include any fungi that are, are on, or are contained in, a good or product intended for consumption.

SECTION I – PROPERTY COVERAGES

E. Additional Coverages

Paragraph 10.k.(2)(d) is deleted in Form HO 00 05 only.

The following Additional Coverage is added:

13. "Fungi", Wet Or Dry Rot, Or Bacteria

- a. The amount shown in the Schedule above is the most we will pay for:
 - (1) The total of all loss payable under Section I – Property Coverages caused by "fungi", wet or dry rot, or bacteria;
 - (2) The cost to remove "fungi", wet or dry rot, or bacteria from property covered under Section I – Property Coverages;
 - (3) 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

- (4) 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. The coverage described in 13.a. only applies when such loss or costs are a result of a Peril Insured Against 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 Peril Insured Against occurred.

- c. The amount shown in the Schedule for this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage regardless of the:

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

- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by "fungi", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that "fungi", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

SECTION I – PERILS INSURED AGAINST

In Form HO 00 03:

A. Coverage A – Dwelling And Coverage B – Other Structures

Paragraph 2.c.(5) is replaced by the following:

- (5) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

Paragraph 2.c.(6)(c) is replaced by the following:

- (c) Smog, rust or other corrosion;

B. Coverage C – Personal Property

12. Accidental Discharge Or Overflow Of Water Or Steam

Paragraph b.(4) is replaced by the following:

- (4) Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

In Form HO 00 05:

A. Under Coverages A, B and C:

Paragraph 2.d. is replaced by the following:

- d. Caused by constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

Paragraph 2.e.(3) is replaced by the following:

- (3) Smog, rust or other corrosion;

SECTION I – EXCLUSIONS

Exclusion A.10. is added:

10. "Fungi", Wet Or Dry Rot, Or Bacteria

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity 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; or
- b. To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning.

Direct loss by a Peril Insured Against resulting from "fungi", wet or dry rot, or bacteria is covered.

SECTION I – CONDITIONS

Condition Q. Policy Period is replaced by the following:

Q. Policy Period

This policy applies to loss or costs which occur during the policy period.

SECTION II – CONDITIONS

Condition A. Limit Of Liability is replaced by the following:

A. Limit Of Liability

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

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

However, our total liability under Coverage E for the total of all damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria will not be more than the Section II – Coverage E Aggregate Sublimit of Liability for "Fungi", Wet Or Dry Rot, Or Bacteria. That sublimit is the amount shown in the Schedule. This is the most we will pay regardless of the:

1. Number of locations insured under the policy to which this endorsement is attached;
2. Number of persons injured;
3. Number of persons whose property is damaged;
4. Number of "insureds"; or
5. Number of "occurrences" or claims made.

This sublimit is within, but does not increase, the Coverage E limit of liability. It applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations.

With respect to damages arising out of "fungi", wet or dry rot, or bacteria described in Condition A. Limit Of Liability of this endorsement, Condition B. **Severability Of Insurance** is replaced by the following:

B. Severability Of Insurance

This insurance applies separately to each "insured" except with respect to the Aggregate Sublimit of Liability described in this endorsement under Section II – Conditions, A. Limit Of Liability. This condition will not increase the limit of liability for this coverage.

All other provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE

SCHEDULE*

New Total Percentage Amount:

*Entry may be left blank if shown elsewhere in this policy for this coverage.

SECTION I – PROPERTY COVERAGES ADDITIONAL COVERAGES

11. Ordinance Or Law

The total limit of liability that applies:

a. To Coverage **A**, or

b. For Form **HO 00 04**, to Building Additions And Alterations;

is increased from 10% to the percentage amount shown in the Schedule above.

This is Additional Coverage **10**. in Form **HO 00 06**.

All other provisions of this policy apply.

EXHIBIT 2



Ellgren Agency
1188 Bishop St 2005
Honolulu HI 96813-3308

Amir Sheikhan, Tina Leung

Policy number
817 537 830

Your Allstate agency is
Ellgren Agency
(808) 941-2886
EEllgren@allstate.com



AMIR SHEIKHAN TINA LEUNG
1161 LAHILAHI PL
LAHAINA HI 96761-1651

Thank you for being a loyal Allstate customer—we're happy to have you with us!

Here's your Deluxe Plus Homeowners insurance renewal offer for the next 12 months. I've also included a guide to what's in this package and answers to some common questions.

Renewing your policy is easy

Keep an eye out for your bill, which should arrive in a couple of weeks. Just send your payment by the due date on your bill. If you're enrolled in the Allstate® Easy Pay Plan, you won't receive a bill—we'll send you a statement with your payment withdrawal schedule. You also won't receive a bill if a mortgage company or lienholder pays your insurance premium for you.

How to contact us

Give me a call at (808) 941-2886 if you have any questions. It's my job to make sure you're in good hands.

RP378-4



Your Insurance Coverage Checklist

We're happy to have you as an Allstate customer! This checklist outlines what's in this package and provides answers to some basic questions, as well as any "next steps" you may need to take.

- What's in this package?**
See the guide below for the documents that are included. **Next steps:** review your *Policy Declarations* to confirm you have the coverages, coverage limits, premiums and savings that you requested and expected. Read any *Endorsements* or *Important Notices* to learn about new policy changes, topics of special interest, as well as required communications. Keep all of these documents with your other important insurance papers.
- Am I getting all the discounts I should?**
Confirm with your Allstate Agent that you're benefiting from all the discounts you're eligible to receive.
- What about my bill?**
Unless you've already paid your premium in full, we'll send your bill separately. **Next steps:** please pay the minimum amount by the due date listed on it.
You can also pay your bill online at [Allstate.com/support](https://www.allstate.com/support) or through the Allstate mobile app. If you're enrolled in the Allstate® Easy Pay Plan, we'll send you a statement detailing your payment withdrawal schedule. Para español, llamar al 1-800-979-4285.
- What if I have questions?**
Visit [Allstate.com/support](https://www.allstate.com/support) to browse our list of frequently asked questions and find information regarding billing or policy documents. You can also create an online account to access and manage your policies. Para español, llamar al 1-800-979-4285.

A guide to your renewal package



Policy Declarations*

The Policy Declarations lists policy details, such as your property details and coverages.



Important Notices

We use these notices to call attention to particularly important coverages, policy changes and discounts.



Insurance Made Simple

Insurance seem complicated? Our online guides explain coverage terms and features:
www.allstate.com/madesimple
Espanol.allstate.com/facildeentender

* To make it easier to see where you may have gaps in your protection, we've highlighted any coverages you do not have in the Coverage Detail section in the enclosed Policy Declarations.

Policy number:

817 537 830

Policy effective date:

April 10, 2023

Page 1 of 1



Allstate's got you covered.

At Allstate, we know how important it is to you to have the right protection at the right price. That's why we've included some savings tips and services you have access to below:

Review your coverages

Make sure your protection fits your current needs.

Allstate® mobile app

Download Allstate Mobile, where you can get tools and help, like ID cards ¹, Allstate Identity Protection and 24/7 Roadside Assistance.

Find more ways to save

Discover more about your money-saving options², like Full Pay, Drivewise® or Easy Pay, by visiting Allstate Mobile or allstate.com/myaccount.

¹Digital ID cards not accepted as proof of insurance in every state.

²Subject to terms, conditions, and availability.

X74021



Renewal Deluxe Plus Homeowners Policy Declarations



Your policy effective date is April 10, 2023

Total Premium for the Premium Period (Your bill will be mailed separately)

Premium for property insured \$729.00

Total	\$729.00
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Your bill will be mailed separately. Before making a payment, please refer to your latest bill, which includes payment options and installment fee information. If you do not pay in full, you will be charged an installment fee(s). If you do not pay your bill by the due date shown on your billing statement, you may be charged a late fee.

Discount (included in your total premium)

Protective Device Rate Applied

Location of property insured

1161 Lahilahi Pl, Lahaina, HI 96761-1651

Rating Information*

Please review and verify the information regarding your insured property. Please refer to the Important Notice (X67831-2) for additional coverage information. Contact us if you have any changes.

The dwelling is of frame construction and is occupied by 1 family

Dwelling Style:

Built in 1964; 1 family; 1416 sq. ft.; contemporary - 1 story

Foundation:

Slab at grade, 100%

Detached structure:

One small concrete swimming pool

Interior details:

One custom kitchen Two custom full baths

Exterior wall type:

100% wood siding

Interior wall partition:

100% drywall

Additional details:

Standard wood sash with glass, 100% Interior wall height - 8 ft, 100%
Two exterior wood doors

Fire protection details:

Fire department subscription - no 250 ft. to fire hydrant
2 miles to fire department

Roof surface material type:

Information as of February 23, 2023

Summary

Named Insured(s)

Amir Sheikhan, Tina Leung

Mailing address

**1161 Lahilahi Pl
Lahaina HI 96761-1651**

Policy number

817 537 830

Your policy provided by

Allstate Insurance Company

Policy period

Begins on **April 10, 2023** at 12:01 A.M. standard time, with no fixed date of expiration

Premium period

Beginning **April 10, 2023** through **April 10, 2024** at 12:01 A.M. standard time

Your Allstate agency is

Ellgren Agency

1188 Bishop St 2005
Honolulu HI 96813-3308
(808) 941-2886
EEllgren@allstate.com

Some or all of the information on your Policy Declarations is used in the rating of your policy or it could affect your eligibility for certain coverages. Please notify us immediately if you believe that any information on your Policy Declarations is incorrect. We will make corrections once you have notified us, and any resulting rate adjustments, will be made only for the current policy period or for future policy periods. Please also notify us immediately if you believe any coverages are not listed or are inaccurately listed.

(continued)



Policy number: **817 537 830**

Policy effective date: April 10, 2023

Rating Information* (continued)

Metal

- 100% steel

**This is a partial list of property details. If the interior of your property includes custom construction, finishes, buildup, specialties or systems, please contact your Allstate representative for a complete description of additional property details.*

Mortgagee

None

Additional Interested Party

None

Coverage detail for the property insured

Coverage	Limits of Liability	Applicable Deductible(s)
Dwelling Protection - with Building Structure Reimbursement Extended Limits	\$415,630	▪ \$1,000 All peril
Other Structures Protection	\$41,563	▪ \$1,000 All peril
Personal Property Protection - Reimbursement Provision	\$311,723	▪ \$1,000 All peril
Additional Living Expense	Up to 12 months	
Family Liability Protection	\$500,000 each occurrence	
Guest Medical Protection	\$1,000 each person	

► Other Coverages Not Purchased:

- Business Property Protection*
- Business Pursuits*
- Cellular Communication System*
- Electronic Data Processing Equipment*
- Extended Coverage on Cameras*
- Extended Coverage on Jewelry, Watches and Furs*
- Extended Coverage on Musical Instruments*
- Extended Coverage on Sports Equipment*
- Fire Department Charges*
- Golf Cart*
- Home Day Care*
- Incidental Office, Private School Or Studio*
- Increased Coverage on Money*
- Increased Coverage on Securities*
- Increased Silverware Theft Limit*
- Loss Assessments*
- Satellite Dish Antennas*

** This coverage can provide you with valuable protection. To help you stay current with your insurance needs, contact your agent to discuss available coverage options and other products and services that can help protect you.*

Scheduled Personal Property Coverage

Your policy does not include Scheduled Personal Property Coverage. This coverage can provide you with valuable protection. To help you stay current with your insurance needs, contact your agent to discuss available coverage options and other products and services that can help protect you.



Your policy documents

Your Homeowners policy consists of the Policy Declarations and the following documents. Please keep them together.

- Deluxe Plus Homeowners Policy - AP337
- Building Structure Reimbursement Extended Limits Endorsement - AP357
- Amendatory Endorsement - AP4578
- Amendatory Endorsement - AP4761
- Depreciation Amendatory Endorsement - AP4970
- Hawaii Amendatory Endorsement - AP2085
- Amendatory Endorsement - AP4836
- Hawaii Deluxe Plus Homeowners Policy Amendatory Endorsement - AP1537

Important payment and coverage information

Here is some additional, helpful information related to your coverage and paying your bill:

- ▶ A \$10.00 late fee may be assessed if payment is received after the due date.
- ▶ Coverage A - Dwelling Protection Limit includes an approximate increase of \$17,014 due to the Property Insurance Adjustment provision. Coverage B - Other Structures Protection and Coverage C - Personal Property Protection adjusted accordingly.
- ▶ Please note: This is not a request for payment. Your bill will be mailed separately.

Allstate Insurance Company's Secretary and President have signed this policy with legal authority at Northbrook, Illinois.

A handwritten signature in black ink that reads "Thomas J. Wilson".

Thomas J. Wilson
President

A handwritten signature in black ink that reads "Susan L. Lees".

Susan L. Lees
Secretary



Important notices

Policy number: **817 537 830**
 Policy effective date: April 10, 2023

Dwelling Profile

Allstate has determined that the estimated cost to replace your home is: \$415,630

The enclosed Policy Declarations shows the limit of liability applicable to Dwelling Protection-Coverage A of your homeowners insurance policy. The estimated replacement cost of your home is the minimum amount for which we will insure your home.

The decision regarding the limit applicable to your Dwelling Protection-Coverage A is your decision to make, as long as, at a minimum, your limit equals the estimated replacement cost as determined by Allstate and does not exceed maximum coverage limitations established by Allstate.

It is important to keep in mind that your Coverage A limits reflect a replacement cost that is only an estimate based on data that was available to us when we made this estimate (this information is described in the "Rating Information" section of your Policy Declarations). The actual amount it will cost to replace your home cannot be known until after a covered total loss has occurred.

How is the replacement cost estimated?

Many factors can affect the cost to replace your home, including its age, size, and type of construction. For example, the replacement cost uses construction data, such as labor and materials, that are available to us when we made this estimate. This estimate is also based on characteristics of the home, which include information that you provided to us. You might have chosen to insure your home for a higher amount than the estimated replacement cost shown above.

Note to customers renewing their policy

The estimated replacement cost for your home may have changed since the last time we communicated this information to you. This is because, at renewal, Allstate uses the home characteristics that you have provided to us to recalculate and update the estimated replacement cost. Using updated labor and material rates for your zip code, Allstate takes the home characteristics you have provided and determines the updated estimated replacement cost. The information about your home's characteristics is provided in the "Rating Information" section of your Policy Declarations.

Please note: Your Dwelling information is used to estimate your home replacement cost. It's important to review and update this information so we're using the most accurate details to estimate your home's replacement value.

If the information about your home shown in your Policy Declarations requires any change or if you have any questions or concerns about the information contained in this Important Notice, please contact your Allstate representative, or call us at 1-800-ALLSTATE®.

Additional Information About Dwelling Protection Limits

Your policy includes a feature called "Property Insurance Adjustment" (PIA). PIA reflects changes in construction costs in your area that may have occurred during the policy period.

We would like you to know that your policy's PIA recently indicated that construction costs in your area have increased. Based on this information, we have automatically increased your Dwelling Protection-Coverage A limits.

However, it is ultimately your responsibility to consider whether the changes we have made are sufficient for your insurance needs. It is important for you to understand that these are only estimates and the new limits of your policy may not provide sufficient coverage in the event of a loss. For example, if you have done any remodeling to your home which has not been updated in our records, your home's replacement cost may be higher than our current records indicate. In that case, you may want to increase your limits to reflect such changes. Conversely, there is a possibility that your new limits may provide coverage in excess of the actual replacement cost of your home. For example, if you originally decided to insure your home at an amount that exceeded the estimated replacement cost, you may want to call your Allstate representative to discuss the current value of your home and the possibility of lowering your limits.

If you have any questions about PIA, or your policy in general, please contact your Allstate representative.

X67831-2

What You Should Know About Flood Insurance

Most homeowners, renters and commercial insurance policies do not provide coverage for flood damage. In fact, protection against floods is generally available only through a separate policy.

That's why Allstate is a participant in the National Flood Insurance Program (NFIP) and offers standard flood insurance policies.* A flood insurance policy can help complete the



insurance protection for your property and help protect your financial well-being.

You May Have More Risk from Flood Than You Think

Approximately 90 percent of all disasters in the U.S. are flood related. While you may think that it couldn't happen to you, over 25 percent of all flood losses occur in low- to moderate-risk areas.

What's more, flood damage is often accompanied by other damage, such as wind and hail (which is typically covered under a property policy). So if you purchase your NFIP coverage through Allstate, you would have the convenience and peace of mind that comes with working with just one claim adjuster and one agent, instead of two or more for a flood claim.

Flood Coverage Is Affordable

The federal government sets the rates for flood insurance, so there's typically no difference in rates from policy to policy. You can switch to an NFIP flood insurance policy administered by Allstate for the same amount of premium you may be paying elsewhere. If you choose Allstate, you can have the quality service you've come to expect from us.

For more information about flood insurance, or if you have any questions about your policy in general, please contact your Allstate representative or visit us at allstate.com.

* Allstate provides the standard flood insurance policy under the terms of the National Flood Insurance Act of 1968 and its amendments, and Title 44 of the Code of Federal Regulations. The standard flood insurance policy is written by Allstate for the National Flood Insurance Program which is administered by the Federal Insurance Administration, part of the Federal Emergency Management Agency.

Subject to availability and qualifications. Other terms, conditions and exclusions may apply.

X73168

Additional Protection for Your Most Valuable Possessions

Property insurance covers many belongings, but some items may require higher coverage limits than those in a standard property policy.

Scheduled Personal Property (SPP) coverage gives you additional protection against loss or damage to your valuables. It's protection not typically provided with standard property coverage. SPP benefits typically include:

- No deductibles to meet
- Coverage for lost or damaged items
- Coverage for valuables kept in a storage location outside your home

Items That May Need the Extra Protection

SPP coverage provides protection for an array of valuable personal property. Here are some of the items you can protect by purchasing SPP coverage through Allstate:

- Jewelry (including wedding rings and precious or semi-precious stones)
- Furs
- Cameras (digital, still, movie, video and related equipment)
- Silverware and antiques (including furniture)
- Musical instruments
- Collections (stamps, coins, music)
- Fine art works (including paintings, etchings, vases and sculptures)
- Manuscripts or books
- Home-office equipment (laptop, computer, audio/visual)
- Sports equipment (such as golf clubs)

Affordable Protection for Your Valuables

The cost of SPP coverage varies, but the value of your property is the best way to determine how much coverage you need.

The rates are generally a small percentage of the total value of the items you're insuring. This means that your valuables are being protected for only a fraction of the cost.

Regularly Review Your SPP Coverage

Even if you currently have SPP coverage, it's a good idea to review it annually. It's possible that the value of your property has changed or that you've purchased new items that have not been added to your coverage.

To learn more about SPP coverage, or if you have any questions about your insurance policy in general, contact your Allstate representative, or visit us at allstate.com.

X73169



Privacy Statement

Policy number:

817 537 830

Policy effective date:

April 10, 2023

Page 1 of 2



Thank you for choosing Allstate. We value you, respect your privacy and work hard to protect your personal information.

This statement is provided on behalf of Allstate Insurance Company and the affiliates ("Allstate") listed at the end of this notice. We would like to explain how we collect, use and share the information we obtain about you in the course of doing business.

Our Privacy Assurance

- We do not sell your personal or medical information to anyone.
- We do not share your information with non-affiliate companies that would use it to contact you about their own products and services, unless permitted pursuant to a joint marketing agreement.
- We require persons or organizations that represent or assist us in servicing your policy and claims to keep your information confidential.
- We require our employees to protect your personal information and keep it confidential.

As you can see, protecting your personal information is important to us. In addition to the practices described above, we use a variety of physical, technical and administrative security measures that help to safeguard your information. For Social Security Numbers (SSN), this includes restricting access to our employees, agents and others who use your SSN only as permitted by law: to comply with the law, to provide you with products and services, and to handle your claims. Also, our employees' and agents' access to and use of your SSN are limited by the law, our policies and standards, and our written agreements.

Our privacy practices continue to apply to your information even if you cease to be an Allstate customer.

What Personal Information Do We Have and Where Do We Get It

We gather personal information from you and from outside sources for business purposes. Some examples of the information we collect from you may include your name, phone number, home and e-mail addresses, driver's license number, Social Security Number, marital status, family member information and healthcare information. Also, we maintain records that include, but are not limited to, policy coverages, premiums, and payment history. We also collect information from outside sources including, but not limited to, insurance support organizations that assemble or collect information about individuals for the purpose of providing to insurance companies. This information may include, but is not limited to,

your driving record, claims history, medical information and credit information.

In addition, Allstate and its business partners gather information through Internet activity, which may include, for example, your operating system, links you used to visit allstate.com, web pages you viewed while visiting our site or applications, Internet Protocol (IP) addresses, and cookies. We use cookies, analytics and other technologies to help:

- Evaluate our marketing campaigns
- Analyze how customers use our website and applications
- Develop new services
- Know how many visitors have seen or clicked on our ads

Also, our business partners assist us with monitoring information including, but not limited to, IP addresses, domain names and browser data, which can help us to better understand how visitors use allstate.com.

How We Use and Share Your Personal Information

In the course of normal business activities, we use and share your personal information. We may provide your information to persons or organizations within and outside of Allstate. This would be done as required or permitted by law. For example, we may do this to:

- Fulfill a transaction you requested or service your policy
- Market our products
- Handle your claim
- Prevent fraud
- Comply with requests from regulatory and law enforcement authorities
- Participate in insurance support organizations

The persons or organizations with whom we may share your personal information may include, among others:

- Your agent, broker or Allstate-affiliated companies
- Companies that perform services, such as marketing, credit card processing, and performing communication services on our behalf
- Business partners that assist us with tracking how visitors use allstate.com
- Other financial institutions with whom we have a joint marketing agreement
- Other insurance companies that play a role in an insurance transaction with you
- Independent claims adjusters
- A business or businesses that conduct actuarial or research studies
- Those who request information pursuant to a subpoena or court order
- Repair shops and recommended claims vendors

The Internet and Your Information Security



Policy number:

817 537 830

Policy effective date:

April 10, 2023

We use cookies, analytics and other technologies to help us provide users with better service and a more customized web experience. Additionally, our business partners use tracking services, analytics and other technologies to monitor visits to allstate.com. The website may also use Web beacons (also called "clear GIFs" or "pixel tags") in conjunction with cookies. If you prefer, you can choose to not accept cookies by changing the settings on your web browser. Also, if you would like to learn about how we gather and protect your information over the Internet, please see our online privacy statement located at the bottom of the allstate.com homepage.

To learn more, the allstate.com Privacy Statement provides information relating to your use of the website. This includes, for example, information regarding:

- 1) How we collect information such as IP address (the number assigned to your computer when you use the Internet), browser and platform types, domain names, access times, referral data, and your activity while using our site;
- 2) Who should use our website;
- 3) The security of information over the Internet; and
- 4) Links and co-branded sites.

How You Can Review and Correct Your Personal Information

You can request to review your personal information contained in our records at any time. To do this, please send a letter to the address below requesting to see your information for the previous two years. If you believe that our information is incomplete or inaccurate, you can request that we correct it. Please note we may not be able to provide information relating to investigations, claims, litigation, and other matters. We will be happy to make corrections whenever possible.

Please send requests to:

Allstate Insurance Company Customer Privacy Inquiries
PO Box 660598
Dallas, TX 75266-0598

Your Preference for Sharing Personal Information

We would like to share your personal information with one or more Allstate affiliates in order to make you aware of different products, services and offers they can provide. However, you can request that Allstate and its affiliate companies not share your personal information with our affiliates for marketing products and services.

To request that we not allow other Allstate affiliates to use your personal information to market their products and services, you can contact us by calling 1-800-856-2518 twenty-four hours a day, seven days a week. Please keep in mind that it may take up to four weeks to process your request.

If you previously contacted us and asked us not to allow other Allstate affiliates to use your personal information, your previous choice still applies and you do not need to contact us again. If you would like to change your previous choice please call the number above at any time.

We Appreciate Your Business

Thank you for choosing Allstate. We understand your concerns about privacy and confidentiality, and we hope this notice has been helpful to you. We value our relationship with you and look forward to keeping you in Good Hands®.

If you have questions or would like more information, please don't hesitate to contact your Allstate agent or call the Allstate Customer Information Center at 1-800-ALLSTATE.

We reserve the right to change our Privacy practices, procedures, and terms.

Allstate Insurance Company

Allstate entities on which behalf this notice is provided and amongst which information may be shared:

The Allstate family of companies, LSA Securities, Deerbrook General Agency, Inc., Deerbrook Insurance Company, North Light Specialty Insurance Company, Northbrook Indemnity Company.

Please Note: Allstate affiliates American Heritage Life Insurance Company, Castle Key Insurance Company and Castle Key Indemnity Company participate in information sharing with the affiliates listed above, but have a separate privacy notice for their customers.

(ed. 10/2015)

X73180v6

Allstate Insurance Company Deluxe Plus Homeowners Policy

Policy:

Effective:

Issued to:



Allstate Insurance Company
The Company Named in the Policy Declarations
A Stock Company---Home Office: Northbrook, Illinois 60062

AP337

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Definitions Used In This Policy

1. **"You" or "your"** — means the person named on the Policy Declarations as the insured and that person's resident spouse.
2. **"Allstate," "we," "us," or "our"** — means the company named on the Policy Declarations.
3. **"Insured person(s)"** — means **you** and, if a resident of **your** household:
 - a) any relative; and
 - b) any dependent person in **your** care.

Under **Coverage X — Family Liability Protection** and **Coverage Y — Guest Medical Protection**, **"insured person"** also means:

- c) any person or organization legally responsible for loss caused by animals or watercraft covered by this policy which are owned by an **insured person**. **We** do not cover any person or organization using or having custody of animals or watercraft in any **business**, or without permission of the owner.
- d) with respect to the use of any vehicle covered by this policy, any person while engaged in the employment of an **insured person**.

4. **"Bodily injury"** — means physical harm to the body, including sickness or disease, and resulting death, except that **bodily injury** does not include:

- a) any venereal disease;
- b) Herpes;
- c) Acquired Immune Deficiency Syndrome (AIDS);
- d) AIDS Related Complex (ARC);
- e) Human Immunodeficiency Virus (HIV);

D or any resulting symptom, effect, condition, disease or illness related to (a) through (e) listed above.

Under **Coverage Y — Guest Medical Protection**, **bodily injury** means physical harm to the body, including sickness or disease, except that **bodily injury** does not include:

- a) any venereal disease;
- b) Herpes;
- c) Acquired Immune Deficiency Syndrome (AIDS);
- d) AIDS Related Complex (ARC);
- e) Human Immunodeficiency Virus (HIV);

or any resulting symptom, effect, condition, disease or illness related to (a) through (e) listed above.

5. **"Building structure"** — means a structure with walls and a roof.

6. **"Business"** — means:
- a) any full or part-time activity of any kind engaged in for economic gain including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is also a **business**.

However, the mutual exchange of home day care services is not considered a **business**;

- b) any property rented or held for rental by an **insured person**. Rental of **your residence premises** is not considered a **business** when:
 - 1) it is rented occasionally for residential purposes;
 - 2) a portion is rented to not more than two roomers or boarders; or
 - 3) a portion is rented as a private garage.
7. **"Residence premises"** — means the **dwelling**, other structures and land located at the address stated on the Policy Declarations.
8. **"Insured premises"** — means:
- a) the **residence premises**; and
 - b) under **Section II** only:
 - 1) the part of any other premises, other structures and grounds used by **you** as a residence. This includes premises, structures and grounds **you** acquired for **your** use as a private residence while this policy is in effect;
 - 2) any part of a premises not owned by an **insured person** but where an **insured person** is temporarily living;
 - 3) cemetery plots or burial vaults owned by an **insured person**;
 - 4) vacant land, other than farmland, owned by or rented to an **insured person**;
 - 5) land owned by or rented to an **insured person** where a one, two, three or four family dwelling is being built as that person's residence;
 - 6) any premises used by an **insured person** in connection with the **residence premises**;

- 7) any part of a premises occasionally rented to an **insured person** for other than **business** purposes.

9. **"Occurrence"** — means an accident, including continuous or repeated exposure to substantially the same general harmful conditions during the policy period, resulting in **bodily injury** or **property damage**.

10. **"Property damage"** — means physical injury to or destruction of tangible property, including loss of its use resulting from such physical injury or destruction.

11. **"Residence employee"** — means an employee of an **insured person** while performing duties arising out of and in the course of employment in connection with the maintenance or use of **your residence premises**. This includes similar duties performed elsewhere for an **insured person**, not in connection with the **business** of an **insured person**.

12. **"Dwelling"** — means a one, two, three or four family **building structure**, identified as the insured property on the Policy Declarations, where you reside and which is principally used as a private residence.

Insuring Agreement

In reliance on the information **you** have given **us**, **Allstate** agrees to provide the coverages indicated on the Policy Declarations. In return, **you** must pay the premium when due and comply with the policy terms and conditions, and inform **us** of any change in title, use or occupancy of the **residence premises**.

Subject to the terms of this policy, the Policy Declarations shows the location of the **residence premises**, applicable coverages, limits of liability and premiums. The policy applies only to losses or **occurrences** that take place during the policy period. The policy period is shown on the Policy Declarations. This policy is not complete without the Policy Declarations.

The terms of this policy impose joint obligations on the person named on the Policy Declarations as the insured and on that person's resident spouse. These

persons are defined as **you** or **your**. This means that the responsibilities, acts and omissions of a person defined as **you** or **your** will be binding upon any other person defined as **you** or **your**.

The terms of this policy impose joint obligations on persons defined as an **insured person**. This means that the responsibilities, acts and failures to act of a person defined as an **insured person** will be binding upon another person defined as an **insured person**.

Agreements We Make With You

We make the following agreements with **you**:

Conformity to State Statutes

When the policy provisions conflict with the statutes of the state in which the **residence premises** is located, the provisions are amended to conform to such statutes.

Coverage Changes

When **Allstate** broadens coverage during the premium period without charge, **you** have the new features if **you** have the coverage to which they apply. Otherwise, the policy can be changed only by endorsement.

The coverage provided and the premium for the policy is based on information **you** have given **us**. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that if this information changes, is incorrect or incomplete, **we** may adjust **your** coverage and premium accordingly during the policy period.

Any calculation of **your** premium or changes in **your** coverage will be made using the rules, rates and forms on file, if required, for **our** use in **your** state. The rates in effect at the beginning of **your** current premium period will be used to calculate any change in **your** premium.

Policy Transfer

You may not transfer this policy to another person without **our** written consent.

Continued Coverage After Your Death

If **you** die, coverage will continue until the end of the premium period for:

- 1) **your** legal representative while acting as such, but only with respect to the **residence premises**

and property covered under this policy on the date of **your** death.

- 2) an **insured person**, and any person having proper temporary custody of **your** property until a legal representative is appointed and qualified.

Cancellation

Your Right to Cancel:

You may cancel this policy by notifying **us** of the future date **you** wish to stop coverage.

Our Right to Cancel:

Allstate may cancel this policy by mailing notice to **you** at the mailing address shown on the Policy Declarations. When this policy has been in effect for less than 60 days, and it is not a renewal with **us**, **we** may cancel this policy for any reason by giving **you** at least 10 days notice before the cancellation takes effect.

When the policy has been in effect for 60 days or more, or if it is a renewal with **us**, **we** may cancel this policy for one or more of the following reasons:

- 1) non-payment of premium;
- 2) the policy was obtained by misrepresentation, fraud or concealment of material facts;
- 3) material misrepresentation, fraud or concealment of material fact in presenting a claim, or violation of any of the policy terms; or
- 4) there has been a substantial change or increase in hazard in the risk **we** originally accepted.

If the cancellation is for non-payment of premium, **we** will give **you** at least 10 days notice. If the cancellation is for any of the other reasons, **we** will give **you** at least 30 days notice.

Our mailing the notice of cancellation to **you** will be deemed proof of notice. Coverage under this policy will terminate on the effective date and hour stated on the cancellation notice. **Your** return premium, if any, will be calculated on a pro rata basis and refunded at the time of cancellation or as soon as possible. However, refund of unearned premium is not a condition of cancellation.

Our Right Not to Renew or Continue:

Allstate has the right not to renew or continue the policy beyond the current premium period. If **we** do not intend to continue or renew the policy, **we** will mail **you** notice at least 30 days before the end of the

premium period. **Our** mailing the notice of nonrenewal to **you** will be deemed proof of notice.

Concealment Or Fraud

This policy is void if it was obtained by misrepresentation, fraud or concealment of material facts. If it is determined that this policy is void, all premiums paid will be returned to **you** since there has been no coverage under this policy.

We do not cover any loss or **occurrence** in which any **insured person** has concealed or misrepresented any material fact or circumstance.

Section I — Your Property

Coverage A

Dwelling Protection

Property We Cover Under Coverage A:

1. **Your dwelling** including attached structures. Structures connected to **your dwelling** by only a fence, utility line, or similar connection are not considered attached structures.
2. Construction materials and supplies at the **residence premises** for use in connection with **your dwelling**.
3. Wall-to-wall carpeting fastened to **your dwelling**.

Property We Do Not Cover Under

Coverage A:

1. Any structure including fences or other property covered under **Coverage B — Other Structures Protection**.
2. Land, except as specifically provided in **Section I — Additional Protection** under item 13, "Land."
3. Satellite dish antennas and their systems, whether or not attached to **your dwelling**.

Coverage B

Other Structures Protection

Property We Cover Under Coverage B:

1. Structures at the address shown on the Policy Declarations separated from **your dwelling** by clear space.
2. **Structures** attached to **your dwelling** by only a fence, utility line, or similar connection.
3. Construction materials and supplies at the address of the **residence premises** for use in connection with structures other than **your dwelling**.
4. Wall-to-wall carpeting fastened to other **building structures**.

Property We Do Not Cover Under Coverage B:

1. Structures used in whole or in part for **business** purposes.
2. Any structure or other property covered under **Coverage A — Dwelling Protection**.
3. Land, no matter where located, or the replacement, rebuilding, restoration, stabilization or value of any such land.
4. Construction materials and supplies at the address of the **residence premises** for use in connection with the **dwelling**.
5. Satellite dish antennas and their systems, whether or not attached to **building structures**.

Losses We Cover Under Coverages A and B:

We will cover sudden and accidental direct physical loss to property described in **Coverage A — Dwelling Protection** and **Coverage B — Other Structures Protection** except as limited or excluded in this policy.

Losses We Do Not Cover Under Coverages A and B:

We do not cover loss to the property described in **Coverage A — Dwelling Protection** or **Coverage B — Other Structures Protection** consisting of or caused by:

1. Flood, including, but not limited to, surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.
2. Water or any other substance that backs up through sewers or drains.
3. Water or any other substance that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.
4. Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover sudden and accidental direct physical loss caused by fire, explosion or theft resulting from items 1 through 4 listed above.

5. Earth movement of any type, including, but not limited to earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover sudden and accidental direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

6. Enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, placement or demolition of any **building structure** or other land at the **residence premises**, except as

specifically provided in **Section I, Additional Protection** under item 10, — "Building Codes".

We do cover sudden and accidental direct physical loss caused by actions of civil authority to prevent the spread of fire.

7. The failure by any **insured person** to take all reasonable steps to preserve property when the property is endangered by a cause of loss **we** cover.
8. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an **insured person**.
9. Intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
 - a) may be reasonably expected to result from such acts; or
 - b) is the intended result of such acts.

This exclusion applies regardless of whether or not the **insured person** is actually charged with, or convicted of a crime.

10. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

11. War or warlike acts, including but not limited to, insurrection, rebellion or revolution.
12. Collapse, except as specifically provided in **Section I — Additional Protection** under item 12, "Collapse."
13. Soil conditions, including but not limited to, corrosive action, chemicals, compounds, elements, suspensions, crystal formations or gels in the soil.
14. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

In addition, **we** do not cover loss consisting of or caused by any of the following:

15. a) wear and tear, aging, marring, scratching, deterioration, inherent vice, or latent defect;
- b) mechanical breakdown;
- c) growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;
- d) rust or other corrosion, mold, wet or dry rot;
- e) contamination, including, but not limited to the presence of toxic, noxious, or hazardous gasses, chemicals, liquids, solids or other substances at the **residence premises** or in the air, land or water serving the **residence premises**;
- f) smog, smoke from the manufacturing of any controlled substance, agricultural smudging and industrial operations;
- g) settling; cracking; shrinking; bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings;
- h) insects, rodents, birds or domestic animals. **We** do cover the breakage of glass or safety glazing materials caused by birds; or
- i) seizure by government authority.

If any of (a) through (h) cause the sudden and accidental escape of water or steam from a plumbing, heating or air conditioning system, household appliance or fire protective sprinkler system within **your dwelling**, **we** cover the direct physical damage caused by the water or steam. If loss to covered property is caused by water or steam not otherwise excluded, **we** will cover the cost of tearing out and replacing any part of **your dwelling** necessary to repair the system or appliance. This does not include damage to the defective system or appliance from which the water escaped.

16. Freezing of plumbing, fire protective sprinkler systems, heating or air conditioning systems or household appliances, or discharge, leakage or overflow from within the systems or appliances caused by freezing, while the **building structure** is vacant, unoccupied or being constructed unless **you** have used reasonable care to:
 - a) maintain heat in the **building structure**; or

- b) shut off the water supply and drain the system and appliances.

17. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not. This exclusion applies only to fences, pavements, patios, swimming pools, foundations, retaining walls, bulkheads, piers, wharves or docks.
18. Seepage, meaning continuous or repeated seepage or leakage over a period of weeks, months, or years, of water, steam or fuel:
 - a) from a plumbing, heating, air conditioning or automatic fire protection system or from within a domestic appliance; or
 - b) from, within or around any plumbing fixtures, including, but not limited to shower stalls, shower baths, tub installations, sinks or other fixtures designed for the use of water or steam.
19. Theft from **your residence premises** while **your dwelling** is under construction, or of materials and supplies for use in construction, until **your dwelling** is completed and occupied.
20. Vandalism or Malicious Mischief if **your dwelling** is vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.
21. Weather Conditions that contribute in any way with a cause of loss excluded in this section to produce a loss.
22. Planning, Construction or Maintenance, meaning 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 property whether on or off the **residence premises** by any person or organization.

23. **We** do not cover loss to covered property described in **Coverage A—Dwelling Protection** or **Coverage B—Other Structures Protection** when:

- a) there are two or more causes of loss to the covered property; and
- b) the predominant cause(s) of loss is (are) excluded under **Losses We Do Not Cover**, items 1 through 22 above.

Coverage C **Personal Property Protection**

Property We Cover Under Coverage C:

1. Personal property owned or used by an **insured person** anywhere in the world. When personal property is located at a residence other than the **residence premises**, coverage is limited to 10% of **Coverage C—Personal Property Protection**. This limitation does not apply to personal property in a newly acquired principal residence for the 30 days immediately after **you** begin to move property there or to personal property in student dormitory, fraternity or sorority housing.
2. At **your** option, personal property owned by a guest or **residence employee** while the property is in a residence **you** are occupying.

Limitations On Certain Personal Property:

Limitations apply to the following groups of personal property. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply. These limitations do not increase the amount of insurance under **Coverage C—Personal Property Protection**. The total amount of coverage for each group in any one loss is as follows:

1. \$ 200 — Money, bullion, bank notes, coins and other numismatic property.
2. \$ 200 — Property used or intended for use in a **business** while the property is away from the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.

3. \$ 2,000 — Property used or intended for use in a **business**, including property held as samples or for sale or delivery after sale, while the property is on the **residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.
4. \$ 1,000 — Trading cards, subject to a maximum amount of \$250 per item.
5. \$ 1,000 — Accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets, and stamps, including philatelic property.
6. \$ 1,000 — Manuscripts, including documents stored on electronic media.
7. \$ 2,000 — Watercraft, including their attached or unattached trailers, furnishings, equipment, parts and motors.
8. \$ 1,000 — Trailers not used with watercraft.
9. \$ 2,500 — Theft of jewelry, watches, precious and semi-precious stones, gold other than goldware, silver other than silverware, platinum and furs, including any item containing fur which represents its principal value; subject to a maximum amount of \$1,000 per item.
10. \$ 2,000 — Any motorized land vehicle parts, equipment or accessories not attached to or located in or upon any motorized land vehicle.
11. \$ 3,000 — Theft of firearms.
12. \$ 2,500 — Theft of silverware, pewterware and goldware.

13. \$ 5,000 — Electronic data processing equipment and the recording or storage media used with that equipment whether or not the equipment is used in a **business**. Recording or storage media will be covered only up to:
- the retail value of the media, if pre-programmed; or
 - or the retail value of the media in blank or unexposed form, if blank or self-programmed.
14. \$10,000 — Theft of rugs, including, but not limited to, any handwoven silk or wool rug, carpet, tapestry, wallhanging or other similar article whose principal value is determined by its color, design, quality of wool or silk, quality of weaving, condition or age; subject to a maximum amount of \$2,500 per item.

Property We Do Not Cover Under Coverage C:

- Personal property specifically described and insured by this or any other insurance.
- Animals.
- Motorized land vehicles, including, but not limited to any land vehicle powered or assisted by a motor or engine. **We** do not cover any motorized land vehicle parts, equipment or accessories attached to or located in or upon any motorized land vehicle. **We** do cover motorized land vehicles designed for assisting the handicapped or used solely for the service of the **insured premises** and not licensed for use on public roads.
- Aircraft and aircraft parts. This does not include model or hobby craft not designed to carry people or cargo.
- Property of roomers, boarders, tenants not related to an **insured person**.

- Property located away from the **residence premises** and rented or held for rental to others.
- Any device, cellular communication system, radar signal reception system, accessory or antenna designed for reproducing, detecting, receiving, transmitting, recording or playing back data, sound or picture which may be powered by electricity from a motorized land vehicle or watercraft and while in or upon a motorized land vehicle or watercraft.
- Satellite dish antennas and their systems.

Losses We Cover Under Coverage C:

We will cover sudden and accidental direct physical loss to the property described in **Coverage C—Personal Property Protection**, except as limited or excluded in this policy, caused by:

- Fire or Lightning.
- Windstorm or Hail.

We do not cover:

- loss to covered property inside a **building structure**, caused by rain, snow, sleet, sand or dust unless the wind or hail first damages the roof or walls and the wind forces rain, snow, sleet, sand or dust through the damaged roof or wall;
 - loss to watercraft and their trailers, furnishings, equipment and motors unless inside a fully enclosed **building structure**. However, **we** do cover canoes and rowboats on the **residence premises**.
- Explosion.
 - Riot or Civil Commotion, including pillage and looting during, and at the site of, the riot or civil commotion.
 - Aircraft, including self-propelled missiles and spacecraft.
 - Vehicles.
 - Smoke.

We do not cover loss caused by smoke from the manufacturing of controlled substances, agricultural smudging or industrial operations.

8. Vandalism and Malicious Mischief.

We do not cover vandalism or malicious mischief if **your** dwelling has been vacant or unoccupied for more than 30 consecutive days immediately prior to the vandalism or malicious mischief. A **dwelling** under construction is not considered vacant or unoccupied.

9. Falling objects.

We do not cover loss to personal property inside a **building structure** unless the falling object first damages the exterior walls or roof of the **building structure**.

10. Weight of ice, snow or sleet which causes damage to personal property in a **building structure**, but only if the **building structure** is damaged due to the weight of ice, snow or sleet.

11. Increase or decrease of artificially generated electrical current to electrical appliances, fixtures and wiring.

12. Bulging, burning, cracking or rupture of a steam or hot water heating system, an air conditioning system, an automatic fire protection system or an appliance for heating water.

13. Water or steam that escapes from a plumbing, heating or air conditioning system, an automatic fire protection system, or from a household appliance due to accidental discharge or overflow.

We do not cover loss to the system or appliance from which the water or steam escapes, or loss from water which backs up through sewers or drains or overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

14. Freezing of a plumbing, heating or air conditioning system or a household appliance.

We do not cover loss at the **residence premises** under perils (12), (13), and (14) caused by or resulting from freezing while the **building structure** is vacant, unoccupied or under construction unless **you** have used reasonable care to:

- a) maintain heat in the **building structure**; or
- b) shut off the water supply and drain the water from the systems and appliances.

15. Theft, or attempted theft, including disappearance of property from a known place when it is likely that a theft has occurred. Any theft must be promptly reported to the police.

We do not cover:

- a) theft or attempted theft committed by an **insured person**;
- b) theft in or from the **residence premises** while under construction or of materials and supplies for use in construction, until the **dwelling** is completed and occupied;
- c) theft of any property while at any other residence owned, rented to or occupied by an **insured person** unless the **insured person** is temporarily residing there;
- d) theft of trailers, campers, watercraft, including furnishings, equipment and outboard motors, away from the **residence premises**;
- e) theft from that part of the **residence premises** rented by **you** to other than an **insured person**.

16. Breakage of glass, meaning damage to covered personal property caused by breakage of glass constituting a part of any **building structure** on the **residence premises**. This does not include damage to the glass.

Losses We Do Not Cover Under Coverage C:

We do not cover loss to the property described in **Coverage C—Personal Property Protection** caused by or consisting of:

1. Flood, including, but not limited to surface water, waves, tidal water or overflow of any body of water, or spray from any of these, whether or not driven by wind.

2. Water or any other substance that backs up through sewers or drains.
3. Water or any other substance that overflows from a sump pump, sump pump well or other system designed for the removal of subsurface water which is drained from a foundation area of a structure.

4. Water or any other substance on or below the surface of the ground, regardless of its source. This includes water or any other substance which exerts pressure on, or flows, seeps or leaks through any part of the **residence premises**.

We do cover sudden and accidental direct physical loss caused by fire, explosion or theft resulting from items 1 through 4 listed above.

5. Earth movement of any type, including, but not limited to earthquake, volcanic eruption, lava flow, landslide, subsidence, mudflow, pressure, sinkhole, erosion, or the sinking, rising, shifting, creeping, expanding, bulging, cracking, settling or contracting of the earth. This exclusion applies whether or not the earth movement is combined with water.

We do cover sudden and accidental direct physical loss caused by fire, explosion, theft or breakage of glass or safety glazing materials resulting from earth movement.

6. Enforcement of any building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair, placement or demolition of any **building structure** or other structure at the **residence premises**, except as specifically provided in **Section I, Additional Protection** under item 10—"Building Codes."

We do cover sudden and accidental direct physical loss to covered property caused by actions of civil authority to prevent the spread of fire.

7. The failure by any **insured person** to take all reasonable steps to save and preserve property

when the property is endangered by a cause of loss **we** cover.

8. Any substantial change or increase in hazard, if changed or increased by any means within the control or knowledge of an **insured person**.
9. Intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
 - a) may be reasonably expected to result from such acts; or
 - b) is the intended result of such acts.

This exclusion applies regardless of whether or not the **insured person** is actually charged with or convicted of a crime.

10. Nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination, or any consequence of any of these. Loss caused by nuclear action is not considered loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

11. Vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
12. War or warlike acts, including, but not limited to insurrection, rebellion or revolution.
13. Weather Conditions that contribute in any way with a cause of loss excluded in this section to produce a loss.
14. Planning, Construction or Maintenance, meaning 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 property whether on or off the **residence premises** by any person or organization.

15. **We** do not cover loss to covered property described in **Coverage C — Personal Property Protection** when:
- there are two or more causes of loss to the covered property; and
 - the predominant cause(s) of loss is (are) excluded under **Losses We Do Not Cover**, items 1 through 14 above.

Additional Protection

1. Additional Living Expense

- We** will pay the reasonable increase in living expenses necessary to maintain **your** normal standard of living when a direct physical loss **we** cover makes **your residence premises** uninhabitable.

Payment for covered additional living expense will be limited to the least of the following:

- the time period required to repair or replace the property **we** cover, using due diligence and dispatch; or
 - if **you** permanently relocate, the shortest time for **your** household to settle elsewhere;
 - 12 months.
- We** will pay **your** lost fair rental income resulting from a covered loss, less charges and expenses which do not continue, when a loss **we** cover makes the part of the **residence premises you** rent to others, or hold for rental, uninhabitable. **We** will pay for lost fair rental income for the shortest time required to repair or replace the part rented or held for rental but not to exceed 12 months.
 - We** will pay the reasonable and necessary increase in living expenses and the lost fair rental income for up to two weeks should civil authorities prohibit the use of the **residence premises** due to a loss at a neighboring premises caused by a peril **we** insure against.

These periods of time are not limited by the termination of this policy.

We do not cover any lost income or expense due to the cancellation of a lease or agreement.

No deductible applies to this protection.

2. Credit Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money

We will pay for loss:

- that an **insured person** is legally required to pay for the unauthorized use of any credit card or bank fund transfer card issued to or registered in the name of an **insured person**;
- caused by forgery or alteration of a check or negotiable instrument made or drawn upon an **insured person's** account;
- to an **insured person** through acceptance in good faith of counterfeit United States or Canadian paper currency.

Our maximum limit of liability for any one loss is \$1,000. All loss due to forgery or unauthorized use by or involving any one person is considered one loss.

We do not cover:

- loss arising from any **business** of an **insured person**;
- loss caused by or at the direction of an **insured person** or any other person who has been entrusted with any credit card or bank fund transfer card;
- loss arising out of dishonesty of an **insured person**.

When loss is discovered, the **insured person** must give **us** immediate written notice. If the loss involves a credit card, charge plate or bank fund transfer card, the **insured person** must also give immediate written notice to the company or bank that issued the card or plate. Failure to comply with the terms and conditions of the card or plate voids this protection.

We will pay only for loss occurring during the policy period, including those losses discovered and reported to **us** within one year after the

policy has terminated. **We** have the right to investigate and settle any claim or suit as **we** deem appropriate. Full payment of the amount of insurance for any one loss ends **our** obligation under each claim or suit arising from the loss.

We will defend any suit brought against an **insured person** for the enforcement of payment covered under paragraph 2(a) of this protection. The defense will be at **our** expense, with counsel of **our** choice.

We have the option to defend an **insured person** or the **insured person's** bank against a suit for the enforcement of payment covered under paragraph 2(b) of this protection. The defense will be at **our** expense, with counsel of **our** choice.

No deductible applies to this protection.

3. Debris Removal

We will pay reasonable expenses **you** incur to remove debris of covered property damaged by a loss **we** cover. If the loss to the covered property and the cost of debris removal are more than the limit of liability shown on the Policy Declarations for the covered property, **we** will pay up to an additional 5% of that limit for debris removal.

4. Emergency Removal Of Property

We will pay for sudden and accidental direct physical loss to covered property from any cause while removed from a premises because of danger from a loss **we** cover. Protection is limited to a 30-day period from date of removal. This protection does not increase the limit of liability that applies to the covered property.

5. Fire Department Charges

We will pay up to \$500 for service charges made by fire departments called to protect **your** property from a loss **we** cover at the **residence premises**. No deductible applies to this protection.

6. Temporary Repairs After A Loss

We will reimburse **you** up to \$5,000 for the reasonable and necessary cost **you** incur for

temporary repairs to protect covered property from further imminent covered loss following a loss **we** cover. This coverage does not increase the limit of liability applying to the property being repaired.

7. Trees, Shrubs, Plants and Lawns

We will pay up to an additional 5% of the limit of liability shown on the Policy Declarations under **Coverage A—Dwelling Protection** for loss to trees, shrubs, plants and lawns at the address of the **residence premises**. **We** will not pay more than \$500 for any one tree, shrub, or plant including expenses incurred for removing debris. This coverage applies only to direct physical loss caused by fire or lightning, explosion, riot or civil commotion, aircraft, vehicles not owned by an occupant of the **residence premises**, vandalism or malicious mischief, theft or collapse of a **building structure** or any part of a **building structure**.

We will pay up to \$500 for reasonable expenses you incur for the removal of debris of trees at the address of the **residence premises** for direct physical loss caused by windstorm, hail, or weight of ice, snow or sleet. The fallen tree must have caused damage to property covered under **Coverage A—Dwelling Protection**.

We do not cover trees, shrubs, plants, or lawns grown for **business** purposes.

8. Temperature Change

We will pay for loss to covered personal property in a **building structure** at the **residence premises** resulting from a change in temperature. The change in temperature must result from a covered loss to the **building structure**.

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

9. Power Interruption

We will pay for loss to the contents of freezers and refrigerated units on the **residence premises** caused by the interruption of power which occurs off the **residence premises**. If a power interruption is known to an **insured**

person, all reasonable means must be used to protect the contents of freezers and refrigerated units.

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

10. **Building Codes**

We will pay up to 10% of the amount of insurance shown on the Policy Declarations under **Coverage A - Dwelling Protection** to comply with local building codes after a covered loss to the **dwelling** and when repair or replacement results increased cost due to the enforcement of building codes, ordinances or laws regulating the construction, reconstruction, maintenance, repair or demolition of the **dwelling**.

11. **Arson Reward**

We will pay up to \$5,000 for information leading to an arson conviction in connection with a fire loss to property covered under **Section I** of this policy. The \$5,000 limit applies regardless of the number of persons providing information.

12. **Collapse**

We will cover:

- a) the entire collapse of a covered **building structure**;
- b) the entire collapse of part of a covered **building structure**; and
- c) direct physical loss to covered property caused by (a) or (b) above.

For coverage to apply, the collapse of a **building structure** specified in (a) or (b) above must be a sudden and accidental direct physical loss caused by one or more of the following:

- a) a loss **we** cover under **Section I, Coverage C—Personal Property Protection**;
- b) hidden decay of the **building structure**;
- c) hidden damage to the **building structure** caused by insects or vermin;
- d) weight of persons, animals, equipment or contents;
- e) weight of rain or snow which collects on a roof;
- f) defective methods or materials used in construction, repair, remodeling or

renovation, but only if the collapse occurs in the course of such construction, repair, remodeling or renovation.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

This protection does not change the limit of liability that applies to the covered property.

13. **Land**

If a sudden and accidental direct physical loss results in both a covered loss to the **dwelling**, other than the breakage of glass or safety glazing material, and a loss of land stability, **we** will pay up to \$10,000 as an additional amount of insurance for repair costs associated with the land. This includes the costs required to replace, rebuild, stabilize or otherwise restore the land necessary to support that part of the **dwelling** sustaining the covered loss.

The **Section I—Losses We Do Not Cover Under Coverages A and B** reference to earth movement does not apply to the loss of land stability provided under this Additional Protection.

14. **Lock Replacement**

Coverage A—Dwelling Protection is extended to include reasonable expenses **you** incur to replace or re-key exterior door locks at the **residence premises** with locks or cylinders of like kind and quality. Coverage is provided when a key to a lock is stolen as part of a covered theft loss. The limit of liability under this coverage following any one theft loss is \$500.

Section I Conditions

1. **Deductible**

We will pay when a covered loss exceeds the deductible shown on the Policy Declarations. **We** will then pay only the excess amount, unless **we** have indicated otherwise in this policy.

2. **Insurable Interest and Our Liability**

In the event of a covered loss, **we** will not pay for more than an **insured person's** insurable interest

in the property covered, nor more than the amount of coverage afforded by this policy.

3. **What You Must Do After A Loss**

In the event of a loss to any property that may be covered by this policy, **you** must:

- a) promptly give **us** or **our** agent notice. Report any theft to the police as soon as possible. If the loss involves a credit card, charge plate or bank fund transfer card, give written notice to the company or bank that issued the card or plate.
- b) protect the property from further loss. Make any reasonable repairs necessary to protect it. Keep an accurate record of any repair expenses.
- c) separate damaged from undamaged personal property. Give **us** a detailed list of the damaged, destroyed or stolen property, showing the quantity, cost, actual cash value and the amount of loss claimed.
- d) give **us** all accounting records, bills, invoices and other vouchers, or certified copies, which **we** may reasonably request to examine and permit **us** to make copies.
- e) produce receipts for any increased costs to maintain **your** standard of living while **you** reside elsewhere, and records supporting any claim for loss of rental income.
- f) as often as **we** reasonably require:
 - 1) show **us** the damaged property.
 - 2) at **our** request, submit to examinations under oath, separately and apart from any other person defined as **you** or **insured person** and sign a transcript of the same.
 - 3) produce representatives, employees, members of the insured's household or others to the extent it is within the **insured person's** power to do so; and
- g) within 60 days after the loss, give **us** a signed, sworn proof of the loss. This statement must include the following information:
 - 1) the date, time, location and cause of loss;
 - 2) the interest **insured persons** and others have in the property, including any encumbrances;

- 3) the actual cash value and amount of loss for each item damaged, destroyed or stolen;
- 4) any other insurance that may cover the loss;
- 5) any changes in title, use, occupancy or possession of the property that have occurred during the policy period;
- 6) at **our** request, the specifications of any damaged **building structure** or other structure;
- 7) evidence supporting any claim under the Credit Card, Bank Fund Transfer Card, Check Forgery and Counterfeit Money protection. State the cause and amount of loss.

4. **Our Settlement Options**

In the event of a covered loss, **we** have the option to:

- a) repair, rebuild or replace all or any part of the damaged, destroyed or stolen property with property of like kind and quality within a reasonable time; or
- b) pay for all or any part of the damaged, destroyed or stolen property as described in Condition 5 "How We Pay For a Loss."

D Within 30 days after **we** receive **your** signed, sworn proof of loss **we** will notify **you** of the option or options **we** intend to exercise.

5. **How We Pay For A Loss**

Under **Coverage A — Dwelling Protection**, **Coverage B — Other Structures Protection** and **Coverage C — Personal Property Protection**, payment for covered loss will be by one or more of the following methods:

- a) Special Payment. At **our** option, **we** may make payment for a covered loss before **you** repair, rebuild or replace the damaged, destroyed or stolen property if:
 - 1) the whole amount of loss for property covered under **Coverage A — Dwelling Protection** and **Coverage B — Other Structures Protection**, without deduction for depreciation, is less than \$2,500 and if the property is not excluded from the Building

Structure Reimbursement provision,
or;

- 2) the whole amount of loss for property covered under **Coverage C — Personal Property Protection** without deduction for depreciation, is less than \$2,500 and if **your** Policy Declarations shows that the Personal Property Reimbursement provision applies, and the property is not excluded from the Personal Property Reimbursement provision.

- b) Actual Cash Value. If **you** do not repair or replace the damaged, destroyed or stolen property, payment will be on an actual cash value basis. This means there may be a deduction for depreciation. Payment will not exceed the limit of liability shown on the Policy Declarations for the coverage that applies to the damaged, destroyed or stolen property, regardless of the number of items involved in the loss.

You may make claim for additional payment as described in paragraph "c" and paragraph "d", if **you** repair or replace the damaged, destroyed or stolen covered property within 180 days of the actual cash value payment.

- c) Building Structure Reimbursement. Under **Coverage A — Dwelling Protection** and **Coverage B — Other Structures Protection**, we will make additional payment to reimburse **you** for cost in excess of actual cash value if **you** repair, rebuild or replace damaged, destroyed or stolen covered property within 180 days of the actual cash value payment. This additional payment includes the reasonable and necessary expense for treatment or removal and disposal of contaminants, toxins or pollutants as required to complete repair or replacement of that part of a **building structure(s)** damaged by a covered loss.

Building Structure Reimbursement will not exceed the smallest of the following amounts:

- 1) the replacement cost of the part(s) of the **building structure(s)** for equivalent

construction for similar use on the same **residence** premises;

- 2) the amount actually and necessarily spent to repair or replace the damaged **building structure(s)** with equivalent construction for similar use on the same **residence premises**; or
- 3) the limit of liability applicable to the **building structure(s)** as shown on the Policy Declarations for **Coverage A — Dwelling Protection** or **Coverage B — Other Structures Protection**, regardless of the number of **building structures** and structures other than **building structures** involved in the loss.

If **you** replace the damaged **building structure(s)** at an address other than shown on the Policy Declarations through construction of a new structure or purchase of an existing structure, such replacement will not increase the amount payable under Building Structure Reimbursement described above. The amount payable under Building Structures Reimbursement described above does not include the value of any land associated with the replacement structure(s).

Building Structure Reimbursement payment will be limited to the difference between any actual cash value payment made for the covered loss to **building structures** and the smallest of 1), 2) or 3) above.

Building Structure Reimbursement will not apply to:

- 1) property covered under **Coverage C — Personal Property Protection**;
- 2) property covered under **Coverage B — Other Structures Protection** that is not a **building structure**;
- 3) wall-to-wall carpeting, fences, awnings and outdoor antennas whether or not fastened to a **building structure**; or
- 4) land.

Payment under "a", "b", or "c" above will not include any increased cost due to the enforcement of building codes, ordinances or

laws regulating the construction, reconstruction, maintenance, repair, relocation or demolition of **building structures** or other structures except as provided under **Section I, Additional Protection 10**, Building Codes.

- d) Personal Property Reimbursement. Under **Coverage C—Personal Property Protection**, we will make additional payment to reimburse **you** for cost in excess of actual cash value if **you** repair, rebuild or replace damaged, destroyed or stolen covered personal property or wall-to-wall carpeting within 180 days of the actual cash value payment.

Personal Property Reimbursement payment will not exceed the smallest of the following amounts:

- 1) the amount actually and necessarily spent to repair or replace the property with similar property of like kind and quality;
- 2) the cost of repair or restoration; or
- 3) the limit of liability shown on the Policy Declarations for **Coverage C—Personal Property Protection**, or any special limit of liability described in the policy, regardless of the number of items of personal property involved in the loss.

Personal Property Reimbursement will be limited to the difference between any actual cash value payment made for the covered loss to personal property and the smallest of 1), 2) or 3) above.

Personal Property Reimbursement will not apply to:

- 1) property insured under **Coverage A—Dwelling Protection** and **Coverage B—Other Structures Protection**, except wall-to-wall carpeting;
- 2) antiques, fine arts, paintings, statuary and similar articles which, by their inherent nature, cannot be replaced;
- 3) articles whose age or history contribute substantially to their value. This includes, but is not limited to

memorabilia, souvenirs and collector's items; or

- 4) property that was obsolete or unusable for the originally intended purpose because of age or condition prior to the loss.

6. **Our Settlement Of Loss**

We will settle any covered loss with **you** unless another payee is named in the policy. **We** will settle within 60 days after the amount of loss is finally determined. This amount may be determined by an agreement between **you** and **us**, an appraisal award, or a court judgment.

7. **Appraisal**

If **you** and **we** fail to agree on the amount of loss, either party may make written demand for an appraisal. Upon such demand, each party must select a competent and impartial appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days, **you** or **we** can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire.

The appraisers shall then determine the amount of loss, stating separately the actual cash value and the amount of loss to each item. If the appraisers submit a written report of an agreement to **you** and to **us** the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award agreed upon by any two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other appraisal expenses.

8. **Abandoned Property**

We are not obligated to accept any property or responsibility for any property abandoned by an **insured person**.

9. **Permission Granted To You**

- a) The **residence premises** may be vacant or unoccupied for any length of time, except where a time limit is indicated in this policy for specific perils. A **building structure** under construction is not considered vacant.
- b) **You** may make alterations, additions or repairs, and **you** may complete structures under construction.

10. **Our Rights To Recover Payment**

When **we** pay for any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them. **You** may waive **your** rights to recover against another person for loss involving the property covered by this policy. This waiver must be in writing prior to the date of loss.

11. **Our Rights To Obtain Salvage**

We have the option to take all or any part of the damaged or destroyed covered property upon replacement by **us** or payment of the agreed or appraised value.

We will notify **you** of **our** intent to exercise this option within 30 days after **we** receive **your** signed, sworn proof of loss.

When **we** settle any loss caused by theft or disappearance, **we** have the right to obtain all or part of any property which may be recovered. An **insured person** must protect this right and inform **us** of any property recovered. **We** will inform **you** of **our** intent to exercise this right within 10 days of **your** notice of recovery to **us**.

12. **Suit Against Us**

No suit or action may be brought against **us** unless there has been full compliance with all policy terms. Any suit or action must be brought within one year after the inception of loss or damage.

13. **Loss To A Pair Or Set**

If there is a covered loss to a pair or set, **we** may:

- a) repair or replace any part of the pair or set to restore it to its actual cash value before the loss; or
- b) pay the difference between the actual cash value of the pair or set before and after the loss.

14. **Glass Replacement**

Payment for loss to covered glass includes the cost of using safety glazing materials when required by law.

15. **No Benefit To Bailee**

This insurance will not benefit any person or organization who may be caring for or handling **your** property for a fee.

16. **Other Insurance**

If both this insurance and other insurance apply to a loss, **we** will pay the proportionate amount that this insurance bears to the total amount of all applicable insurance. However, in the event of a loss by theft, this insurance shall be excess over any other insurance that covers loss by theft.

17. **Property Insurance Adjustment**

When the Policy Declarations indicates that the Property Insurance Adjustment Condition applies:

The limit of liability shown on the Policy Declarations for **Coverage A — Dwelling Protection** will be revised at each policy anniversary to reflect the rate of change in the Index identified on the Policy Declarations.

The limit of liability for **Coverage A — Dwelling Protection** for the succeeding premium period will be determined by changing the existing limit in proportion to the change in the Index between the time the existing limit was established and the time the change is made. The resulting amount will be rounded to the nearest \$1,000.

Adjustment in the limit of liability for **Coverage A — Dwelling Protection** will result in an adjustment in the limit of liability for **Coverage B — Other Structures Protection** and **Coverage C — Personal Property Protection** in accordance with the **Allstate** manual of Rules and Rates.

We will not reduce the limit of liability shown on the Policy Declarations without **your** consent.

Any adjustment in premium resulting from the application of this condition will be made based on premium rates in use by **Allstate** at the time a change in limits is made.

Allstate has the right to change to another cost index or to withdraw this condition as of a policy anniversary date by giving **you** at least 30 days notice. This applies only if the change or withdrawal applies to all similar policies issued by **Allstate** in **your** state.

18. Mortgagee

A covered loss will be payable to the mortgagees named on the Policy Declarations, to the extent of their interest and in the order of precedence. All provisions of **Section I** of this policy apply to these mortgagees.

We will:

- a) protect the mortgagee's interest in a covered **building structure** in the event of an increase in hazard, intentional or criminal acts of, or directed by, an **insured person**, failure by any **insured person** to take all reasonable steps to save and preserve property after a loss, a change in ownership, or foreclosure if the mortgagee has no knowledge of these conditions; and
- b) give the mortgagee at least 10 days notice if **we** cancel this policy.

The mortgagee will:

- a) furnish proof of loss within 60 days after notice of the loss if an **insured person** fails to do so;
- b) pay upon demand any premium due if an **insured person** fails to do so;
- c) notify **us** in writing of any change of ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- d) give **us** the mortgagee's right of recovery against any party liable for loss; and
- e) after a loss, and at **our** option, permit **us** to satisfy the mortgage requirements and receive full transfer of the mortgage.

This mortgagee interest provision shall apply to any trustee or loss payee or other secured party.

Section II — Family Liability and Guest Medical Protection

Coverage X Family Liability Protection

Losses We Cover Under Coverage X:

Subject to the terms, conditions and limitations of this policy, **Allstate** will pay damages which an **insured person** becomes legally obligated to pay because of **bodily injury** or **property damage** arising from an **occurrence** to which this policy applies, and is covered by this part of the policy.

We may investigate or settle any claim or suit for covered damages against an **insured person**. If an **insured person** is sued for these damages, **we** will provide a defense with counsel of **our** choice, even if the allegations are groundless, false or fraudulent. **We** are not obligated to pay any claim or judgment after **we** have exhausted our limit of liability.

Losses We Do Not Cover Under Coverage X:

1. **We** do not cover any **bodily injury** or **property damage** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:
 - a) such **insured person** lacks the mental capacity to govern his or her conduct;
 - b) such **bodily injury** or **property damage** is of a different kind or degree than intended or reasonably expected; or
 - c) such **bodily injury** or **property damage** is sustained by a different person than intended or reasonably expected.This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.
2. **We** do not cover **bodily injury** to an **insured person** or **property damage** to property owned by an **insured person** whenever any benefit of

this coverage would accrue directly or indirectly to an **insured person**.

3. **We do not cover **bodily injury**** to any person eligible to receive benefits required to be provided or voluntarily provided by an **insured person** under any workers' compensation, non-occupational disability or occupational disease law.
4. **We do not cover **bodily injury** or **property damage**** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.
5. **We do not cover **bodily injury** or **property damage**** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:
 - a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
 - b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is being used away from an **insured premises**;
 - c) a motorized wheel chair;
 - d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
 - e) a golf cart owned by an **insured person** when used for golfing purposes;
 - f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
 - g) lawn and garden implements under 40 horsepower;
 - h) **bodily injury** to a **residence employee**.
6. **We do not cover **bodily injury** or **property damage**** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:
 - a) has inboard or inboard-outboard motor power of more than 50 horsepower;
 - b) is a sailing vessel 26 feet or more in length;

- c) is powered by one or more outboard motors with more than 25 total horsepower;
- d) is designated as an airboat, air cushion, or similar type of watercraft; or
- e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

7. **We do not cover **bodily injury** or **property damage**** arising out of:
 - a) the negligent supervision by an **insured person** of any person; or
 - b) any liability statutorily imposed on any **insured person**

arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, motor vehicle or trailer which is not covered under **Section II** of this policy.

8. **We do not cover any **bodily injury**** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

We do cover **bodily injury** which results from such discharge if the discharge is sudden and accidental.

9. **We do not cover any **property damage**** consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.
10. **We do not cover any **bodily injury** or **property damage**** arising out of any liability statutorily imposed upon any **insured person** in any manner, consisting of or caused by vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

11. **We do not cover bodily injury or property damage** arising out of the rendering of, or failure to render, professional services by an **insured person**.

12. **We do not cover bodily injury or property damage** arising out of the past or present **business** activities of an **insured person**.

We do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age.

13. **We do not cover bodily injury or property damage** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. This exclusion does not apply to **bodily injury** to a **residence employee**.

14. **We do not cover property damage** to property rented to, occupied or used by, or in the care of, an **insured person**. This exclusion does not apply if the **property damage** is caused by fire, explosion or smoke.

15. **We do not cover any liability an insured person** assumes arising out of any contract or agreement.

16. **We do not cover bodily injury or property damage** caused by war or warlike acts, including, but not limited to insurrection, rebellion or revolution.

Coverage Y

Guest Medical Protection

Losses We Cover Under Coverage Y:

Allstate will pay the reasonable expenses incurred for necessary medical, surgical, x-ray and dental services; ambulance; hospital, licensed nursing and funeral services; and prosthetic devices, eye glasses, hearing aids, and pharmaceuticals. These expenses must be incurred and the services performed within three years from the date of an **occurrence** causing **bodily injury** to which this policy applies, and is covered by this part of the policy.

Each person who sustains **bodily injury** is entitled to this protection when that person is:

1. on the **insured premises** with the permission of an **insured person**; or
2. off the **insured premises**, if the **bodily injury**:
 - a) arises out of a condition on the **insured premises** or immediately adjoining ways;
 - b) is caused by the activities of an **insured person** or a **residence employee**;
 - c) is caused by an animal owned by or in the care of an **insured person**; or
 - d) is sustained by a **residence employee**.

Losses We Do Not Cover Under Coverage Y:

1. **We do not cover any bodily injury** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This exclusion applies even if:
 - a) such **insured person** lacks the mental capacity to govern his or her conduct;
 - b) such **bodily injury** is of a different kind or degree than intended or reasonably expected; or
 - c) such **bodily injury** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of a crime.

2. **We do not cover bodily injury** to any **insured person** or regular resident of the **insured premises**. However, this exclusion does not apply to a **residence employee**.
3. **We do not cover bodily injury** to any person eligible to receive any benefits voluntarily provided, or required to be provided, under any workers' compensation, non-occupational disability or occupational disease law.
4. **We do not cover bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of aircraft.

5. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any motor vehicle or trailer. However, this exclusion does not apply to:

- a) a motor vehicle in dead storage or used exclusively on an **insured premises**;
- b) any motor vehicle designed principally for recreational use off public roads, unless that vehicle is owned by an **insured person** and is being used away from an **insured premises**;
- c) a motorized wheel chair;
- d) a vehicle used to service an **insured premises** which is not designed for use on public roads and not subject to motor vehicle registration;
- e) a golf cart owned by an **insured person** when used for golfing purposes;
- f) a trailer of the boat, camper, home or utility type unless it is being towed or carried by a motorized land vehicle;
- g) lawn or garden implements under 40 horsepower;
- h) **bodily injury** to a **residence employee**.

6. **We** do not cover **bodily injury** arising out of the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of watercraft away from an **insured premises** if the watercraft:

- a) has inboard or inboard-outboard motor power of more than 50 horsepower;
- b) is a sailing vessel 26 feet or more in length;
- c) is powered by one or more outboard motors with more than 25 total horsepower;
- d) is designated as an airboat, air cushion, or similar type of watercraft; or
- e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.

This exclusion does not apply to **bodily injury** to a **residence employee**.

7. **We** do not cover **bodily injury** arising out of:
- a) the negligent supervision by any **insured person** of any person; or

- b) any liability statutorily imposed on any **insured person**

arising from the ownership, maintenance, use, occupancy, renting, loaning, entrusting, loading or unloading of any aircraft, watercraft, motorized land vehicle or trailer which is not covered under **Section II** of this policy.

8. **We** do not cover any **bodily injury** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials or other irritants, contaminants or pollutants.

We do cover **bodily injury** which results from such discharge if the discharge is sudden and accidental.

9. **We** do not cover **bodily injury** arising out of the rendering of, or failure to render professional services by, an **insured person**.

10. **We** do not cover **bodily injury** arising out of the past or present **business** activities of an **insured person**.

We do cover the occasional or part-time **business** activities of an **insured person** who is a student under 21 years of age.

11. **We** do not cover **bodily injury** to any person on the **insured premises** because of a **business** activity or professional service conducted there.

12. **We** do not cover **bodily injury** arising out of any premises, other than an **insured premises**, owned, rented or controlled by an **insured person**. This exclusion does not apply to **bodily injury** to a **residence employee**.

13. **We** do not cover **bodily injury** caused by war or warlike acts, including, but not limited to insurrection, rebellion, or revolution.

Additional Protection

We will pay, in addition to the limits of liability:

1. Claim Expense

We will pay:

- a) all costs we incur in the settlement of any claim or the defense of any suit against an **insured person**;
- b) interest accruing on damages awarded until such time as we have paid, formally offered, or deposited in court the amount for which we are liable under this policy; interest will be paid only on damages which do not exceed our limits of liability;
- c) premiums on bonds required in any suit we defend; we will not pay bond premiums in an amount that is more than our limit of liability; we have no obligation to apply for or furnish bonds;
- d) up to \$250 per day for loss of wages and salary, when we ask you to attend trials and hearings;
- e) any other reasonable expenses incurred by an **insured person** at our request.

2. Emergency First Aid

We will pay reasonable expenses incurred by an **insured person** for first aid to other persons at the time of an accident involving **bodily injury** covered under this policy.

3. Damage To Property Of Others

At your request, we will pay up to \$1,000 each time an **insured person** causes **property damage** to someone else's property. At our option, we will pay the cost to either repair or replace the property damaged by an **insured person**, without deduction for depreciation.

We will not pay for **property damage**:

- a) to property covered under **Section I** of this policy;
- b) to property intentionally damaged by an **insured person** who has attained the age of 13;
- c) to property owned by or rented to an **insured person**, any tenant of an **insured person**, or any resident in your household; or
- d) arising out of:

- 1) past or present **business** activities;
- 2) any act or omission in connection with a premises, other than an **insured premises**, owned, rented or controlled by an **insured person**; or
- 3) the ownership or use of a motorized land vehicle, trailer, aircraft or watercraft.

Section II Conditions

1. What You Must Do After An Accidental Loss

In the event of **bodily injury** or **property damage**, you must do the following:

- a) Promptly notify us or our agent stating:
 - 1) your name and policy number;
 - 2) the date, the place and the circumstances of the loss;
 - 3) the name and address of anyone who might have a claim against an **insured person**;
 - 4) the names and addresses of any witnesses.
- b) Promptly send us any legal papers relating to the accident.
- c) At our request, an **insured person** will:
 - 1) cooperate with us and assist us in any matter concerning a claim or suit;
 - 2) help us enforce any right of recovery against any person or organization who may be liable to an **insured person**;
 - 3) attend any hearing or trial.
- d) Under the **Damage to Property of Others** protection, give us a sworn statement of the loss. This must be made within 60 days after the date of loss. Also, an **insured person** must be prepared to show us any damaged property under that person's control.

Any **insured person** will not voluntarily pay any money, assume any obligations or incur any expense, other than for first aid to others at the time of the loss as provided for in this policy.

2. **What An Injured Person Must Do — Coverage Y — Guest Medical Protection**

If someone is injured, that person, or someone acting for that person, must do the following:

- a) Promptly give **us** written proof of the loss. If **we** request, this must be done under oath.
- b) Give **us** written authorization to obtain copies of all medical records and reports.
- c) Permit doctors **we** select to examine the injured person as often as **we** may reasonably require.

3. **Our Payment Of Loss — Coverage Y — Guest Medical Protection**

We may pay the injured person or the provider of the medical services. Payment under this coverage is not an admission of liability by **us** or an **insured person**.

4. **Our Limits Of Liability**

Regardless of the number of **insured persons**, injured persons, claims, claimants or policies involved, **our** total liability under **Coverage X — Family Liability Protection** for damages resulting from one **occurrence** will not exceed the limit shown on the Policy Declarations. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to the same general conditions is considered the result of one **occurrence**.

Our total liability under **Coverage Y — Guest Medical Protection** for all medical expenses payable for **bodily injury**, to any one person, shall not exceed the "each person" limit shown on the Policy Declarations.

5. **Bankruptcy**

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an **insured person**.

6. **Our Rights to Recover Payment — Coverage X — Family Liability Protection**

When **we** pay any loss, an **insured person's** right to recover from anyone else becomes **ours** up to the amount **we** have paid. An **insured person** must protect these rights and help **us** enforce them.

7. **Suit Against Us**

- a) No suit or action can be brought against **us** unless there has been full compliance with all the terms of this policy.
- b) No suit or action can be brought against **us** under **Coverage X — Family Liability Protection** until the obligation of an **insured person** to pay is finally determined either by judgment against the **insured person** after actual trial, or by written agreement of the **insured person**, injured person, and **us**.
- c) No one shall have any right to make **us** a party to a suit to determine the liability of an **insured person**.

8. **Other Insurance — Coverage X — Family Liability Protection**

This insurance is excess over any other valid and collectible insurance except insurance that is written specifically as excess over the limits of liability that apply to this policy.

Section III — Optional Protection

Optional Coverages You May Buy

The following Optional Coverages may supplement coverages found in **Section I** or **Section II** and apply only when they are indicated on the Policy Declarations. The provisions of this policy apply to each Optional Coverage in this section unless modified by the terms of the specific Optional Coverage.

1. **Coverage BP**

Increased Coverage On Business Property

The \$2,000 limitation on **business** property located on the **residence premises**, under **Coverage C — Personal Property Protection**, is increased to the amount shown on the Policy Declarations. This increased coverage includes property held as samples or for sale or delivery after sale, while the property is on the **residence premises**.

2. **Coverage DP**

Increased Coverage On Electronic Data Processing Equipment

The \$5,000 limitation on electronic data processing equipment under **Coverage C —**

Personal Property Protection, and the recording or storage media used with that equipment, is increased to the amount shown on the Policy Declarations.

3. **Coverage F
Fire Department Charges**

The \$500 limit applying to the fire department service charges under **Additional Protection** is increased to the amount shown on the Policy Declarations.

4. **Coverage G
Loss Assessments**

If **your residence premises** includes a **building structure** which is constructed in common with one or more similar buildings, and **you** are a member of, and subject to the rules of, an association governing the areas held in common by all building owners as members of the association, the **insured premises** means the **building structure** occupied exclusively by **your** household as a private residence, including the grounds, related structures and private approaches to them.

We will pay **your** share of any special assessments charged against all building owners by the association up to the limit of liability shown on the Policy Declarations, when the assessment is made as a result of:

- a) sudden and accidental direct physical loss to the property held in common by all building owners caused by a loss **we** cover under **Section I** of this policy; or
- b) **bodily injury** or **property damage** covered under **Section II** of this policy.

Any reduction or elimination of payments for losses because of any deductible applying to the insurance coverage of the association of building owners collectively is not covered under this protection.

Allstate will pay only when the assessment levied against the **insured person**, as a result of any one loss, for **bodily injury** or **property damage** exceeds \$250 and then only for the amount of such excess. This coverage is not

subject to any deductible applying to **Section I** of this policy.

In the event of an assessment, this coverage is subject to all the exclusions applicable to **Sections I and II** of this policy and the **Sections I and II Conditions**, except as otherwise noted.

This coverage is excess over any insurance collectible under any policy or policies covering the association of building owners.

5. **Coverage J
Extended Coverage On Jewelry, Watches and Furs**

Coverage C — Personal Property Protection is extended to pay for sudden and accidental direct physical loss to the following property, subject to the provisions in this coverage:

- a) jewelry, watches, gems, precious and semi-precious stones, gold, platinum; and
- b) furs, including any item containing fur which represents its principal value.

The total amount of coverage and per item limit is shown on the Policy Declarations. This amount is not in addition to the amount of insurance applying to **Coverage C — Personal Property Protection**. However, in no event will coverage be less than would have applied in the absence of **Coverage J**.

We do not cover loss caused by or consisting of:

- a) intentional or criminal acts of or at the direction of any **insured person**, if the loss that occurs:
 - 1) may be reasonably expected to result from such acts; or
 - 2) is the intended result of such acts.
- b) wear and tear, gradual deterioration, inherent vice, insects or vermin;
- c) nuclear action, meaning nuclear reaction, discharge, radiation or radioactive contamination or any consequence of any of these. Loss caused by nuclear action is not considered a loss by fire, explosion or smoke.

We do cover sudden and accidental direct physical loss by fire resulting from nuclear action.

- d) war or warlike acts, including, but not limited to insurrection, rebellion or revolution.
- e) failure by any **insured person** to take all reasonable steps to preserve property during and after a loss or when the property is endangered by a cause of loss **we** cover.

Any deductible shown on the Policy Declarations applicable to **Coverage C — Personal Property Protection**, also applies to a loss under this coverage.

6. **Coverage K**

Incidental Office, Private School Or Studio

- a) The \$2,000 limit applying to property used or intended for use in a **business** under **Coverage C — Personal Property Protection** do not apply to equipment, supplies and furnishings used in a described office, private school or studio at **your residence premises**. This does not include electronic data processing equipment or the recording or storage media used with that equipment.

The **Coverage K** limits are shown on the Policy Declarations. The first limit applies to property on the **residence premises**. The second limit applies to property while away from the **residence premises**. These limits are not in addition to **Coverage C — Personal Property Protection, Limitations On Certain Personal Property** on property used or intended for use in a **business**. The increased coverage does not include property held for sample, sale or delivery after sale.

- b) **Coverage X — Family Liability Protection and Coverage Y — Guest Medical Protection** are extended to cover a described office, private school or studio occupied by an **insured person**. The occupancy of the described property shall not be considered a **business**.

We do not cover **bodily injury** to:

- a) any employee other than a **residence employee**; or
- b) any person arising out of corporal punishment administered by or at the direction of an **insured person**.

7. **Coverage M**

Increased Coverage On Money

The \$200 limitation on money, bullion, bank notes, coins and other numismatic property under **Coverage C — Personal Property Protection** is increased to the amount shown on the Policy Declarations.

8. **Coverage P**

Business Pursuits

Coverage X — Family Liability Protection and **Coverage Y — Guest Medical Protection** are extended to cover specified **business** pursuits of an **insured person**.

We do not cover:

- a) **bodily injury** or **property damage** arising out of the business pursuits of an **insured person** when the **business** is owned or financially controlled by the **insured person**.

This also means a partnership or joint venture of which an **insured person** is a partner or member;

- b) **bodily injury** or **property damage** arising out of the rendering or failure to render a professional service of any nature, other than teaching;
- c) **bodily injury** to a fellow employee of an **insured person** arising out of and in the course of employment;
- d) **bodily injury** or **property damage** when an **insured person** is a member of a teaching staff or faculty of any school or college and the **bodily injury** or **property damage** arises out of the maintenance or use of saddle animals, vehicles used with saddle animals, motorized land vehicles, aircraft or watercraft when owned, hired or operated by an **insured person** or used for the purpose of instruction; or
- e) **bodily injury** to any person arising out of corporal punishment administered by or at

the direction of an **insured person** when an **insured person** is a member of the teaching staff or faculty of any school of instruction.

9. **Coverage S**

Increased Coverage On Securities

The \$1,000 limitation on accounts, bills, deeds, evidences of debt, letters of credit, notes other than bank notes, passports, securities, tickets, or stamps, including philatelic property, covered under **Coverage C - Personal Property Protection**, is increased to the amount shown on the Policy Declarations.

10. **Coverage SD**

Satellite Dish Antennas

Coverage C — Personal Property Protection is extended to pay for sudden and accidental direct physical loss to satellite dish antennas and their systems on **your residence premises**, subject to the provisions of **Coverage C — Personal Property Protection**.

The amount of coverage is shown on the Policy Declarations.

11. **Coverage SE**

Portable Cellular Communication Systems

Coverage C — Personal Property Protection is extended to portable cellular communication systems in or upon a motorized land vehicle or watercraft. This coverage applies only to portable systems that can be powered by electricity from a motorized land vehicle or watercraft. Coverage applies whether or not the portable cellular communication system is used in a **business**.

The amount of coverage is shown on the Policy Declarations.

12. **Coverage ST**

Increased Coverage On Theft Of Silverware

The \$2,500 limitation on theft of silverware, pewterware and goldware under **Coverage C — Personal Property Protection** is increased to the amount shown on the Policy Declarations.

IN WITNESS WHEREOF, **Allstate** has caused this policy to be signed by its Secretary and its President at Northbrook, Illinois, and, if required by state law, this policy shall not be binding unless countersigned on the Policy Declarations by an authorized agent of **Allstate**.



Secretary



President,
Personal Property & Casualty

EXHIBIT 3



Liberty Mutual Insurance
350 E 96th Street
Indianapolis, IN 46240

August 15, 2023

Amber Cruz
P.O. Box 5014
Scranton, PA 18505-5014

Insured Name:	H Eugene Smith Shirley F Smith
Policy Number:	H3226810060940
Claim ID:	054457433
Date of Loss:	08/09/2023
Effective Date:	02/26/2023

I hereby certify that the attached is a true and accurate copy of the documents requested for the policy listed above as maintained by the Liberty Mutual Fire Insurance Company in the usual and customary course of its business.

Sincerely,

A handwritten signature in blue ink that reads "Magda L. Mangual".

Magda L. Mangual
Policy Copy Support

MLM
Enclosures



Questions about your Policy?
Call 1-800-709-8701

Policy Number:
H32-268-100609-40 3 3

Report a Claim:
1-800-2CLAIMS or
LibertyMutual.com/Claims



ACTION REQUIRED:
PLEASE REVIEW AND KEEP FOR YOUR RECORDS.

Policy Declarations

Total 12 Month Premium: \$6,594.00

Through your affiliation with the San Jose State University Alumni Association your policy includes special group savings on your home insurance.

Insurance Information

Named Insured: H Eugene Smith Shirley F Smith	Policy Number: H32-268-100609-40 3 3
Mailing Address: 409 Front St Lahaina HI 96761-1114	Policy Period: 02/26/2023-02/26/2024 12:01 a.m. standard time at the address of the Named Insured at Insured Location.
Insured Location: Same as Mailing address above	Declarations Effective: 02/26/2023



DISCOUNTS AND BENEFITS SECTION

Your discounts and benefits have been applied to your total policy premium.

	PREMIUM
• Insurance to Value Discount	\$ (568)
• Inflation Protection Discount	\$ (284)
• Safe Homeowner Program	\$ (1,420)
• Group Savings Plus® (10% discount included in total policy premium) San Jose State University Alumni Association	(Included)
• Protective Device Discounts: Smoke/Heat Alarm-All Floors, Extinguishers and Dead Bolt Locks Complete Reporting Fire Alarm Complete Reporting Central Alarm	\$ (1,583)
Total Discounts and Benefits	\$ (3,855)



Want to Add a Coverage?
Call 1-800-709-8701 to talk to your agent about the availability of this coverage and whether it meets your needs.

Policy Number:
H32-268-100609-40 3 3

Report a Claim:
1-800-2CLAIMS or
LibertyMutual.com/Claims



Coverage Information

Standard Policy

SECTION I COVERAGES	LIMITS	PREMIUM
A. Dwelling with Expanded Replacement Cost	\$ 2,368,300	
B. Other Structures on Insured Location	\$ 236,830	
C. Personal Property with Replacement Cost	\$ 947,320	
D. Loss of Use of Insured Location	Actual Loss Sustained	

SECTION II COVERAGES	LIMITS	PREMIUM
E. Personal Liability (each occurrence)	\$ 500,000	
F. Medical Payments to Others (each person)	\$ 5,000	

POLICY DEDUCTIBLES

Losses covered under Section I are subject to a deductible of : \$1,000

Total Standard Policy	\$	9,469
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ADDITIONAL COVERAGES	DEDUCTIBLE	LIMITS	PREMIUM
Home Protector Plus		\$	947
Credit Card, Fund Transfer Card, Forgery	\$	1,000	\$ 0
Coverage E & F increased limit		\$	33
Total Additional Coverages		\$	980

Total 12 Month Policy Premium: \$6,594.00

Additional Coverages and Products Available*

We've reviewed your policy and have identified additional optional coverages and products that can add valuable protection. Talk to your agent about purchasing the following coverages and products and whether they meet your needs.

- **Multi-Policy Discounts:** Having more than one insurance policy with Liberty Mutual can save you time and money. Learn more about how you can bundle your auto, home, renters, or condo insurance.
- **Home Computer and Smartphone:** If your smartphone or other devices are not insured, repairing or replacing them can be expensive. Did you know you can insure multiple devices for up to \$10,000 with a deductible of \$50.00?



Want to Add a Coverage?

Call 1-800-709-8701 to talk to your agent about the availability of this coverage and whether it meets your needs.

Policy Number:

H32-268-100609-40 3 3

Report a Claim:

1-800-2CLAIMS or
LibertyMutual.com/Claims



Additional Coverages and Products Available* (continued)

- Identity Fraud Expense: A stolen identity can be scary and expensive. We'll provide counseling, and pay up to \$30,000 for expenses such as lost wages and attorney fees incurred to recover your identity.

*These optional coverages are subject to policy provisions, limitations, and exclusions. Daily limits or a deductible may apply. For a complete explanation, please consult your agent today.

Mortgage Information

Mortgagee 1:

FIRST REPUBLIC BANK
ITS SUCCESSORS
AND/OR ASSIGNS
LOAN NO. 22-540212-8
PO Box 790869
San Antonio, TX
78279-0869

Policy Forms and Endorsements: The following forms and endorsements are applicable to your policy

LibertyGuard® Deluxe Homeowner Policy (HO-3 04/84)	Home Protector Plus (FMHO-2024 05/99)
Hurricane Exclusion (FMHO 3003 05 17)	Credit Card, Fund Transfer Card, Forgery (HO-53 04/84)
Special Provisions - Hawaii (FMHO6100HI 1216)	Amendmt Pol Definitions (FMHO 2934 0720)
Amendatory Mold End (FMHO 3458 0113)	Seepage Exclusion Endorsement (FMHO 3403 1212)
Inflation Protection (FMHO-2936 9/04)	Lead Poisoning Exclusion (FMHO-976 05/92)
Additional Policy Protection Endorsement (PMKT 1192 1015)	Protective Devices (HO-216 04/84)
Optional Inclusion (HO-280 04/84)	LMHC Membership (2340)

Important Messages

Flood Insurance: Your Homeowners policy does not provide coverage for damage caused by flood, even if the flood is caused by a storm surge. Liberty Mutual can help you obtain this coverage through the Federal Emergency Management Agency (FEMA) if your community participates in the National Flood Insurance Program. Please call your representative for more information.

Hurricane Coverage: This policy does not include coverage for the peril of hurricane. Please refer to Hurricane Exclusion HO-550 for further details.

Increased limit of liability: This policy includes an increased limit for Coverage A - Dwelling. The coverage is limited to an amount not exceeding 35% greater than the Coverage A limit of liability listed in the Standard Policy section. Please refer to endorsement FMHO-2024 05/99 for coverage information.



Questions about your Policy?
Call 1-800-709-8701

Policy Number:
H32-268-100609-40 3 3

Report a Claim:
1-800-2CLAIMS or
LibertyMutual.com/Claims



LibertyGuard® Deluxe Homeowners Policy Declarations provided and underwritten by Liberty Mutual Fire Insurance Company (a stock insurance company), Boston, MA.

Timothy M. Sweeney
President

Mark C. Touhey
Secretary

This policy, including endorsements listed above,
is countersigned by:

Parker Koppelman
Authorized Representative



LibertyGuard

Deluxe Homeowners Policy

To serve you best. . .

Liberty Mutual has over 350 service offices throughout the United States and Canada. Please contact your service office shown on your Declarations Page to report losses, or for any changes or questions about your insurance. Payments should be sent to the office indicated on your bill.

THIS POLICY IS NON ASSESSABLE

LIBERTYGUARD DELUXE HOMEOWNERS POLICY

HO-3 EDITION 4-84

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HOMEOWNERS 3 Ed. 4-84

AGREEMENT

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" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **"bodily injury"** means bodily harm, sickness or disease, including required care, loss of services and death that results.
 2. **"business"** includes trade, profession or occupation.
 3. **"insured"** means you and residents of your household who are:
 - a. your relatives; or
 - b. other persons under the age of 21 and in the care of any person named above.
- Under Section II, **"insured"** also means:
- c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3a or 3b above. A person or organization using or having custody of these animals or watercraft in the course of any **business** or without consent of the other is not an **insured**;
 - d. with respect to any vehicle to which this policy applies:
 - (1) persons while engaged in your employ or that of any person included in 3a or 3b above; or
 - (2) other persons using the vehicle on an **insured location** with your consent.
4. **"insured location"** means:
 - a. the **residence premises**;
 - b. the part of 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 premises in 4a or 4b above;
 - d. any part of a premises:
 - (1) not owned by an **insured**; and
 - (2) where an **insured** is temporarily residing;
 - e. vacant land, other than farm land, owned by or rented to an **insured**;
 - f. 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**;
 - g. individual or family cemetery plots or burial vaults of an **insured**; or
 - h. any part of a premises occasionally rented to an **insured** for other than **business** use.
5. **"occurrence"** means an accident, including exposure to conditions, which results, during the policy period, in:
 - a. **bodily injury**; or
 - b. **property damage**.
 6. **"property damage"** means physical injury to, destruction of, or loss of use of tangible property.
 7. **"residence employee"** means:
 - a. an employee of an **insured** whose duties are related to the maintenance or use of the **residence premises**, including household or domestic services; or
 - b. one who performs similar duties elsewhere not related to the **business** of an **insured**.
 8. **"residence premises"** means:
 - a. the one family dwelling, other structures, and grounds; or
 - b. that part of any other building;where you reside and which is shown as the **"residence premises"** in the Declarations.

"Residence premises" also means a two family dwelling where you reside in at least one of the family units and which is shown as the **"residence premises"** in the Declarations.

SECTION I - PROPERTY COVERAGES

COVERAGE A - Dwelling

We cover:

1. the dwelling on the **residence premises** shown in the Declarations, including structures attached to the dwelling; and
2. 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**.

This coverage does not apply to land, including land on which the dwelling is located.

COVERAGE B - Other Structures

We cover other structures on the **residence premises** set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

This coverage does not apply to land, including land on which the other structures are located.

We do not cover other structures:

1. used in whole or in part for **business**; or
2. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

COVERAGE C - Personal Property

We cover personal property owned or used by an **insured** while it is any anywhere in the world. At your request, we will cover personal property owned by:

1. others while the property is on the part of the **residence premises** occupied by an **insured**;
2. a guest or a **residence employee**, while the property is in any residence occupied by an **insured**.

Our limit of liability for personal property usually located at an **insured's** residence, other than the **residence premises**, is 10% of the limit of liability for Coverage C, or \$1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

1. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. \$1000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets and stamps.
3. \$1000 on watercraft, including their trailers, furnishings, equipment and outboard motors.
4. \$1000 on trailers not used with watercraft.
5. \$1000 on grave markers.
6. \$1000 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
7. \$2000 for loss by theft of firearms.
8. \$2500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
9. \$2500 on property, on the **residence premises**, used at any time or in any manner for any **business** purpose.
10. \$250 on property, away from the **residence premises**, used at any time or in any manner for any **business** purpose.

Property Not Covered. We do not cover:

1. articles separately described and specifically insured in this or other insurance;
2. animals, birds or fish;
3. motor vehicles or all other motorized land conveyances. This includes:
 - a. equipment and accessories; or
 - b. any device or instrument for the transmitting, recording, receiving or reproduction of sound or pictures which is operated by power from the electrical system of motor vehicles or all other motorized land conveyances, including:
 - (1) accessories or antennas; or
 - (2) tapes, wires, records, discs, or other media for use with any such device or instrument;

while in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. used to service an **insured's** residence; or
- b. designed for assisting the handicapped;

4. aircraft and parts. Aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo;
5. property of roomers, boarders and other tenants, except property of roomers and boarders related to an **insured**;
6. property in an apartment regularly rented or held for rental to others by an **insured**;
7. property rented or held for rental to others off the **residence premises**;
8. a. books of account, drawings or other paper records; or
b. electronic data processing tapes, wires, records, discs or other software media;
containing **business** data. But, we do cover the cost of blank or unexposed records and media;
9. credit cards or fund transfer cards except as provided in Additional Coverages 6.

COVERAGE D - Loss Of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the **residence premises** where you reside not fit to live in, we cover, at your choice, either of the following. However, if the **residence premises** is not your principal place of residence, we will not provide the option under paragraph b. below.
 - a. **Additional Living Expense**, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living; or
 - b. **Fair Rental Value**, meaning the fair rental value of that part of the **residence premises** where you reside less any expenses that do not continue while the premises is not fit to live in.

Payment under a. or b. will be 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.

2. If a loss covered under this Section makes that part of the **residence premises** rented to others or held for rental by you not fit to live in, we cover the:

Fair Rental Value, meaning 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 the premises is not fit to live in.

Payment will be for the shortest time required to repair or replace that part of the premises rented or held for rental.

3. If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense or Fair Rental Value loss as provided under 1 and 2 above for no more than two weeks.

The periods of time under 1, 2 and 3 above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

ADDITIONAL COVERAGES

1. **Debris Removal**. We will pay your reasonable expense for the removal of:
 - a. debris of covered property if a Peril Insured Against causes the loss; or
 - b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense for the removal of fallen trees from the **residence premises** if:

- a. coverage is not afforded under Additional Coverages 3. Trees, Shrubs and Other Plants for the peril causing the loss; or
- b. the tree is not covered by this policy;

provided the tree damages covered property and a Peril Insured Against under Coverage C causes the tree to fall. Our limit of liability for this coverage will not be more than \$500 in the aggregate for any one loss.

2. **Reasonable Repairs**. We will pay the reasonable cost incurred by you for necessary repairs made solely to protect covered property from further damage if a Peril Insured Against causes the loss. This coverage does not increase the limit of liability that applies to the property being repaired.
3. **Trees, Shrubs and Other Plants**. We cover trees, shrubs, plants or lawns, on the **residence premises**, for loss caused by the following Perils

Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism or malicious mischief or theft.

The limit of liability for this coverage will not be more than 5% of the limit of liability that applies to the dwelling, or more than \$500 for any one tree, shrub or plant. We do not cover property grown for **business** purposes.

This coverage is additional insurance.

4. **Fire Department Service Charge.** We will pay up to \$500 for 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 Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

5. **Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.

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

We will pay up to \$500 for:

- a. the legal obligation of an **insured** to pay because of the theft or unauthorized use of credit cards issued to or registered in an **insured's** name;
- b. loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in an **insured's** name;
- c. loss to an **insured** caused by forgery or alteration of any check or negotiable instrument; and
- d. loss to an **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover use of a credit card or fund transfer card:

- a. by a resident of your household;
- b. by a person who has been entrusted with either type of card; or

- c. if all **insured** has not complied with all terms and conditions under which the cards are issued.

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.

We do not cover loss arising out of **business** use or dishonesty of an **insured**.

This coverage is additional insurance. No deductible applies to this coverage.

Defense:

- a. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- b. If a suit is brought against an **insured** for liability under the Credit Card or Fund Transfer Card coverage, we will provide a defense at our expense by counsel of our choice.
- c. We have the option to defend at our expense an **insured** or an **insured's** bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Loss Assessment.** We will pay up to \$1000 for your share of any loss assessment charged during the policy period against you by a corporation or association of property owners. This only applies when the assessment is made as a result of each direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under Coverage A - Dwelling, other than earthquake or land shock waves or tremors before, during or after a volcanic eruption.

This coverage applies only to loss assessments charged against you as owner or tenant of the **residence premises**.

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

8. **Collapse.** We insure for direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:

- a. Perils Insured Against in Coverage C - Personal Property. These perils apply to covered building and personal property for loss insured by this additional coverage;
- b. hidden decay;

- c. hidden insect or vermin damage;
- d. weight of contents, equipment, animals or people;
- e. weight of rain which collects on a roof; or
- f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b, c, d, e, and f unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

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

SECTION I - PERILS INSURED AGAINST

COVERAGE A - DWELLING and

COVERAGE B - OTHER STRUCTURES

We insure against risks of direct loss to property described in Coverages A and B only if that loss is a physical loss to property; however, we do not insure loss:

1. involving collapse, other than as provided in Additional Coverage 8;
2. caused by:
 - a. 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 have used reasonable care to:
 - (1) maintain heat in the building; or
 - (2) shut off the water supply and drain the system and appliances of water,
 - b. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
 - (1) fence, pavement, patio or swimming pool;
 - (2) foundation, retaining wall or bulkhead; or
 - (3) pier, wharf or dock;
 - c. theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
 - d. vandalism and malicious mischief or breakage of glass and safety glazing materials if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

- e. constant or repeated seepage or leakage of water or steam over a period of weeks, months or years from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance;
- f. (1) wear and tear, marring, deterioration;
- (2) inherent vice, latent defect, mechanical breakdown;
- (3) smog, rust, mold, wet or dry rot;
- (4) smoke from agricultural smudging or industrial operations;
- (5) release, discharge or dispersal of contaminants or pollutants;
- (6) settling, cracking, shrinking, bulging or expansion of pavements, patios, foundations, walls, floors, roofs or ceilings; or
- (7) birds, vermin, rodents, insects or domestic animals.

If any of these cause water damage not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

3. excluded under Section 1 - Exclusions.

Under items 1 and 2, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.

COVERAGE C - PERSONAL PROPERTY

We insure for direct physical loss to the property described in Coverage C caused by a peril listed below unless the loss is excluded in Section I - Exclusions.

1. Fire or lightning.

2. Windstorm or hail.

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

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

3. Explosion.

4. Riot or civil commotion.

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

6. Vehicles.

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

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

8. Vandalism or malicious mischief.

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

This peril does not include loss caused by theft:

- a. committed by an **insured**;
- 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; or
- c. from that part of a **residence premises** rented by an **insured** to other than an **insured**.

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

- a. property while at any other residence owned by, rented to, or occupied by an **insured**, except while an **insured** is temporarily living there. Property of a student who is an **insured** is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss;
- b. watercraft, including their furnishings, equipment and outboard motors; or
- c. trailers and campers.

10. Falling objects.

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

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

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

This peril does not include loss:

- a. to the system or appliance from which the water or steam escaped;
- b. caused by or resulting from freezing except as provided in the peril of freezing below; or
- c. on the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises**.

13. 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.

We do not cover loss caused by or resulting from freezing under this peril.

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

This peril does not include loss on the **residence premises** while the dwelling is unoccupied, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliances of water.

15. Sudden and accidental damage from artificially generated electrical current.

This peril does not include loss to a tube, transistor or similar electronic component.

16. Damage by glass or safety glazing material which is part of a building, storm door or storm window.

This peril does not include loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

17. Volcanic Eruption other than loss caused by earthquake, land shock waves or tremors.

SECTION I - EXCLUSIONS

1. 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 sequence to the loss.
 - a. **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 under this policy.
 - b. **Earth Movement**, meaning earthquake including land shock waves or tremors before, during or after a volcanic eruption; landslide; mudflow; earth sinking, rising or shifting; unless direct loss by:
 - (1) fire;
 - (2) explosion; or
 - (3) breakage of glass or safety glazing material which is part of a building, storm door or storm window;ensues and then we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.
 - c. **Water Damage**, meaning:
 - (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
 - (2) water which backs up through sewers or drains; or
 - (3) water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.Direct loss by fire, explosion or theft resulting from water damage is covered.
 - d. **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.
 - e. **Neglect**, meaning neglect of the **insured** to use all reasonable means to save and preserve property at and after the time of a loss.
 - f. **War**, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
 - g. **Nuclear Hazard**, to the extent set forth in the Nuclear Hazard Clause of Section I - Conditions.
 - h. **Intentional Loss**, meaning any loss arising out of any act committed:
 - (1) by or at the direction of an **insured**; and
 - (2) with the intent to cause a loss.
2. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not excluded or excepted in this policy is covered.
 - a. **Weather conditions**. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss;
 - b. **Acts or decisions**, including the failure to act or decide, of any person, group, organization or governmental body;
 - c. **Faulty, inadequate or defective**:
 - (1) planning, zoning, development, surveying, siting;
 - (2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) materials used in repair, construction, renovation or remodeling; or
 - (4) maintenance;of part or all of any property whether on or off the **residence premises**.

SECTION I - CONDITIONS

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

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

- a. give prompt notice to us or our agent;
- b. notify the police in case of loss by theft;
- c. notify the credit card or fund transfer card company in case of loss under Credit Card or Fund Transfer Card coverage;
- d. (1) protect the property from further damage;
- (2) make reasonable and necessary repairs to protect the property; and
- (3) keep an accurate record of repair expenses;
- e. 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;
- f. 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 questions under oath and sign and swear to them;
- g. send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - (1) the time and cause of loss;
 - (2) the interest of the **insured** 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 2e above;
 - (7) receipts for additional living expenses incurred and records that support the fair rental value loss; and
 - (8) evidence or affidavit that supports a claim under the Credit Card, Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

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

- a. (1) Personal property;
 - (2) Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - (3) Structures that are not buildings;
- at actual cash value at the time of loss but not more than the amount required to repair or replace.
- b. buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - (1) If, at the time of loss, the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (a) the limit of liability under this policy that applies to the building;
 - (b) the replacement cost of that part of the building damaged for like construction and use on the same premises; or
 - (c) the necessary amount actually spent to repair or replace the damaged building.
 - (2) If, at the time of loss, the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this policy that applies to the building:
 - (a) the actual cash value of that part of the building damaged; or
 - (b) that proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.
 - (3) To determine the amount of insurance required to equal 80% of the full replacement cost of the building immedi-

ately before the loss, do not include the value of:

- (a) excavations, foundations, piers or any supports which are below the undersurface of the lowest basement floor.
 - (b) those supports in (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (c) underground flues, pipes, wiring and drains.
- (4) We will pay no more than the actual cash value of the damage unless:
- (a) actual repair or replacement is complete; or
 - (b) the cost to repair or replace the damage is both:
 - (i) less than 5% of the amount of insurance in this policy on the building; and
 - (ii) less than \$1000.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis. You may then make claim within 180 days after loss for any additional liability on a replacement cost basis.

- 4. Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:
- a. repair or replace any part to restore the pair or set to its value before the loss; or
 - b. pay the difference between actual cash value of the property before and after the loss.
- 5. Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
- 6. 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 appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the **residence premises** is located. The appraisers will separately set the amount of loss. If the ap-

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

Each party will:

- a. pay its own appraiser; and
 - b. bear the other expenses of the appraisal and umpire equally.
- 7. Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
- 8. 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.
- 9. 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 like property.
- 10. Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:
- a. reach an agreement with you;
 - b. there is an entry of a final judgment; or
 - c. there is a filing of an appraisal award with us.
- 11. Abandonment of Property.** We need not accept any property abandoned by an **insured**.
- 12. Mortgage Clause.**
- The word "mortgagee" includes trustee.
- If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
- If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
- a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. pays any premium due under this policy on demand if you have neglected to pay the premium; and

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

If the policy is cancelled or not renewed by us, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.

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

- a. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- b. 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.

- 13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

14. Nuclear Hazard Clause.

- 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 perils are specifically named in or otherwise included within the Perils Insured Against in Section I.
- c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

- 15. **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.

- 16. **Volcanic Eruption Period.** One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

SECTION II - LIABILITY COVERAGES

COVERAGE E - Personal Liability

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

- 1. pay up to our limit of liability for the damages for which the **insured** is legally liable; and
- 2. provide a defense at our expense by counsel of our choice, 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 limit of liability.

COVERAGE F - Medical Payments To Others

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing **bodily injury**.

Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except **residence employees**. As to others, this coverage applies only:

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

SECTION II - EXCLUSIONS

- 1. **Coverage E - Personal Liability and Coverage F -Medical Payments to Others** do not apply to **bodily injury** or **property damage**:

- a. which is expected or intended by the **insured**;

- b. arising out of **business** pursuits of an **insured** or the rental or holding for rental of any part of any premises by an **insured**.

This exclusion does not apply to:

- (1) activities which are usual to non-**business** pursuits; or
- (2) the rental or holding for rental of an **insured location**:
 - (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; or
 - (c) in part, as an office, school, studio or private garage;

- c. arising out of the rendering of or failure to render professional services;

- d. arising out of a premises:

- (1) owned by an **insured**;
 - (2) rented to an **insured**; or
 - (3) rented to others by an **insured**;
- that is not an **insured location**;

- e. arising out of:

- (1) the ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an **insured**;
- (2) the entrustment by an **insured** of a motor vehicle or any other motorized land conveyance to any person; or
- (3) statutorily imposed vicarious parental liability for the actions of a child or minor using a conveyance excluded in paragraph (1) or (2) above.

This exclusion does not apply to:

- (1) a trailer not towed by or carried on a motorized land conveyance.
- (2) a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
 - (a) not owned by an **insured**; or
 - (b) owned by an **insured** and on an **insured location**.
- (3) a motorized golf cart when used to play golf on a golf course.

- (4) a vehicle or conveyance not subject to motor vehicle registration which is:

- (a) used to service an **insured's** residence;
- (b) designed for assisting the handicapped; or
- (c) in dead storage on an **insured location**.

- f. arising out of:

- (1) the ownership, maintenance, use, loading or unloading of a watercraft described below;
- (2) the entrustment by an **insured** of a watercraft described below to any person; or
- (3) statutorily imposed vicarious parental liability for the actions of a child or minor using a watercraft described below.

Watercraft:

- (1) with inboard or inboard-outdrive motor power owned by an **insured**;
- (2) with inboard or inboard-outdrive motor power of more than 50 horsepower rented to an **insured**;
- (3) that is a sailing vessel, with or without auxiliary power, 26 feet or more in length owned by or rented to an **insured**; or
- (4) powered by one or more outboard motors with more than 25 total horsepower if the outboard motor is owned by an **insured**. But, outboard motors of more than 25 total horsepower are covered for the policy period if:
 - (a) you acquire them prior to the policy period and:
 - (i) you declare them at policy inception; or
 - (ii) your intention to insure is reported to us in writing within 45 days after you acquire the outboard motors.
 - (b) you acquire them during the policy period.

This exclusion does not apply while the watercraft is stored.

- g. arising out of:

- (1) the ownership, maintenance, use, loading or unloading of an aircraft;

- (2) the entrustment by an **insured** of an aircraft to any person; or
- (3) statutorily imposed vicarious parental liability for the actions of a child or minor using an aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

- h. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

Exclusions d., e., f., and g. 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**.

2. Coverage E - Personal Liability, does not apply to:

- a. liability:
 - (1) for your share of any loss assessment charged against all members of an association, corporation or community of property owners;
 - (2) under any contract or agreement. However, 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 the **insured** prior to an **occurrence**;

unless excluded in (1) above or elsewhere in this policy;
- b. **property damage** to property owned by the **insured**;
- c. **property damage** to property rented to, occupied or used by or in the care of the **insured**. This exclusion does not apply to **property damage** caused by fire, smoke or explosion;
- d. **bodily injury** to any person eligible to receive any benefits:
 - (1) voluntarily provided; or
 - (2) required to be provided;

by the **insured** under any:

- (1) workers' compensation law;
- (2) non-occupational disability law; or
- (3) occupational disease law;

e. **bodily injury** or **property damage** for which an **insured** under this policy:

- (1) is also an insured under a nuclear energy liability policy; or
- (2) 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:

- (1) American Nuclear Insurers;
- (2) Mutual Atomic Energy Liability Underwriters;
- (3) Nuclear Insurance Association of Canada;

or any of their successors; or

f. **bodily injury** to you or an **insured** within the meaning of part a. or b. of "**insured**" as defined.

3. Coverage F - Medical Payments to Others, does not apply to bodily injury:

- a. to a **residence employee** if the **bodily injury**:
 - (1) occurs off the **insured location**; and
 - (2) does not arise out of or in the course of the **residence employee's** employment by an **insured**;
- b. to any person eligible to receive benefits:
 - (1) voluntarily provided; or
 - (2) required to be provided;

under any:

 - (1) workers' compensation law;
 - (2) non-occupational disability law; or
 - (3) occupational disease law;
- c. from any:
 - (1) nuclear reaction;
 - (2) nuclear radiation; or
 - (3) radioactive contamination;

all whether controlled or uncontrolled or however caused; or

 - (4) any consequence of any of these.
- d. to any person, other than a **residence employee** of an **insured**, regularly residing on any part of the **insured location**.

SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

1. **Claim Expenses.** We pay:
 - a. expenses we incur and costs taxed against an **insured** in any suit we defend;
 - b. premiums on bonds required in a suit we defend, but not for bond amounts more than the limit of liability for Coverage E. We need not apply for or furnish any bond;
 - c. reasonable expenses incurred by an **insured** at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of a claim or suit;
 - d. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies;
 - e. prejudgment interest awarded against the **insured** on that part of the judgment we pay. If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.
2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by an **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured**.
3. **Damage to Property of Others.** We will pay, at replacement cost, up to \$500 per **occurrence** for **property damage** to property of others caused by an **insured**.

We will not pay for **property damage**:

- a. to the extent of any amount recoverable under Section I of this policy;
- b. caused intentionally by an **insured** who is 13 years of age or older;
- c. to property owned by an **insured**;
- d. to property owned by or rented to a tenant of an **insured** or a resident in your household;
or

e. arising out of:

- (1) **business** pursuits;
- (2) any act or omission in connection with a premises owned, rented or controlled by an **insured**, other than the **insured location**; or
- (3) the ownership, maintenance, or use of aircraft, watercraft or motor vehicles or all other motorized land conveyances.

This exclusion does not apply to a motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and not owned by an **insured**.

4. **Loss Assessment.** We will pay up to \$1000 for your share of any loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of:
 - a. each **occurrence** to which Section II of this policy would apply;
 - b. liability for each act of a director, officer or trustee in the capacity as a director, officer or trustee, provided:
 - (1) the director, officer or trustee is elected by the members of a corporation or association of property owners; and
 - (2) the director, officer or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against you as owner or tenant of the **residence premises**.

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

Section II - Coverage E - Personal Liability Exclusion 2.a.(1) does not apply to this coverage.

SECTION II - CONDITIONS

1. **Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one **occurrence** will not be more than the limit of liability for Coverage E as shown in the Declarations. This limit is the same regardless of the number of **insureds**, claims made or persons injured.

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

2. **Severability of Insurance.** This insurance applies separately to each **insured**. This condition will not increase our limit of liability for any one **occurrence**.
3. **Duties After Loss.** In case 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:
 - a. give written notice to us or our agent as soon as is practical, which sets forth:
 - (1) the identity of the policy and **insured**;
 - (2) reasonably available information on the time, place and circumstances of the accident or **occurrence**; and
 - (3) names and addresses of any claimants and witnesses;
 - b. promptly forward to us every notice, demand, summons or other process relating to the accident or **occurrence**;
 - c. at our request, help us:
 - (1) to make settlement;
 - (2) to enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured**;
 - (3) with the conduct of suits and attend hearings and trials;
 - (4) to secure and give evidence and obtain the attendance of witnesses;
 - d. under the coverage - Damage to Property of Others - submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in the **insured's** control;
 - e. the **insured** will not, except at the **insured's** own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the **bodily injury**.
4. **Duties of an Injured Person - Coverage F - Medical Payments to Others.**

The injured person or someone acting for the injured person 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.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.
5. **Payment of Claim - Coverage F - Medical Payments to Others.** Payment under this coverage is not an admission of liability by an **insured** or us.
6. **Suit Against Us.** No action can be brought against us unless there has been 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.
7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an **insured** will not relieve us of our obligations under this policy.
8. **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 limits of liability that apply in this policy.

SECTIONS I AND II - CONDITIONS

1. **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.
2. **Concealment or Fraud.** We do not provide coverage for an **insured** who has:
 - a. intentionally concealed or misrepresented any material fact or circumstance; or
 - b. made false statements or engaged in fraudulent conduct;
 relating to this insurance.
3. **Liberalization Clause.** If we adopt a revision which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.
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. Cancellation.

- a. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
- b. 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.

- (1) 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.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
 - (a) if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
 - (b) 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.

- (4) 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.
- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Non-Renewal** 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.

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

8. **Subrogation.** An **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. **Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

- 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;

b. **insured** includes:

- (1) any member of your household who is an **insured** at the time of your death, but only while a resident of the **residence premises**; and
- (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

OPTIONAL COVERAGES YOU MAY PURCHASE

THE COVERAGES DESCRIBED ON THE FOLLOWING PAGES APPLY TO YOUR POLICY ONLY WHEN THE CORRESPONDING ENDORSEMENT NUMBERS AND EDITION DATES APPEAR ON YOUR DECLARATIONS PAGE FOLLOWING THE WORDS "FORMS AND ENDORSEMENTS SHOWN ARE MADE A PART OF YOUR POLICY".

SUBJECT TO ELIGIBILITY REQUIREMENTS, THESE OPTIONAL COVERAGES ARE AVAILABLE FOR PURCHASE THROUGH YOUR LOCAL SALES/SERVICE OFFICE.

INFLATION PROTECTION ENDORSEMENT**FMHO-679**

It is agreed that the limits of liability for:

- Coverage A, Dwelling;
- Coverage B, Structure;
- Coverage C, Personal Property; and
- Coverage D, Loss of Use,

shall be raised by the rate of increase in the Residential Building Cost Information System Index of Marshall & Swift.

METHOD

To find the limits of liability on a given date, the Index Level the Company assigns to that date will be divided by the Index Level for the effective date of this Endorsement. This Factor is then multiplied by the limit for Coverages A, B, C and D separately.

If during this policy's term the Coverage A limit is changed at the insured's request, the effective date of this Endorsement is amended to the effective date of such change.

This Endorsement shall not reduce the limits of liability to less than the amount shown on:

- a. The policy; or
- b. The most recent Homeowners Policy Renewal Declaration.

This Endorsement must be attached to Change Endorsement when issued after the policy is written.

FMHO-679 (Ed. 3-86)

PREMISES ALARM OR FIRE PROTECTION SYSTEM**HO-216**

For a premium credit, we acknowledge the installation of an alarm system or automatic sprinkler system approved by us on the **residence premises**. You agree to maintain this system in working order

and to notify us promptly of any change made to the system or if it is removed.

HO-216 (Ed. 4-84)

OPTIONAL LOSS SETTLEMENT ENDORSEMENT**FMHO-547**

It is understood and agreed that under Section I Conditions of the policy Item 3, Loss Settlement, is deleted and the following substituted therefor:

3. LOSS SETTLEMENT: Covered property losses are settled as follows:

- a. Personal property and structures that are not buildings at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace:
- b. Carpeting, domestic appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, at actual value at the time of loss but not exceeding the amount necessary to repair or replace:
- c. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:
 - (1) We will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of the following amounts:

- (a) the limit of liability under this policy applying to the building:

- (b) the replacement cost of that part of the building damaged for equivalent construction and use of the same premises: or
 - (c) the amount actually and necessarily spent to repair or replace the damaged building.
 - (2) When the cost to repair or replace the damage is more than \$2500 or more than 5% of the amount of insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
 - (3) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability on a replacement cost basis.

FMHO-547 (Ed. 4-77)

PERSONAL PROPERTY REPLACEMENT COST ENDORSEMENT FMHO-752

SECTION I

For added premium, subsection a. of Condition 3 Loss Settlement is replaced as follows:

- a. (1) Personal Property: at replacement cost;
- (2) Carpeting and household appliances that are not building items: at replacement cost;
- (3) Structures that are not buildings: at actual cash value at the time of loss;
- (4) Awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings: at actual cash value at the time of loss;

but not exceeding the amount necessary to repair or replace.

The Replacement Cost of any item of Personal Property is limited to the amount it would cost to replace it with a similar item of Personal Property of like kind and quality.

THIS ENDORSEMENT SHALL NOT APPLY TO:

1. Fine Arts and like items which, by their inherent nature, can't be replaced with new items.
2. Articles whose age or history contribute to their value including, but not limited to, Souvenirs and Collector's Items.

3. Property that is obsolete or unusable for the purpose for which it was originally intended due to age or historic condition.

THIS COMPANY'S LIMIT OF LIABILITY FOR LOSS UNDER THIS ENDORSEMENT SHALL NOT EXCEED THE SMALLEST OF THE FOLLOWING AMOUNTS:

1. Replacement Cost at the time of the loss;
2. The full cost of repair;
3. Any special limit of liability described in the policy; or
4. The Coverage C limit of liability stated in the declarations.

THIS COMPANY WILL NOT BE LIABLE FOR ANY LOSS UNDER THIS ENDORSEMENT UNLESS AND UNTIL ACTUAL REPAIR OR REPLACEMENT IS COMPLETED.

The named insured may choose not to replace some of the destroyed or stolen property. Settlement for the property not replaced will be on an actual cash value basis. If the named insured later decides to replace any such property, the named insured may make another claim under this endorsement within 180 days after the loss.

FMHO-752 (Ed. 9-87)

SCHEDULED PERSONAL PROPERTY ENDORSEMENT

HO-61

NEWLY ACQUIRED PROPERTY - Jewelry, Furs, Cameras and Musical Instruments Only

We cover newly acquired property of a class of property already insured. The lesser of the following limits applies:

1. 25% of the amount of insurance for that class of property; or
2. \$10,000.

When you acquire new property you must:

1. report these objects to us within 30 days; and
2. pay the additional premium from the date acquired.

NEWLY ACQUIRED FINE ARTS

When Fine Arts are scheduled, we cover objects of art acquired during the policy period for their actual cash value. However, we will pay no more than 25% of the amount of insurance for fine arts scheduled. For coverage to apply for newly acquired fine arts you must:

1. report these objects to us within 90 days; and
2. pay the additional premium from the date acquired.

PERILS INSURED AGAINST

We insure against risks of direct loss to property described only if that loss is a physical loss to property; however, we do not insure loss caused by any of the following:

1. Wear and tear, gradual deterioration or inherent vice;
2. Insects or vermin.
3. 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.

4. Nuclear Hazard, to the extent set forth in the Nuclear Hazard Clause of Section I - Conditions.
5. If Fine Arts are covered:
 - a. repairing, restoration or retouching process;
 - b. breakage of art glass windows, glassware, statuary, marble, bric-a-brac, porcelains and similar fragile articles. We cover loss by breakage if caused by:
 - (1) fire or lightning;
 - (2) explosion, aircraft or collision;
 - (3) windstorm, earthquake or flood;
 - (4) malicious damage or theft;
 - (5) derailment or overturn of a conveyance.

We do not insure loss, from any cause, to property on exhibition at fair grounds or premises of national or international expositions unless the premises are covered by this policy.

6. If Postage Stamps or Rare and Current Coins collections are covered:
 - a. fading, creasing, denting, scratching, tearing or thinning;
 - b. transfer of colors, inherent defect, dampness, extremes of temperature, or depreciation;
 - c. being handled or worked on;
 - d. the disappearance of individual stamps, coins or other articles unless the item is:
 - (1) described and scheduled with a specific amount of insurance; or
 - (2) mounted in a volume and the page it is attached to is also lost;
 - e. shipping by mail other than registered mail; or
 - f. theft from any unattended automobile unless being shipped as registered mail.

We do not insure loss, from any cause, to property:

- a. in the custody of transportation companies; or
- b. not part of a stamp or coin collection.

TERRITORIAL LIMITS

We cover the property described worldwide. However, Fine Arts are covered only within the United States and Canada.

SPECIAL PROVISIONS

1. Fine Arts: You agree that the covered property will be handled by competent packers.
2. Golfer's Equipment includes your other clothing while contained in a locker when you are playing golf. We cover golf balls for loss by fire or burglary provided there are visible marks of forcible entry into the building, room or locker.
3. Postage Stamps includes the following owned by or in the custody or control of the **insured**:
 - a. due, envelope, official, revenue, match and medicine stamps;
 - b. covers, locals, reprints, essays, proofs and other philatelic property; or
 - c. books, pages and mountings of items in a. and b.
4. Rare and Current Coins includes the following owned by or in the custody or control of the **insured**:
 - a. medals, paper money, bank notes;
 - b. tokens of money and other numismatic property; or
 - c. coin albums, containers, frames, cards and display cabinets in use with such collection.

CONDITIONS

1. Loss Clause: The amount of insurance under this endorsement will not be reduced except for a total loss of a scheduled article. We will refund the unearned premium applicable to such article after the loss or you may apply it to the premium due for the replacement of the scheduled article.
2. Loss Settlement: Covered property losses are settled as follows:
 - a. Fine Arts - we will pay the amount shown for each scheduled article which is agreed to be the value of the article.

In case of loss to a pair or set, we agree to pay you the full amount of the set as shown in the schedule and you agree to surrender the remaining article or articles of the set to us.

- b. **POSTAGE STAMPS OR RARE AND CURRENT COIN COLLECTION - IN CASE OF LOSS TO ANY SCHEDULED ITEM, THE AMOUNT TO BE PAID WILL BE DETERMINED IN ACCORDANCE WITH PARAGRAPH 2c. OTHER PROPERTY.**

WHEN COINS OR STAMPS ARE COVERED ON A BLANKET BASIS, WE

WILL PAY THE CASH MARKET VALUE AT TIME OF LOSS BUT NOT MORE THAN \$1,000 ON ANY UNSCHEDULED COIN COLLECTION NOR MORE THAN \$250 FOR ANY ONE STAMP, COIN OR INDIVIDUAL ARTICLE OR ANY ONE PAIR, STRIP, BLOCK, SERIES SHEET, COVER, FRAME OR CARD.

WE WILL NOT PAY A GREATER PROPORTION OF ANY LOSS ON BLANKET PROPERTY THAN THE AMOUNT INSURED ON BLANKET PROPERTY BEARS TO THE CASH MARKET VALUE AT TIME OF LOSS.

- c. OTHER PROPERTY - THE VALUE OF THE PROPERTY INSURED IS NOT AGREED UPON BUT WILL BE ASCERTAINED AT THE TIME OF LOSS OR DAMAGE. WE WILL NOT PAY MORE THAN THE LEAST OF THE FOLLOWING AMOUNTS:
- (1) THE ACTUAL CASH VALUE OF THE PROPERTY AT THE TIME OF LOSS OR DAMAGE;
 - (2) THE AMOUNT FOR WHICH YOU COULD REASONABLY BE EXPECTED TO HAVE THE PROPERTY REPAIRED TO ITS CONDITION IMMEDIATELY PRIOR TO LOSS;

(3) THE AMOUNT FOR WHICH YOU COULD REASONABLY BE EXPECTED TO REPLACE THE ARTICLE WITH ONE SUBSTANTIALLY IDENTICAL TO THE ARTICLE LOST OR DAMAGED; OR

(4) THE AMOUNT OF INSURANCE.

3. PAIR, SET OR PARTS OTHER THAN FINE ARTS:

a. LOSS TO A PAIR OR SET

IN CASE OF A LOSS TO A PAIR OR SET WE MAY ELECT TO:

- (1) REPAIR OR REPLACE ANY PART TO RESTORE THE PAIR OR SET TO ITS VALUE BEFORE THE LOSS; OR
- (2) PAY THE DIFFERENCE BETWEEN ACTUAL CASH VALUE OF THE PROPERTY BEFORE AND AFTER THE LOSS.

b. PARTS

IN CASE OF A LOSS TO ANY PART OF COVERED PROPERTY, CONSISTING OF SEVERAL PARTS WHEN COMPLETE, WE WILL PAY FOR THE VALUE OF THE PART LOST OR DAMAGED.

HO-61 (Ed. 4-84)

SEE FMHO 627 FOR SCHEDULED DETAILS

HOMEPROTECTOR PLUS ENDORSEMENT

FMHO-693

A. INCREASED SPECIAL LIMIT OF LIABILITY - JEWELRY, WATCHES, FURS, PRECIOUS AND SEMI-PRECIOUS STONES

Section I, Coverage C - Personal Property. Special Limits of Liability. paragraph 6 is replaced with:

6. \$2500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones, subject to a maximum of \$1000 for any one article.

B. REPLACEMENT COST PROVISION - DWELLING AND PERSONAL PROPERTY

Section I, Conditions of the Policy. Item 3. Loss Settlement. is replaced as follows:

3. Loss Settlement. Covered property losses are settled as follows:

a. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

- (1) We will pay the cost of repair or replacement, but not exceeding:
 - (a) the replacement cost of that part of the building damaged using like construction on the same premises and intended for the same occupancy and use;
 - (b) with respect to Coverage B, the limit of liability stated in the declaration;
 - (c) the amount actually and necessarily spent to repair or replace the damage.

- (2) When the cost of repair or replacement is more than \$2500 or more than 5% of the amount of insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
 - (3) You must inform us within 90 days of the start of any additions, alterations or improvements to the dwelling that will increase the replacement cost of the dwelling by \$5,000 or more.
- b. Awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, and structures that are not buildings: at actual cash value at the time of loss but not exceeding the amount needed to repair or replace.
 - c. Personal property, carpeting and domestic appliances: at replacement cost but not exceeding the amount needed to repair or replace subject to the following:
 - (1) Our limit of liability for loss to Personal Property shall not exceed the smallest of the following:
 - (a) Replacement cost with a similar item of like kind and quality at the time of loss;
 - (b) The full cost of repair;
 - (c) Any special limit of liability described in the policy or stated in this endorsement; or
 - (d) The Coverage C limit of liability stated in the declarations.
 - (2) This endorsement shall not apply to:
 - (a) Fine arts and items which, by their nature cannot be replaced with new items.
 - (b) Articles whose age or history contribute substantially to their value including souvenirs and collector's items.
 - (c) Property that is unusable for the purpose for which it was originally intended due to age or historic condition.
- (3) We will not pay for any loss to personal property under this endorsement until actual repair or replacement is complete.
 - d. You may disregard the replacement cost provision and make a claim for loss of or damage to property on an actual cash value basis and then make claim within 180 days after loss for additional liability under this endorsement.

C. INFLATION PROTECTION PROVISION

We will raise the limits of liability for Coverage A - Dwelling; Coverage B - Other Structures; Coverage C - Personal Property; and Coverage D - Loss of Use by the rate of inflation. The rate of inflation means the rate of increase in the Residential Building Cost Information System Index of Marshall & Swift. To find the limits of liability on a given date we divide the Index Level for that date by the Index Level for the effective date of this endorsement. We then multiply this factor by the limit for Coverage A, B, C and D separately. If during this policy's term we change the Coverage A limit at the Insureds request the effective date of this endorsement will be the effective date of that change. This endorsement shall not reduce the limits of liability to less than the amount shown on the most recent Homeowners Policy declaration.

D. PREMISES ALARM OR FIRE PROTECTION SYSTEM

Your premium reflects a 5% credit for smoke or heat alarms, fire extinguishers and dead bolt locks. The amount of this credit is shown on your declaration.

E. INCREASED LIMIT - COVERAGE C

Your limit of liability for Coverage C shown on the declaration is increased. It is now 75% of Coverage A.

F. INCREASED LIMIT - COVERAGE D

Your limit of liability for Coverage D - Loss of Use is increased. We will pay the amount of loss covered by Coverage D actually sustained by you during the 12 consecutive months following the date of loss, subject to the periods of time under paragraphs 1, 2 and 3 of Coverage D - Loss of Use.

FMHO-693 (Ed. 9-87)

GUARANTEED REPLACEMENT COST ENDORSEMENT

FMHO-751

You must meet the following additional condition for this endorsement to apply:

17. Additions or Changes to Dwelling - Notice to Company. You must inform us within 90 days of the start of any additions, alterations or improvements to the dwelling building that will increase the replacement cost of the building by \$5,000 or more.

If you meet Condition 17, then Section I, Conditions of the Policy, Item 3, Loss Settlement, is replaced as follows:

3. Loss Settlement. Covered property losses are settled as follows:

- a. Personal Property and structures that are not buildings: actual cash value at the time of loss, not exceeding the amount needed to repair or replace;
- b. Carpeting, household appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings: at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;
- c. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

- (1) We will pay the cost of repair or replacement, but not exceeding:

- (a) the replacement cost of that part of the building damaged for equivalent construction of the same premises and intended for the same occupancy and use;
 - (b) with respect to Coverage B, the limit of liability stated in the declaration.
 - (c) the amount actually and necessarily spent to repair or replace the damaged buildings.
- (2) When the cost of repairing or replacing the damaged building is more than \$2500 or more than 5% of the amount of insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damaged building until actual repair or replacement is completed.
- (3) You may disregard the replacement cost loss settlement provisions and make a claim under this policy for loss of or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability under this endorsement.

FMHO-751 (Ed. 11-84)

WATERCRAFT ENDORSEMENT

HO-75

SECTION II

For an additional premium, Coverage E - Personal Liability and Coverage F - Medical Payments to Others apply to **bodily injury** or **property damage** arising out of:

- a. the ownership, maintenance, use, loading or unloading of a watercraft described;
- b. the entrustment by an **insured** of a watercraft described to any person; or
- c. statutorily imposed vicarious parental liability for the actions of a child or minor using a watercraft described.

This insurance does not apply with respect to watercraft with inboard or inboard-outdrive motor power or sailing vessels:

- a. to **bodily injury** to any employee of an **insured** arising out of and in the course of employment by the **insured**, if the employee's principal duties are in connection with the maintenance or use of watercraft; or
- b. while the watercraft is used to carry persons for a charge or is rented to others.

All other provisions of this policy apply.

HO-75 (Ed. 4-84)

MUTUAL POLICY CONDITIONS

You are a member of the Liberty Mutual Fire Insurance Company while this policy is in force. Membership entitles you to vote in person or by proxy at meetings of the company. The Annual Meeting is in Boston, Massachusetts, on the second Wednesday in April each year at 11 o'clock in the morning.

Also, as a member, you will receive any dividends declared on this policy by the Directors.

This Policy is classified in Dividend Class II.

This policy has been signed by our President and Secretary at Boston, Massachusetts, and countersigned on the declarations page by an authorized representative.


SECRETARY


PRESIDENT

HOMEPROTECTOR PLUS ENDORSEMENT - HAWAII

FMHO 2024

A. INCREASED SPECIAL LIMIT OF LIABILITY -- JEWELRY, WATCHES, FURS, PRECIOUS AND SEMI-PRECIOUS STONES

Section I, Coverage C -- Personal Property. Special Limits of Liability. Paragraph 6 is replaced with:

5. Jewelry, watches, furs, precious and semi-precious stones are insured for accidental direct physical loss or damage. The following exclusions and limitations apply:
 - a. \$2500 for loss by theft, subject to a maximum of \$1000 for any one article.
 - b. The limit of liability stated in the declarations page for Coverage C, for loss caused by perils named under Coverage C of this policy, other than theft.
 - c. \$2500 for loss caused by perils not named and not excluded in this policy, subject to a maximum of \$1000 for any article.
 - d. We do not cover loss or damage caused by mechanical breakdown, wear and tear, gradual deterioration, insects, vermin or inherent vice.

B. REPLACEMENT COST PROVISION -- DWELLING AND PERSONAL PROPERTY

You must meet the following additional Section I Condition for this endorsement to apply:

17. Additions or Changes to Dwelling -- Notice to Company. You must inform us within 90 days of the start of any additions, alterations or improvements to the dwelling building that will increase the replacement cost of the building by \$5000 or more.

If you meet Condition 17, then Section I, Condition 3, Loss Settlement, is deleted and replaced by the following:

3. Loss Settlement. Covered property losses are settled as follows:

- a. The applicable limit of liability for Buildings under Coverage A or B is the replacement cost, after application of deductible and without deduction for depreciation, subject to the following:
 - (1) We will pay the cost of repair or replacement, but not exceeding:
 - (a) The replacement cost of that part of the building damaged using like construction on the same premises and intended for the same occupancy and use;
 - (b) With respect to Coverage A, an amount not exceeding 35% greater than the limit of liability stated in the declaration, as modified by the Inflation Protection Provision of the policy;
 - (c) With respect to Coverage B, the limit of liability stated in the declaration, as modified by the Inflation Protection Provision of the policy;
 - (d) The amount actually and necessarily spent to repair or replace the damage.
 - (2) When the cost of repair or replacement is more than \$2500 or more than 5% of the amount of insurance in this policy on the building, whichever is less, we will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
- b. Awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, and structures that are not buildings; at actual cash value at the time of loss but not exceeding the amount needed to repair or replace.
- c. Personal property, carpeting and household appliances; at replacement cost but not exceeding the amount needed to repair or replace subject to the following:
 - (1) Our limit of liability for loss to Personal Property shall not exceed the smallest of the following:
 - (a) Replacement cost with a similar item of like kind and quality at the time of loss;
 - (b) The full cost of repair;
 - (c) Any special limit of liability described in the policy or stated in this endorsement; or
 - (d) The Coverage C limit of liability stated in the declarations, as modified by the Inflation Protection Provision of the policy.

- (2) This endorsement shall not apply to:
- (a) Fine arts and items which, by their nature cannot be replaced with new items.
 - (b) Articles whose age or history contribute substantially to their value including souvenirs or collector's items.
 - (c) Property that is unusable for the purpose for which it was originally intended due to age or historic condition.
- (3) We will not pay for any loss to personal property under this endorsement until actual repair or replacement is complete.
- d. You may disregard the replacement cost provision and make a claim for loss of or damage to property on an actual cash value basis and then make claim within 180 days after loss for additional liability under this endorsement.

C. INCREASED LIMIT -- COVERAGE D

We will pay the amount of loss covered by Coverage D which is actually sustained by you during the 12 consecutive months following the date of loss, subject to the periods of time under paragraph 1, 2 and 3 of Coverage D -- Loss of Use.

If your policy includes coverage for hurricane, the limit of liability under this coverage for losses caused by hurricane is limited to an amount not to exceed 10% of Coverage A or \$20,000 whichever is greater.

D. ADDITIONAL COVERAGES

REFRIGERATORS AND FREEZERS CONTENTS COVERAGE

We cover the contents of deep freeze or refrigerated units on the residence premises from the perils of:

1. Fluctuation or total interruption of electric power, either on or off premises, resulting from conditions beyond the control of the "insured".
2. Mechanical breakdown of any refrigeration equipment on premises including the blowing of fuses or circuit breakers.

We do not cover loss caused by the following additional exclusions:

1. Disconnection or termination of power due to turning off any switch.
2. Inability of power source to provide sufficient power due to government order, lack of fuel or lack of generating capacity to meet demand.

SPECIAL LIMIT -- We will not pay more than \$500 of your loss of refrigerator or freezer contents resulting from the above perils.

All other provisions of this policy apply.

LOCK REPLACEMENT COVERAGE

We will pay up to \$250 for replacing the locks or cylinders on the exterior doors of the residence premises when your keys have been stolen. The theft of the keys must be reported to the police for this coverage to apply.

This coverage is additional insurance. No deductible applies to this coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HURRICANE EXCLUSION

This endorsement must be attached to all policies.

For the premium charged, the following is added:

A. SECTION I - EXCLUSIONS

Hurricane. We do not insure for loss caused directly or indirectly by a **hurricane** meaning:

A storm or storm system that has been declared and defined by the Central Pacific Hurricane Center of the National Weather Service to be a hurricane which includes the time period in each island in the State of Hawaii defined as follows:

1. Beginning at the time a hurricane "watch" or "warning" is issued for a particular island by the Central Pacific Hurricane Center of the National Weather Service;
2. Continuing throughout the period in which the "watch" or "warning" remains in effect for the island on which covered property is located; and
3. Ending 72 hours following the cancellation of the "watch" or "warning" for the island by the Central Pacific Hurricane Center of the National Weather Service.

Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss unless loss by:

1. Fire;
2. Explosion;
3. Riot or civil commotion;
4. Vandalism or malicious mischief; or
5. Theft;

ensues and then we will pay only for the ensuing loss.

- B.** With respect to loss caused by hurricane, the following policy provisions are amended:

SECTION I - ADDITIONAL COVERAGES

Under Additional Coverages, item **1. Debris Removal** is deleted in all Forms and in Endorsement **HO-300** and replaced by the following:

1. **Debris Removal.** We will pay your reasonable expense for the removal of:

- a. Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- b. Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense, up to \$500 in the aggregate for the removal from the residence premises of:

- a. Your tree(s) felled by the peril of Windstorm or Hail except Hurricane as defined in **A. Section I - Exclusions** in this endorsement;
- b. Your tree(s) felled by the peril of Weight of Ice, Snow or Sleet (Forms **HO-2, HO-3, HO-4** and **HO-6** only); or
- c. A neighbor's tree(s) felled by a Peril Insured Against under Coverage C; provided the tree(s) damaged a covered structure.

SECTION I - PERILS INSURED AGAINST FORMS HO-2, HO-4, HO-6 AND HO-8

Item **2. Windstorm or Hail** is deleted and replaced by the following:

2. Windstorm or hail, other than a hurricane as defined in **A. Section I - Exclusions** in this endorsement.

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

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while in a fully enclosed building.

FORM HO-3

Coverage A - Dwelling and Coverage B - Other Structures

Under the provisions describing losses not insured under this policy, item **2.b.** is deleted and replaced by the following:

- b. Freezing, thawing, pressure or weight of water or ice, whether or not driven by wind, or by hurricane as defined in **A. Section I - Exclusions** in this endorsement, to a:
 - (1) Fence, pavement, patio or swimming pool;
 - (2) Foundation, retaining wall or bulkhead; or
 - (3) Pier, wharf or dock;

Coverage C - Personal Property

Item **2. Windstorm or hail** is deleted and replaced by the following:

- 2. Windstorm or hail, other than a hurricane as defined in **A. Section I - Exclusions** in this endorsement.

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

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

SECTION I - EXCLUSIONS

Item **3. Water Damage** is deleted and replaced by the following:

3. Water Damage, meaning:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind or hurricane as defined in **A. Section I - Exclusions** in this endorsement.
- b. Water which backs up through sewers or drains; or

- c. Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

Direct loss by fire, explosion or theft resulting from water damage is covered.

(This is item **1.c.** in Form **HO-3**)

- C. The following optional endorsements are amended, as follows, if made part of this policy:

Endorsement **HO-15** Special Personal Property Coverage, Form **HO-3** only

Under the Section **I - Perils Insured Against** provisions in Endorsement **HO-15** describing Coverages A, B and C losses which are not insured, item **1.b.(2)** is deleted and replaced by the following:

- (2) Freezing, thawing, pressure or weight of water or ice, whether or not driven by wind, or by hurricane as defined in **A. Section I - Exclusions** in this endorsement, to a:
 - (a) Fence, pavement, patio or swimming pool;
 - (b) Foundation, retaining wall or bulkhead; or
 - (c) Pier, wharf or dock;

Under the Section **I - Perils Insured Against** provisions in Endorsement **HO-15** describing Coverage C losses which are not insured, item **3.(1)** is deleted. Following the lead-in "There is Coverage for breakage of the property by or resulting from": item **3.(1)** is replaced by the following:

- (1) Fire, lightning, hail, windstorm, except we do not cover loss by breakage caused by hurricane as defined under **a. Section I - Exclusions** in this endorsement;

Endorsement **HO-32** Unit-Owners Coverage A, Special Coverage, Form **HO-6** only

Under the Section **I - Perils Insured Against** provisions in Endorsement **HO-32** describing Coverage A losses which are not insured, item **2.b.** is deleted and replaced by the following:

- b. Freezing, thawing, pressure or weight of water or ice, whether or not driven by wind, or by hurricane as defined in **A.**



Section I - Exclusions in this endorsement, to a:

- (1) Fence, pavement, patio or swimming pool;
- (2) Foundation, retaining wall or bulkhead; or
- (3) Pier, wharf or dock;

Endorsement **HO-61** Scheduled Personal Property

Under the Perils Insured Against provision in

Endorsement **HO-61** describing Fine Arts losses which are not insured, item **5.b.(3)** is deleted and replaced by the following:

- (3) Earthquake, flood or windstorm, except we do not cover loss by hurricane as defined under **A. Section I - Exclusions** in this endorsement;

All other provisions of this policy apply.



CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY COVERAGE

HO-53 (Ed. 4-84)

Increased Limit

For an additional premium, the limit of liability for Additional Coverage 6., Credit Card, Fund Transfer Card, Forgery and Counterfeit Money, is increased to \$*

*Entries may be left blank if shown elsewhere in this policy for this coverage.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – HAWAII

DEFINITIONS

Item **2. Business** is deleted and replaced by the following:

2. Business includes:

- a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) or (3) below, for which no **insured** receives more than \$3,000 in total compensation for the 12 months before the beginning of the policy period.
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity; or
 - (3) A **short term rental**.

Under **4. Insured location** item **e.** is deleted and replaced by the following:

- e. Vacant land, including that which is vacant except for a fence, owned by or rented to an **insured** other than farmland;

If Farmers Personal Liability Endorsement **HO-73** is made a part of this policy, item **e.** of **Definition 4**, "**insured location**," is deleted and replaced by the following:

- e. vacant land owned by or rented to an **insured**.

Definition 5. is deleted in all Forms and replaced by the following:

- 5. "occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
- a. **bodily injury**; or
 - b. **property damage**.

The following definition is added:

Short term rental means one or more rentals, in whole or in part, of the **residence premises** for up to a combined total of 31 days during the policy period.

SECTION I – PROPERTY COVERAGES

COVERAGE A – Dwelling

For form **HO 00 03**, Item **1.** Is amended as follows:

We cover:

1. The dwelling on the **residence premises** shown in the Declarations, including structures attached to the dwelling, and attached wall-to-wall carpeting.

COVERAGE B – Other Structures

In all forms other than **HO 00 04** and **HO 00 06**, item **2.** is deleted and replaced by the following:

2. Rented to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE C - Personal Property

The following is added under items **1.** and **2.** in the second paragraph:

However, we will not cover personal property owned by tenants or guests if the tenants or guests have compensated the **insured** for use of the **residence premises**.

Special Limits of Liability

The introductory paragraph of **Special Limits of Liability** is amended to read:

These do not increase the Coverage C limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category. If personal property can reasonably be considered a part of two or more of the groups listed below, the lowest limit will apply.

Item 2. is deleted and replaced by the following:

2. \$1,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories 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.

The following limits are added:

11. \$5000 on electronic data processing system equipment and the recording or storage media or accessories used with that equipment.
12. \$5000 on any one article and \$10000 in the aggregate for loss by theft of any rug, carpet (excluding attached wall-to-wall carpet), tapestry, wall-hanging or other similar article.
13. \$2500 in the aggregate for loss of any of the following whether or not they are part of a collection: trading cards, comic books, figurines, stamps, advertising materials, stuffed animals, dolls, sports and entertainment memorabilia, toys, games, militaria, and books.
14. \$1200 for any one electrical appliance for loss by sudden and accidental damage from artificially generated electrical currents. This special limit does not apply to electronic data processing equipment or storage media.

Property Not Covered

Item 3. is deleted and replaced by the following:

3. Motor vehicles or all other motorized land conveyances. This includes:
 - a. Their equipment and accessories; or
 - b. Electronic apparatus that is designed to be operated solely by use of the power from the electrical system of motor vehicles or all other motorized land conveyances. Electronic apparatus includes:
 - (1) accessories or antennas; or
 - (2) tapes, wires, records, discs or other media;for use with any electronic apparatus described in this item 3.b.

The exclusion of property described in 3.a. and 3.b. above applies only while the property is in or upon the vehicle or conveyance.

We do cover vehicles or conveyances not subject to motor vehicle registration which are:

- a. used solely to service an **insured's** residence; or
- b. designed for assisting the handicapped;

Item 6. is deleted and replaced by the following:

6. Property in a location on the **residence premises**, when the location is rented to others by an **insured**.

This exclusion does not apply to property of an **insured**:

- a. located on the **residence premises** when the **residence premises** is rented in whole or in part as a **short term rental**; or
- b. located in a sleeping room rented to others by an **insured** on the **residence premises**.

Item 8. is deleted and replaced by the following:

8. **business** data, including such data stored in:
 - a. books of account, drawings or other paper records; or
 - b. electronic data processing tapes, wires, records, discs or other software media. However, we do cover the cost of blank recording or storage media, and of pre-recorded computer programs available on the retail market.

Item 10. is added as personal property items not covered.

10. Water or steam.



COVERAGE D – Loss Of Use is deleted and replaced by the following:

COVERAGE D – Loss of Use

The limit of liability for Coverage D is the total limit for all the coverages that follow.

1. If a loss covered under this Section makes that part of the **residence premises** where you reside not fit to live in, we cover Additional Living Expense. Additional Living Expense means 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 time required to repair or replace the damage or to permanently relocate your household elsewhere.

2. If a loss covered under this Section makes that part of the **residence premises** rented to others by you not fit to live in, we cover your Loss of Rent. Loss of Rent means the rental income to you of that part of the **residence premises** rented to others at the time of loss, less any expenses that do not continue while the premises is not fit to live in.

This coverage does not apply to:

- a. The **residence premises** or that part of the **insured location** that is not rented or leased at the time of the loss; or
- b. to any increase in rent or lease payment that occurs after the time of the loss.

We will pay up to \$5,000 to reimburse your Loss of Rent when a **short term rental** is cancelled because of a covered loss.

Payment will be for the shortest time required to repair or replace that part of the premises rented.

3. If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover the Additional Living Expense and Loss of Rent as provided under 1. and 2. above for no more than two weeks.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement, other than a **short term rental** as provided under 2. above.

ADDITIONAL COVERAGES

Item 1. **Debris Removal** is deleted and replaced by the following:

1. **Debris Removal.** We will pay the reasonable expense you incur for the removal of:
 - a. debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
 - b. ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.

We will also pay your reasonable expense you incur 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; or
 - c. a neighbor's tree(s) felled by a Peril Insured Against under Coverage C;
- 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.

For form **HO 00 03**, item 7. **Loss Assessment** is deleted in its entirety.

For form **HO 00 03**, item 8. **Collapse** is revised by adding the following:

With respect to this Additional Coverage:

- (1) Collapse means the sudden and entire 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 or used 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.

SECTION I – PERILS INSURED AGAINST

COVERAGE A - DWELLING and COVERAGE B - OTHER STRUCTURES

The following is added to item 2.b.

- (4) Footing(s)

For all forms other than **HO 00 04** and **HO 00 06**, item 2.d. is deleted and replaced by the following:

- d. Vandalism and malicious mischief, including fire caused by arson and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

For form **HO 00 03**, the following is added to item 2.f.

- (8) Growth of trees, shrubs, plants or lawns whether or not such growth is above or below the surface of the ground;

For form **HO 00 03**, the final paragraph under item 2. is deleted and replaced by the following:

If any of the Perils Insured Against cause water damage, including sudden and accidental, not otherwise excluded, from a plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance, we cover loss caused by the water including the cost of tearing out and replacing any part of a building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which this water escaped.

The following perils are deleted from Form **HO-6: 2. Windstorm or hail; 6. Vehicles; 11. Falling objects; 12. Weight of ice, snow or sleet; 13. Accidental discharge or overflow of water or steam;** and replaced by the following:

2. **Windstorm or Hail.**

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

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

6. **Vehicles.**

This peril does not include loss to a fence, driveway or walk caused by a vehicle owned or operated by a resident of the **residence premises**.

11. **Falling Objects.**

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

12. **Weight of ice, snow or sleet** which causes damage to a building or property contained in the building.

This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf, or dock.

13. **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. We also pay for tearing out and replacing any part of the building which is covered under Coverage A and on the **residence premises**, if necessary to repair the system or appliance from which the water or steam escaped.

This peril does not include loss:

- a. caused by seepage, meaning a gradual, continuous, or repeated seepage or leakage of water, steam or fuel over a period of 14 days or more, resulting in damage to the structure, whether hidden or not;
- b. on the **residence premises**, if the unit has been vacant for more than 30 consecutive days immediately before the loss. A unit being constructed is not considered vacant;
- c. to the system or appliance from which the water or steam escaped;
- d. caused by or resulting from freezing except as provided in the peril of freezing below; or
- e. on the **residence premises** caused by accidental discharge or overflow which occurs away from the building where the **residence premises** is located.

SECTION I – EXCLUSIONS

Item 2. **Earth Movement** is deleted and replaced by the following:

2. **Earth Movement**, meaning movement of the earth, whether combined with water or not, in any direction, including but not limited to:
 - a. Earthquake, including land shock waves or tremors before, during, or after a volcanic eruption;
 - b. Landslide, mud slide, or mud flow;
 - c. Subsidence or sinkhole; or
 - d. Any other earth movement, including earth sinking, rising, shifting, expanding, contracting, or eroding;

caused by or resulting from manmade, animal, or natural actions, events, or conditions.

If direct loss by:

- a. fire;
- b. explosion; or
- c. breakage of glass or safety glazing material which is part of a building, storm door or storm window;

ensues, we will pay only for the ensuing loss.

This exclusion does not apply to loss by theft.

(This is Exclusion 1.b. in Form **HO 00 03**.)

Item 3. **Water Damage** is deleted and replaced by the following:

3. **Water Damage**, meaning:

- a. (1) Flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, storm surge or spray from any of these, whether or not driven by wind, including hurricane or similar storm; or
(2) release of water held by a dam, levee, dike or by a water or flood control device or structure;
- b. Water below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.
- c. Water which escapes or overflows from sewers or drains located off the **residence premises**;
- d. Water which escapes or overflows from drains or related plumbing appliances on the **residence premises**. However, this exclusion does not apply to overflow and escape caused by malfunction on the **residence premises**, or obstruction on the **residence premises**, of a drain or plumbing appliance on the **residence premises**; or
- e. Water which escapes or overflows or discharges, for any reason, from within a sump pump, sump pump well or any other system designed to remove water which is drained from the foundation area.

Water includes any water borne materials.

This exclusion applies whether the water damage is caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

(This is exclusion 1.c. in Form HO 00 03.)

For form HO 00 03, the following is added as item 2.d.:

d. **Cosmetic Loss or Damage**, meaning any loss that alters only the physical appearance of the metal roof covering but:

- (1) does not result in the penetration of water through the metal roof covering; or
- (2) does not result in the failure of the metal roof covering to perform its intended function of keeping out the elements over an extended period of time.

Metal roof covering means the metal roofing material exposed to the weather; the underlayments applied for moisture protection; and all flashings required in the replacement of a metal roof covering.

We do cover loss or damage by hail to roof coverings that allow the penetration of water through the roof covering or that results in the failure of the roof covering to perform its intended function of keeping out the elements over an extended period of time.

SECTION I - CONDITIONS

Item 2. **Your Duties After Loss**, Paragraph a. is deleted and replaced by the following:

- a. Give prompt notice to us or our agent. With respect to a loss caused by the peril of windstorm or hail, that notice must occur no later than 365 days after the date of loss.

Under 3. **Loss Settlement** in Forms HO-1, HO-2 and HO-3, paragraph b.(4) is deleted and replaced by the following:

- (4) We will pay no more than the actual cash value of the damage unless:
 - (a) actual repair or replacement is complete; or
 - (b) the cost to repair or replace the damage is both:
 - (i) less than 5% of the amount of insurance in this policy on the building; and
 - (ii) less than \$2500.

Item 10. **Loss Payment** is deleted and replaced by the following:

10. Loss Payment. We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

- a. reach 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.

SECTION II – EXCLUSIONS

Item 1. **Coverage E - Personal Liability and Coverage F - Medical Payments to Others**,

Item 1.a. is deleted and replaced by the following:

- a. Which is expected or intended by the **insured**, even if the resulting **bodily 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.

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

Item 1.b. is deleted and replaced by the following:

- b. Arising out of **business** pursuits of an **insured** or the rental or holding for rental of any part of any premises by an **insured**. This exclusion does not apply to the rental or holding for rental of the **residence premises**:

- (1) As a **short term rental** for use only as a residence;
- (2) In part, unless intended for use as a residence for more than two roomers or boarders; or
- (3) In part, as an office, school, studio or private garage;

The following exclusion is added to item 1:

- i. which arises out of the transmission of a communicable disease by an **insured**.

SECTION II – ADDITIONAL COVERAGES

Item 1. **Claim Expenses** is revised as follows:

For form **HO 00 03**, Item 1.c. under **Claims Expenses** is amended as follows:

- c. Reasonable expenses incurred by an **insured** at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit.

Paragraph **e.** is deleted.

Under **3. Damage to Property to Others**, item **d.** is deleted and replaced by the following:

- d. To property owned by or rented to a tenant of an **insured** or a resident in your household. This does not apply to **short term rentals**; or

For form **HO 00 03**, Item 4. **Loss Assessment** is deleted in its entirety.

SECTION II – CONDITIONS

Item 1. **Limit of Liability**, is deleted and replaced by the following:

1. **Limit of Liability.** Except as noted in the special limit below, our total liability under Coverage E for all damages resulting from any one **occurrence** will not be more than the limit of liability for Coverage E as shown in the Declarations. 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**.

Special Limit of Liability: Our total liability under Coverage E is \$10,000 for damages for which an **insured** is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded.

This special limit does not increase the Coverage E limit of liability.

Our applicable limit of liability is the same regardless of the number of **insureds**, claims made or persons injured.

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

SECTIONS I AND II – CONDITIONS

Item 2. **Concealment or Fraud**, is deleted and replaced by the following:

2. **Concealment or Fraud.**

- a. This insurance is void in any case of fraud by an **insured** as it relates to this insurance whether before or after a loss.
- b. Concealment or misrepresentation, whether before or after a loss, shall prevent a recovery under this insurance if it:
 - (1) was made with actual intent to deceive; or
 - (2) materially affects either the acceptance of the risk or the hazard assumed by us.

5. **Cancellation.**

The following is added to paragraphs **b.(2)**, **(3)** and **(4)**:

However, if any one of the following conditions exist at any building that is covered in this policy, we may cancel this policy by letting you know at least 5 days before the date cancellation takes effect.

- (a) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

- (i) Seasonal unoccupancy; or
- (ii) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- (b) After damage by a covered peril, permanent repairs to the building:
 - (i) Have not started; and
 - (ii) Have not been contracted for; within 30 days of payment of loss.
- (c) The building has:
 - (i) An outstanding order to vacate;
 - (ii) An outstanding demolition order; or
 - (iii) Been declared unsafe by governmental authority.
- (d) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to removal that is necessary or incidental to any renovation or remodeling.
- (e) Failure to:
 - (i) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (ii) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bonafide dispute with the taxing authority regarding payment of such taxes.

Paragraph c. is deleted and replaced by the following:

- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our short rate procedure. When we cancel the return premium will be pro rata.

All other provisions of this policy apply.



THIS ENDORSEMENT CHANGES YOUR POLICY - PLEASE READ IT CAREFULLY

HOMEOWNER AMENDATORY ENDORSEMENT

DEFINITIONS

The opening paragraph is deleted and replaced by the following:

In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and:

- a. the spouse of the "named insured" shown in the Declarations, if a resident of the same household; or
- b. the partner in a civil union, registered domestic partnership, or similar union or partnership, with the "named insured" shown in the Declarations, if a resident of the same household.

Item b., above, only applies if the civil union, registered domestic partnership or other similar union or partnership is validly entered into under the law of any state, territory or possession of the United States of America, any territory or province of Canada, or the equivalent of a state or province in any other country.

"We," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

The following is added:

"Actual cash value"

- a. When damage to property is economically repairable, "actual cash value" means the cost that would be necessary to repair the damage based on the age and conditions of the materials making up the damaged property, less reasonable deduction for wear and tear, deterioration, and obsolescence.
- b. When damage to property is not economically repairable or loss prevents repair, "actual cash value" means the market value of property in a used condition equal to that of the lost or damaged property, if reasonably available on the used market.
- c. Otherwise, "actual cash value" means the market value of new, identical, or nearly identical property, less reasonable deduction for wear and tear, deterioration, and obsolescence.

The reasonable deduction in items a. and c., above, will apply to materials, labor, and overhead and profit.

Where the term actual cash value is stated in the policy and any endorsements attached to the policy, this Definition of "actual cash value" applies.

SECTIONS I AND II - CONDITIONS

Under **9. Death**, the opening paragraph is deleted and replaced by the following:

If any person named in the Declarations or the spouse, if a resident of the same household; or the partner in a civil union, registered domestic partnership or similar union or partnership, if a resident of the same household, dies:

All other provisions of this policy apply.



AMENDATORY MOLD, FUNGUS, WET ROT, DRY ROT, BACTERIA, OR VIRUS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFINITIONS

The following definition is added to the DEFINITIONS section:

9. **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** means any type or form of fungus, rot, virus or bacteria. This includes mold, mildew and any mycotoxins (meaning a toxin produced by a fungus), other microbes, spores, scents or byproducts produced or released by mold, mildew, fungus, rot, bacteria, or viruses.

SECTION I – PROPERTY COVERAGES

Additional Coverages

The following Additional Coverage is added:

9. **Remediation of "Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus" Resulting Directly From Any Covered Loss**

We will pay, up to the Additional Coverage – Mold Limit of Liability shown below, for the **"Remediation"** of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss.

"Remediation" means the reasonable and necessary treatment, containment, decontamination, removal or disposal of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** as required to complete the repair or replacement of property, covered under Section I of the policy, that is damaged by any covered peril insured against, and also consists of the following:

1. The reasonable costs or expense to remove, repair, restore, and replace that property including the costs to tear out and replace any part of the building as needed to gain access to the **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"**; and
2. the reasonable costs or expense for the testing or investigation necessary to detect, evaluate or measure **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"**; and
3. any loss of fair rental value, or reasonable increase in additional living expenses, that is necessary to maintain your normal standard of living, if **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss makes your residence premises uninhabitable.

We will pay no more than the Additional Coverage - Mold Limit of Liability shown below for the **"Remediation"** of **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** resulting directly from any covered loss during the policy period, regardless of the number of locations under the policy to which this endorsement is attached, the number of persons whose property is damaged, the number of "insureds," or the number of losses or claims made.

If there is a covered loss or damage to covered property, not caused, in whole or in part, by **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus,"** loss payment will not be limited by the terms of this Additional Coverage, except to the extent that **"Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus"** causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.



ADDITIONAL COVERAGE -- MOLD LIMIT OF LIABILITY

Mold Limit of Liability: SECTION I Aggregate Limit \$5,000

This Additional Coverage does not increase the limits of liability under Section I of the policy as shown in the Declarations.

SECTION I – EXCLUSIONS

Exclusion 1.i. is added:

- i. Except as provided by **Additional Coverage 9.**, loss consisting of or caused by "**Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus**" is excluded, even if resulting from a peril insured against under Section I. We do not cover "**Remediation**" of "**Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus,**" even if resulting from a peril insured against under Section I, except as provided by **Additional Coverage 9.**

SECTION II – EXCLUSIONS

Coverage E - Personal Liability and Coverage F - Medical Payments to Others

Exclusion 1.i. is added:

- i. Arising out of or aggravated by, in whole or in part by, "**Mold, Fungus, Wet Rot, Dry Rot, Bacteria, or Virus.**"

This endorsement takes precedence over all other endorsements attached to your policy.



SEEPAGE EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SECTION I – PERILS INSURED AGAINST

Coverage A – Dwelling and Coverage B – Other Structures

Paragraph 2.e. is added:

- e. Seepage, meaning a gradual, continuous, or repeated seepage or leakage of water, steam or fuel over a period of 14 days or more, resulting in damage to the structure, whether hidden or not.

This endorsement takes precedence over all other endorsements attached to your policy.

INFLATION PROTECTION ENDORSEMENT

It is agreed that the limits of liability for:

Coverage A, Dwelling;

Coverage B, Structure;

Coverage C, Personal Property;

and Coverage D, Loss of Use,

shall be raised by the rate of increase in the Xactware Pricing Indices published by Xactware Inc.

METHOD

To find the limits of liability on a given date, the Index Level the Company assigns to that date will be divided by the Index Level for the effective date of this Endorsement. This Factor is then multiplied by the limit for Coverages A, B, C and D separately.

If during this policy's term the Coverage A limit is changed at the insured's request, the effective date of this Endorsement is amended to the effective date of such change.

This Endorsement shall not reduce the limits of liability to less than the amount shown on:

- a. The policy; or
- b. The most recent Homeowners Policy Renewal Declaration.

This Endorsement must be attached to Change Endorsement when issued after the policy is written.



LEAD POISONING EXCLUSION ENDORSEMENT

The following provisions are added to and made part of your Homeowners Policy:

Section I - Property Coverages do not apply to any costs or expenses incurred or loss arising out of:

1. the removal, testing for, monitoring, clean-up, abatement, treatment, or neutralization of lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead, or;
2. any governmental direction or other request that you test for, monitor, clean-up, remove, abate, contain, treat or neutralize lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead.

Coverage E - Personal Liability and Coverage F - Medical Payments to Others do not apply to bodily injury or property damage:

1. arising out of lead paint, plaster or putty containing lead; soil or earth containing lead or any other material or substance containing lead, or;
2. any costs or expenses incurred or loss arising out of any claim, governmental direction, or request that you test for, monitor, clean-up, remove, abate, contain, treat or neutralize lead; paint, putty or plaster containing lead; soil or earth containing lead; or any other substance or material containing lead.

This exclusion applies to any obligation to share damages, costs or expenses with someone else or to repay someone else who must pay damages, costs or expenses.



PREMISES ALARM OR FIRE PROTECTION SYSTEM

HO-216 (Ed. 4-84)

For a premium credit, we acknowledge the installation of an alarm system or automatic sprinkler system approved by us on the **residence premises**. You agree to maintain this system in working order and to notify us promptly of any change made to the system or if it is removed.

HO-216 (Ed. 4-84)

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Page 1 of 1



HO-280 (Ed. 4-84)
Hawaii

OPTIONAL INCLUSION

Form HO-1, 2, or 3

SECTION I - CONDITIONS

Under item **3. Loss Settlement**, subparagraph b.(6) is added:

- (6) Buildings shall include cooking, heating, refrigerating, cooling, ventilating, washing and drying appliances, and floor coverings cemented to the floor.

All other provisions of this policy apply.



Notice of Membership in Liberty Mutual Holding Company Inc.

While this policy is in effect, the named insured first named in the Declarations is a member of Liberty Mutual Holding Company Inc. and is entitled to vote either in person or by proxy at any and all meetings of the members of said company. The Annual Meeting of Liberty Mutual Holding Company Inc. is in Boston, Massachusetts, on the second Wednesday in April each year at ten o'clock in the morning.

The named insured first named in the Declarations shall participate in the distribution of any dividends declared by us for this Policy. The amount of such Named Insured's participation is determined by the decision of our Board of Directors in compliance with any laws that apply.

Any provisions in the policy relating to:

1. Membership in Liberty Mutual Insurance Company or Liberty Mutual Fire Insurance Company; or
2. Entitlement to dividends as a member of Liberty Mutual Insurance Company or Liberty Mutual Fire Insurance Company

are deleted and replaced by the preceding paragraphs.



ADDITIONAL POLICY PROTECTION

If one or more of our programs apply to you, you will be eligible to receive benefits specific to that program. The benefits enhance the safety, value, usability, life or protection of you or your insurable assets. These benefits include but are not limited to devices, equipment, services, benefits or rewards points provided by either us or a business partner.

All other policy terms and conditions apply.

EXHIBIT 4



Po Box 2356
Bloomington IL 61702-2356

Named Insured

H-15-3301-FA1D R F

MOFFETT, WILLIAM B II
4560 LOWER HONOAPIILANI RD
LAHAINA HI 96761-9210

DECLARATIONS PAGE

COVERAGE SUMMARY
SEP 12 2023

Policy Number	91-20-8857-7	
Policy Period	Effective Date	Expiration Date
12 Months	NOV 24 2022	NOV 24 2023
The policy period begins and ends at 12:01 am standard time at the residence premises.		

RENTAL DWELLING POLICY- SPECIAL FORM 3

Automatic Renewal - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Location of Premises
543 PIKANELE ST
LAHAINA HI 96761-1461

Named Insured: Individual

Coverages & Property	Limits of Liability	Inflation Coverage Index: 453.7
Section I		
A Dwelling	\$ 661,100	Deductibles - Section I
Dwelling Extension	\$ 66,110	
B Personal Property	\$ 99,165	
C Loss of Rents	Actual Loss	Basic \$ 1,000
Section II		
L Business Liability (Each Occurrence)	\$ 1,000,000	Hurricane 2.00% \$ 13,222
Annual Aggregate	\$ 2,000,000	
M Medical Payments (Each Person)	\$ 5,000	In case of loss under this policy, the deductibles will be applied per occurrence and will be deducted from the amount of the loss. Other deductibles may apply - refer to policy.

Forms, Options, & Endorsements	Policy Premium
Special Form 3	\$ 2,477.00
Residential Hurricane Coverage	
Civil Union Endorsement	
Rental Dwelling Endorsement	
Amendatory Collapse	
Fungus (Including Mold) Excl	
Amendatory Endorsement	
Terrorism Insurance Cov Notice	
Debris Removal Endorsement	
Actual Cash Value Endorsement	
Mandatory Reporting Endorsement	
Building Ordinance or Law Covg	
Replacement Cost-Contents	

Other limits and exclusions may apply - refer to your policy

Your policy consists of this page, any endorsements and the policy form. Please keep these together.

FP-8001.3C

Continued on Reverse

CHAD SANTIAGO INS AGENCY INC
808-667-7888

1838 251 I

Prepared SEP 12 2023



SAMPLE

State Farm®
**Rental Dwelling
Policy**

FP-8103.3

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DECLARATIONS

Your Name
Location of Your Residence
Policy Period
Coverages
Limits of Liability
Deductibles

Begins on Page

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RENTAL DWELLING POLICY - SPECIAL FORM 3

AGREEMENT

We agree to provide the insurance described in this policy. provisions of this policy.
You agree to pay premiums when due and comply with the

DEFINITIONS

"You" and "your" mean the "named insured" shown in the **Declarations**. Your spouse is included if a resident of your household. "We", "us" and "our" mean the Company shown in the **Declarations**.

Certain words and phrases are defined as follows:

1. "**bodily injury**" means bodily harm, sickness or disease. This includes required care, loss of services and death resulting therefrom. **Bodily injury** does not include any of the following which are communicable: disease, bacteria, parasite, virus, or other organism, any of which are transmitted by any **insured** to any other person. It also does not include the exposure to any such disease, bacteria, parasite, virus, or other organism by any **insured** to any other person.
 2. "**contract**" means any written **contract** or agreement wherein the **named insured** has expressly assumed liability for damages to which this policy applies.
 3. "**Declarations**" means the policy **Declarations**, any amended **Declarations**, the most recent renewal notice or certificate, an Evidence of Insurance form, or any endorsement changing any of these.
 4. "**insured**" means:
 - a. if the **named insured** is designated in the **Declarations** as an individual and is a sole proprietor, the **named insured** and spouse;
 - b. if the **named insured** is designated in the **Declarations** as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof;
 - c. if the **named insured** is designated in the **Declarations** as other than an individual, partnership or joint venture, the organization trustees, directors or governors or stockholder thereof while acting within the scope of their duties;
 - d. any employee of the **named insured** while acting within the scope of that employment;
 - e. any person or organization while acting as real estate manager for the **named insured**.
- The insurance afforded applies separately to each **insured** against whom claim is made, or suit is brought, except with respect to the limit of our Company's liability.
- This insurance does not apply to **bodily injury** or **personal injury** or **property damage** arising out of the conduct of any partnership or joint venture which is not designated in this policy as a **named insured**.
5. "**insured premises**" means:
 - a. the **residence premises**;
 - b. one or two family premises of which you acquire ownership or control and for which you report your intention to insure under this policy within 30 days after acquisition;
 - c. the ways immediately adjoining on land; and
 - d. one or two family dwelling premises alienated by any **insured** if possession has been given to others.
 6. "**motor vehicle**", when used in Section II of this policy, means:
 - a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured premises** is not a **motor vehicle**;
 - b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration. A boat, camp, home or utility trailer not being towed by or carried on a vehicle included in 6.a. is not a **motor vehicle**;

- c. a motorized golf cart, snowmobile, or other motorized land vehicle owned by any **insured** and designed for recreational use off public roads, while off an **insured premises**. A motorized golf cart while used for golfing purposes is not a **motor vehicle**;
 - d. a motorized bicycle, tricycle or similar type of equipment owned by any **insured** while off an **insured premises**;
 - e. any vehicle while being towed by or carried on a vehicle included in 6.a., 6.b., 6.c., or 6.d.
7. "**named insured**" means the person or organization named in the **Declarations** of this policy.
 8. "**occurrence**", when used in Section II of this policy, means an accident, including exposure to conditions, which results in:
 - a. **bodily injury**;
 - b. **property damage**; or

- c. **personal injury**;
- during the policy period. Repeated or continuous exposure to the same general conditions is considered to be one **occurrence**.
9. "**personal injury**" means injury arising out of one or more of the following offenses:
 - a. false arrest, detention or imprisonment or malicious prosecution;
 - b. libel, slander or defamation of character; or
 - c. invasion of privacy, wrongful eviction or wrongful entry.
 10. "**property damage**" means physical damage to or destruction of tangible property, including loss of use of this property. Theft or conversion of property by any **insured** is not considered to be **property damage**.
 11. "**residence premises**" means the one or two family dwelling, other structures, and grounds which is shown in the **Declarations**.

SECTION I - COVERAGES

COVERAGE A - DWELLING

We cover:

1. the dwelling on the **residence premises** shown in the **Declarations** used principally as a private residence, including structures attached to the dwelling;
2. materials and supplies located on or adjacent to the **residence premises** for use in the construction, alteration or repair of the dwelling or other structures on the **residence premises**;
3. wall-to-wall carpeting attached to the dwelling on the **residence premises**; and
4. outdoor antennas.

Except as specifically provided in the **SECTION I, ADDITIONAL COVERAGES**, for **Land**, we do not cover land or any costs required to replace, rebuild, stabilize or otherwise restore the land.

Dwelling Extension. We cover other structures on the **residence premises**, separated from the dwelling by clear

space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

We do not cover other structures:

1. not permanently attached to or otherwise forming a part of the realty;
2. used in whole or in part for commercial, manufacturing or farming purposes; or
3. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE B - PERSONAL PROPERTY

We cover personal property owned or used by any **insured** which is rented or held for rental with the **residence premises** or used for the maintenance of the **residence premises**. This coverage applies only while the personal property is on the **residence premises** or temporarily off premises for repairs.

Property Not Covered. We do not cover:

1. articles separately described and specifically insured in this or any other insurance;
2. animals, birds or fish;
3. any engine or motor propelled vehicle or machine, including the parts, designed for movement on land. We do cover those used solely for the service of the **residence premises** and not licensed for use on public highways;
4. watercraft, including motors, equipment and accessories;
5. aircraft and parts;
6. outdoor signs.

COVERAGE C - LOSS OF RENTS

The limit of liability for Coverage C is the total limit for all the following coverages.

1. **Fair Rental Value.** If a Loss Insured causes that part of the **residence premises** rented to others or held for rental by you to become uninhabitable, we cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental but not exceeding 12 consecutive months from the date of loss. This period of time is not limited by expiration of this policy. Fair rental value shall not include any expense that does not continue while that part of the **residence premises** rented or held for rental is uninhabitable.
2. **Prohibited Use.** If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a Loss Insured in this policy, we cover any resulting Fair Rental Value loss for a period not exceeding two weeks during which use is prohibited.

We do not cover loss or expense due to cancellation of a lease or agreement.

ADDITIONAL COVERAGES

1. **Debris Removal.** We will pay the reasonable expense incurred by you in the removal of debris of covered property provided coverage is afforded for the peril causing the loss. Debris removal expense is included in

the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the limit of liability for the damaged property, an additional 5% of that limit of liability will be available to cover debris removal expense.

2. **Reasonable Repairs.** We will pay the reasonable cost incurred by you of repairing damage to covered property necessary to protect the property from further damage or loss, provided coverage is afforded for the peril causing the loss. This coverage does not increase the limit of liability applying to the property being repaired.
3. **Trees, Shrubs and Other Plants.** We cover outdoor trees, shrubs, plants or lawns, on the **residence premises**, for loss caused by the following Losses Insured: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism or malicious mischief or Theft. The limit of liability for this coverage shall not exceed 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants and lawns nor more than \$500 for any one tree, shrub or plant. This coverage may increase the limit of liability otherwise applicable. We do not cover property grown for business purposes.
4. **Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by **contract** or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Loss Insured. No deductible applies to this coverage. This coverage may increase the limit otherwise applicable.
5. **Property Removed.** Covered property, while being removed from a premises endangered by a Loss Insured, is covered for direct loss from any cause. This coverage also applies to the property for up to 30 days while removed. We will also pay for reasonable expenses incurred by you for the removal and return of the covered property. This coverage does not increase the limit applying to the property being removed.
6. **Personal Effects.** We will pay up to \$500 for loss at the **residence premises** caused by a Loss Insured to personal effects of others while such property is in your

care, custody or control. This coverage is subject to the limitations and exclusions applicable to Coverage B - Personal Property. This coverage is limited to \$100 per person and does not increase the limit of liability applying to Coverage B - Personal Property.

7. **Burglary.** We will pay for loss of personal property owned or used by any **insured** which is rented or held for rental with the **residence premises**, when the loss is from a known location within a building on the **residence premises** when it is probable that the property has been stolen and there is visible evidence of forcible entry to or forcible exit from that building. This coverage does not increase the limit of liability applying to Coverage B - Personal Property.
8. **Arson Reward.** We will pay \$1,000 for information which leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable. However, the \$1,000 limit shall not be increased regardless of the number of persons providing information.
9. **Land.** We will pay up to \$10,000 for the cost required to replace, rebuild, stabilize or otherwise restore the land necessary to support the insured dwelling sustaining a covered loss. This may increase the limit applying to the property.
10. **Volcanic Action.** We cover direct physical loss to a covered building or covered property contained in a building resulting from the eruption of a volcano when the loss is directly and immediately caused by:
 - a. volcanic blast or airborne shock waves;
 - b. ash, dust or particulate matter; or
 - c. lava flow.

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

One or more volcanic eruptions that occur within a 72-hour period shall be considered one volcanic eruption.

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

11. **Collapse.** We insure for direct physical loss to covered property involving collapse of a building or any part of a building caused only by one or more of the following:
 - a. fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles, riot or civil commotion, vandalism, leakage from fire extinguishing equipment, volcanic action, falling objects, weight of ice, snow or sleet, water damage, breakage of building glass, all only as insured against in this policy;
 - (1) falling objects does not include loss of or damage to:
 - (a) personal property in the open; or
 - (b) the interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object;
 - (2) water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam;
 - b. hidden decay;
 - c. hidden insect or vermin damage;
 - d. weight of contents, equipment, animals or people;
 - e. weight of ice, snow, sleet or rain which collects on a roof; or
 - f. use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e., and f. unless the loss is a direct result of the collapse of a building.

Collapse does not include settling, cracking, shrinking, bulging or expansion.

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

INFLATION COVERAGE

The limits of liability shown in the **Declarations** for Coverages A and B will be increased at the same rate as the increase in the Inflation Coverage Index shown in the **Declarations**.

To find the limits on a given date:

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

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

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

SECTION I - LOSSES INSURED

COVERAGE A - DWELLING AND COVERAGE B - PERSONAL PROPERTY

We insure for accidental direct physical loss to the property

described in Coverage A and Coverage B, except as provided in Section I - Losses Not Insured.

SECTION I - LOSSES NOT INSURED

1. We do not insure for loss to the property described in Coverage A and Coverage B either consisting of, or directly and immediately caused by, one or more of the following:
 - a. collapse, except as specifically provided in **SECTION I, ADDITIONAL COVERAGES** for **Collapse**;
 - b. freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing, while the dwelling is vacant, unoccupied or being constructed unless you have used reasonable care to:
 - (1) maintain heat in the building; or
 - (2) shut off the water supply and drain the system and appliances of water;
 - c. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a fence, pavement, patio, swimming pool, foundation, retaining wall, bulkhead, pier, wharf or dock;
 - d. theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied;
 - e. theft of any property which is not actually part of any building or structure;
 - f. mysterious disappearance;
 - g. vandalism and malicious mischief or breakage of glass and safety glazing materials if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
 - h. continuous or repeated seepage or leakage of water or steam from a:
 - (1) heating, air conditioning or automatic fire protective sprinkler system;
 - (2) household appliance; or
 - (3) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors;

which occurs over a period of time and results in deterioration, rust, mold, or wet or dry rot. If loss is caused by water or steam not otherwise excluded, we will cover the cost of tearing out and replacing any part of the building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which the water or steam escaped:

- i. wear, tear, marring, scratching, deterioration, inherent vice, latent defect and mechanical breakdown;
- j. rust, mold, or wet or dry rot;
- k. contamination;
- l. smog, smoke from agricultural smudging or industrial operations;
- m. settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundation, walls, floors, roofs or ceilings;
- n. birds, vermin, rodents, insects or domestic animals. We do cover the breakage of glass or safety glazing material which is a part of a building, when caused by birds, vermin, rodents, insects or domestic animals.

However, we do insure for any ensuing loss from items a. through n. unless the loss is itself a Loss Not Insured by this Section.

- 2. We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss.
 - a. **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 under this policy.
 - b. **Earth Movement**, meaning the sinking, rising, shifting, expanding, or contracting of earth, all whether combined with water or not. Earth movement includes but is not limited to earthquake, landslide, mudflow, sinkhole, subsidence and erosion.

Earth movement also includes volcanic explosion or lava flow, except as specifically provided in **SECTION I, ADDITIONAL COVERAGES for Volcanic Action**.

We do insure for any direct loss by fire, explosion other than explosion of a volcano, theft, or breakage of glass or safety glazing materials resulting from earth movement.

c. **Water Damage**, meaning:

- (1) flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) water which backs up through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or
- (3) natural water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

However, we do insure for direct loss by fire, explosion, or theft resulting from water damage.

- d. **Neglect**, meaning neglect of the insured to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered by a Loss Insured.
- e. **War**, including any undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
- f. **Nuclear Hazard**, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Loss caused by the nuclear hazard shall not be considered loss

caused by fire, explosion, or smoke. However, we do insure for direct loss by fire resulting from the nuclear hazard.

3. We do not insure under any coverage for any loss consisting of one or more of the items below. Further, we do not insure for loss described in paragraphs 1. and 2. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:
 - a. conduct, act, failure to act, or decision of any person, group, organization or governmental body whether intentional, wrongful, negligent, or without fault;

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

- (1) planning, zoning, development, surveying, siting;
- (2) design, specifications, workmanship, construction, grading, compaction;
- (3) materials used in construction or repair; or
- (4) maintenance;

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

However, we do insure for any ensuing loss from items a. and b. unless the ensuing loss is itself a Loss Not Insured by this Section.

SECTION I - CONDITIONS

1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we shall not be liable:
 - a. to the **insured** for an amount greater than the insured's interest; nor
 - b. for more than the applicable limit of liability.
2. **Your Duties After Loss.** In case of a loss to which this insurance may apply, you shall see that the following duties are performed:
 - a. give immediate notice to us or our agent, and in case of theft, vandalism, or malicious mischief, also to the police;
 - b. protect the property from further damage or loss, make reasonable and necessary repairs required to protect the property, and keep an accurate record of repair expenditures;
 - c. prepare an inventory of damaged personal property showing in detail, the quantity, description, actual cash value and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory;

d. as often as we reasonably require:

- (1) exhibit the damaged property;
- (2) provide us with records and documents we request and permit us to make copies; and
- (3) submit to examinations under oath and subscribe the same;

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

- (1) the time and cause of loss;
- (2) interest of the **insured** and all others in the property involved and all encumbrances on the property;
- (3) other insurance which may cover the loss;
- (4) changes in title or occupancy of the property during the term of this policy;
- (5) specifications of any damaged building and detailed estimates for repair of the damage;
- (6) an inventory of damaged personal property described in 2.c.;
- (7) records supporting the fair rental value loss.

3. **Loss Settlement.** Covered property losses are settled as follows:
 - a. Personal property and structures that are not buildings at actual cash value, up to the applicable limit of liability, at the time of loss. There may be deduction for depreciation. We will not pay an amount exceeding that necessary to repair or replace;
 - b. Carpeting, domestic appliances, awnings and outdoor antennas, whether or not attached to buildings, at actual cash value, up to the applicable limit of liability, at the time of loss. We will not pay an amount exceeding that necessary to repair or replace;
 - c. Buildings under Coverage A at replacement cost without deduction for depreciation, subject to the following:
 - (1) We will not pay more than the \$10,000 limit on **Land** as provided in **SECTION I, ADDITIONAL COVERAGES**.
 - (2) We will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of the following amounts:
 - (a) the limit of liability under this policy applying to the building;
 - (b) the replacement cost of that part of the building damaged for equivalent construction and use on the same premises; or
 - (c) the amount actually and necessarily spent to repair or replace the damaged building.
 - (3) We will pay the actual cash value of the damage to the buildings, up to the policy limit, until actual repair or replacement is completed.
 - (4) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability on a replacement cost basis.
4. **Loss to a Pair or Set.** In case of loss to a pair or set, we may elect to:
 - a. repair or replace any part to restore the pair or set to its value before the loss; or
 - b. pay the difference between actual cash value of the property before and after the loss.
5. **Glass Replacement.** Loss for damage to glass caused by a Loss Insured shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
6. **Appraisal.** If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.
7. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.
8. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions and the action is started within one year after the date of loss or damage.
9. **Our Option.** We may repair or replace any part of the property damaged or stolen with equivalent property.

Any property we pay for or replace becomes our property.

10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:
 - a. reach agreement with you;
 - b. there is an entry of a final judgment; or
 - c. there is a filing of an appraisal award with us.
11. **Abandonment of Property.** We need not accept any property abandoned by any **insured**.
12. **Mortgage Clause.** The word "mortgagee" includes trustee.
 - a. If a mortgagee is named in this policy, any loss payable under Coverage A shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.
 - b. If we deny your claim, that denial shall 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. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

- c. If this policy is cancelled by us, the mortgagee shall be notified at least 10 days before the date cancellation takes effect.
 - d. If we pay the mortgagee for any loss and deny payment to you:
 - (1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
 - (2) at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
 - e. Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.
13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.
 14. **Intentional Acts.** If you or any person insured under this policy causes or procures a loss to property covered under this policy for the purpose of obtaining insurance benefits, then this policy is void and we will not pay you or any other **insured** for this loss.

SECTION II - LIABILITY COVERAGES

COVERAGE L - BUSINESS LIABILITY

If a claim is made or a suit is brought against any **insured** for damages because of **bodily injury, personal injury, or property damage** to which this coverage applies, caused by an **occurrence**, and which arises from the ownership, maintenance, or use of the **insured premises**, we will:

1. pay up to our limit of liability for the damages for which the **insured** is legally liable; and

2. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages, to effect settlement or satisfy a judgment resulting from the **occurrence**, equals our limit of liability.

The total limit of the Company's liability for all **occurrences** in any one policy year shall not exceed the annual aggregate limit shown in the **Declarations** for Coverage L - Business Liability.

COVERAGE M - PREMISES MEDICAL PAYMENTS

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of

an accident causing **bodily injury** which arises out of a condition on the **insured premises** or for which the **insured** is provided **bodily injury** liability coverage under this policy. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services.

SECTION II - EXCLUSIONS

1. Coverage L - Business Liability and Coverage M - Premises Medical Payments do not apply to:

a. **bodily injury, personal injury, or property damage:**

(1) which is either expected or intended by an **insured**; or

(2) to any person or property which is the result of willful and malicious acts of an **insured**;

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

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

(1) aircraft;

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

(3) any watercraft owned by or operated by, or rented or loaned to any **insured**;

d. **bodily injury, personal injury, or property damage** arising out of:

(1) the entrustment by any **insured** to any person;

(2) the negligent supervision by any **insured** of any person;

(3) any liability statutorily imposed on any **insured**; or

(4) any liability assumed through an unwritten or written agreement by any **insured**;

with regard to the ownership, maintenance or use of any aircraft, watercraft, or **motor vehicle** (or any other motorized land conveyance) which is not covered under Section II of this policy;

e. **bodily injury, personal injury, or property damage** caused directly or indirectly by war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental;

f. **bodily injury, personal injury, or property damage** arising out of premises, other than the **insured premises**, or to liability assumed by the **insured** under any **contract** or agreement relating to such premises;

g. to **bodily injury** or **property damage** for which the **insured** may be held liable:

(1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages; or

(2) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed:

(a) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverages; or

(b) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or

which causes or contributes to the intoxication of any person;

but part (b) of this exclusion does not apply with respect to liability of the **insured** or his indemnitee as an owner or lessor described in (2) above;

- h. the legal liability of any **insured** to:
- (1) any person who is in the care of any **insured** because of child care services provided by or at the direction of:
 - (a) any **insured**;
 - (b) any employee of any **insured**; or
 - (c) any other person actually or apparently acting on behalf of any **insured**;
 - (2) any person who makes a claim because of **bodily injury** or **property damage** to any person who is in the care of any **insured** because of child care services provided by or at the direction of:
 - (a) any **insured**;
 - (b) any employee of any **insured**; or
 - (c) any other person actually or apparently acting on behalf of any **insured**;
- i. **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, spill, release or escape of pollutants:
- (1) at or from premises owned, rented or occupied by the **named insured**;
 - (2) at or from any site or location used by or for the **named insured** or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or

(4) at or from any site or location on which the **named insured**, employee or any contractor or subcontractor working directly or indirectly on behalf of the **named insured** is performing operations:

- (a) if the pollutants are brought on or to the site or location in connection with such operations; or
- (b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Subparagraphs (1) and (4)(a) of this exclusion do not apply to **bodily injury** or **property damage** caused by heat, smoke or fumes which result from a hostile fire or poisoning or asphyxiation due to escape of fumes from a furnace or flue because of a malfunction of the furnace or flue.

In addition, Coverage L and Coverage M do not apply to loss, cost or expense arising out of any governmental direction or request that the **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants;

As used in this exclusion:

"hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

"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.

- j. **bodily injury** to an employee of the **insured** arising out of and in the course of employment by the **insured** or the spouse, child, parent, brother or sister of that employee as a consequence of employment of that employee by the **insured**.

This exclusion applies:

- (1) whether the **insured** may be liable as an employer or in any other capacity; and

- (2) to any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - k. **bodily injury** to you or any **insured** and if residents of your household:
 - (1) your relatives;
 - (2) any other person under the age of 21 who is in the care of an **insured**.
2. **Coverage L - Business Liability**, does not apply to:
- a. liability:
 - (1) for your share of any loss assessment charged against all members of an association of property owners; or
 - (2) assumed under any unwritten **contract** or agreement, or by **contract** or agreement in connection with any business of the **insured** other than the rental of the **insured premises**;
 - b. **property damage** to property owned by any **insured**;
 - c. **property damage** to property rented to, occupied or used by or in the care of the **insured**;
 - d. **bodily injury** or **personal injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any workers' or workmen's compensation, non-occupational disability or occupational disease law;
 - e. **bodily injury, personal injury, or property damage** for which any **insured** under this policy is also an **insured** under a nuclear energy liability policy or would be an **insured** but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors;
- f. **personal injury** caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of any **insured**;
 - g. **personal injury** sustained by any person as a result of an offense directly or indirectly related to the employment of the person by the **insured**;
 - h. **personal injury** arising out of any publication or utterance in item b. of the definition of **personal injury**:
 - (1) if the first injurious publication or utterance of the same or similar material by or on behalf of the **insured** was made prior to the effective date of this insurance; or
 - (2) concerning any business or services made by or at the direction of any **insured** with knowledge of the falsity;
 - i. **property damage** or **personal injury** to premises you sell, give away or abandon, if the **property damage, or personal injury** arises out of those premises.
3. **Coverage M - Premises Medical Payments** does not apply to **bodily injury**:
- a. to any person, eligible to receive any benefits required to be provided or voluntarily provided under any workers' or workmen's compensation, non-occupational disability or occupational disease law;
 - b. from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these;
 - c. to any **insured**, any tenant or other person regularly residing on the **insured premises** or to any employees of any of the foregoing if the **bodily injury** arises out of or in the course of their employment;
 - d. to any person engaged in maintenance and repair of the **insured premises** or alteration, demolition or new construction at such premises.

SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

1. **Claim Expenses.** We pay:
 - a. expenses incurred by us and costs taxed against any **insured** in any suit we defend;
 - b. premiums on bonds required in a suit defended by us, but not for bond amounts greater than the limit of liability for Coverage L. We are not obligated to apply for or furnish any bond;
 - c. reasonable expenses incurred by any **insured** at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day for assisting us in the investigation or defense of any claim or suit;
 - d. prejudgment interest awarded against the **insured** on that part of the judgment we pay; and
 - e. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by any **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured**.

SECTION II - CONDITIONS

1. **Limit of Liability.** The Coverage L limit is shown in the **Declarations**. This is our limit for all damages from each **occurrence** regardless of the number of **insureds**, claims made or persons injured.

The Coverage M limit is shown in the **Declarations**. This is our limit for all medical expense payable for **bodily injury** to one person as the result of one accident.
2. **Severability of Insurance.** This insurance applies separately to each **insured**. This condition shall not increase our limit of liability for any one **occurrence**.
3. **Duties After Loss.** In case of an accident or **occurrence**, the **insured** shall perform the following duties that apply. You shall cooperate with us in seeing that these duties are performed:
 - a. give written notice to us or our agent as soon as practicable, which sets forth:
 - (1) the identity of this policy and **insured**;
 - (2) reasonably available information on the time, place and circumstances of the accident or occurrence; and
 - (3) names and addresses of any claimants and available witnesses;
 - b. immediately forward to us every notice, demand, summons or other process relating to the accident or **occurrence**;
 - c. at our request, assist in:
 - (1) making settlement;
 - (2) the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any **insured**;
 - (3) the conduct of suits and attend hearings and trials;
 - (4) securing and giving evidence and obtaining the attendance of witnesses;
 - d. the **insured** shall not, 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 the **bodily injury**.
4. **Duties of an Injured Person - Coverage M - Premises Medical Payments.** The injured person, or, when appropriate, someone acting on behalf of that person, shall:
 - a. give us written proof of claim, under oath if required, as soon as practicable;
 - b. execute authorization to allow us to obtain copies of medical reports and records; and

- c. submit to physical examination by a physician selected by us when and as often as we reasonably require.
- 5. **Payment of Claim - Coverage M - Premises Medical Payments.** Payment under this coverage is not an admission of liability by any **insured** or us.
- 6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions.

No one shall have any right to join us as a party to any action against any **insured**. Further, no action with

respect to Coverage L shall be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.

- 7. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any **insured** shall not relieve us of any of our obligations under this policy.
- 8. **Other Insurance - Coverage L - Business Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTION I AND SECTION II - CONDITIONS

- 1. **Policy Period.** This policy applies only to loss under Section I or **bodily injury, personal injury, or property damage** under Section II which occurs during the period this policy is in effect.
- 2. **Concealment or Fraud.** This policy is void as to you and any other **insured**, if you or any other **insured** under this policy has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, whether before or after a loss.
- 3. **Liberalization Clause.** If we adopt any revision which would broaden coverage under this policy without additional premium, within 60 days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.
- 4. **Waiver or Change of Policy Provisions.** A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights.
- 5. **Cancellation.**
 - a. You may cancel this policy at any time by notifying us in writing of the date cancellation is to take effect. We may waive the requirement that the notice be in writing by confirming the date and time of cancellation to you in writing.
 - b. We may cancel this policy only for the reasons stated in this condition by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at

your mailing address shown in the **Declarations**. Proof of mailing shall be sufficient proof of notice:

- (1) When you have not paid the premium, whether payable to us or to our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.
- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel if there has been a material misrepresentation of fact which, if known to us, would have caused us not to issue this policy or if the risk has changed substantially since the policy was issued. We may cancel this policy by notifying you at least 30 days before the date cancellation takes effect.
- (4) When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 30 days before the date cancellation takes effect.
- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request can-

cellation, the return premium will be based on our rules for such cancellation. The return premium may be less than a full pro rata refund. When we cancel, the return premium will be pro rata.

- d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.
6. **Non-Renewal.** We may elect not to renew this policy. If we elect not to renew, a written notice will be delivered to you, or mailed to you at your mailing address shown in the **Declarations**. The notice will be mailed or delivered at least 30 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.
7. **Assignment.** Assignment of this policy shall not be valid unless we give our written consent.
8. **Subrogation.** Any **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, any **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner.

Subrogation does not apply under Section II to Premises Medical Payments.

9. **Death.** If any person named in the **Declarations** or the spouse, if a resident of the same household, dies:

- a. we insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under this policy at the time of death;
- b. **insured** includes with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

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

11. **Inspection and Audit.** We shall be permitted but not obligated to inspect your property and operations at any time. However, our right to inspect or our actual inspection and report shall not constitute an undertaking on your behalf or for your benefit or the benefit of others to determine or warrant that the property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

We may examine and audit your books and records at any time during the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

OPTIONAL POLICY PROVISIONS

Each Optional Provision applies only as indicated in the **Declarations** or Extension Certificate.

Option AI - Named Additional Insured. The definition of **insured** in this policy includes the person or organization named in the **Declarations** as an additional insured or whose name is on file with us with respect to:

1. Section I: **Coverage A - Dwelling;**
2. Section II: **Coverage L - Business Liability and Coverage M - Premises Medical Payments** but only with respect to the **residence premises**. This coverage does not apply to **bodily injury** to any employee arising out of or in the course of the employee's employment by the person or organization.

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

Option RC - Replacement Cost - Contents. Under **SECTION I - CONDITIONS**, items a. and b. of the Loss Settlement Condition are replaced with the following:

- a. (1) Fences and the following personal property at actual cash value at the time of loss:
- (a) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;
 - (b) articles whose age or history contribute substantially to their value including, but not lim-

ited to, memorabilia, souvenirs and collectors items;

(c) property not useful for its intended purpose.

(2) We will not pay:

(a) an amount exceeding that necessary to repair or replace the property; or

(b) an amount in excess of the limit of liability applying to the property.

b. Other personal property, carpeting, domestic appliances, awnings and outdoor antennas, whether or not attached to buildings, and other structures (except fences) that are not buildings under Dwelling Extension, at the cost of repair or replacement

at the time of loss without deduction for depreciation, subject to the following:

(1) We will pay the cost of repair or replacement but not exceeding the smallest of the following amounts:

(a) replacement cost at time of loss;

(b) the full cost of repair;

(c) any special limit of liability described in the policy; or

(d) any applicable Coverage A or Coverage B limit of liability.

(2) Loss to property not repaired or replaced within one year after the loss will be settled on an actual cash value basis.

IN WITNESS WHEREOF, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized Agent of this Company at the agency hereinbefore mentioned.

Lynne M. Youell

Secretary

Michael J. Tignor

President

The Board of Directors, in accordance with Article VI(c) of this Company's Articles of Incorporation, may from time to time distribute equitably to the holders of the participating policies issued by said Company such sums out of its earnings as in its judgment are proper.

EXHIBIT 5

Zephyr Insurance Company, Inc

1001 Bishop Street, Ste. 2750
 Honolulu, HI 96813
 1-808-440-5400

**Agent Name:**

GEICO Insurance Agency LLC

Address:

711 Kapiolani Boulevard, 3rd Floor
 Honolulu, HI 96813

Agent Phone: (808)593-4663

Agency Code: Z649001

Mortgagee Name:

Address:

City:

State:

Zip:

If you have any questions regarding this policy which your agent is unable to answer, please contact us at 1-808-440-5400.

Homeowners Declarations Page

Policy Number: HIH0006208

Named Insured: Peter Basile

Mailing Address: 392 Front Street
 Lahaina, HI 96761

Phone Number:

Additional Named Insured:

Insured Location: 392 Front Street
 Lahaina, HI 96761
 Maui County

Effective Dates: From: 04/27/2023 12:01 am

To: 04/27/2024 12:01 am

Activity: Renewal

Coverage at the residence premises is provided only where a limit of liability is shown or a premium is stated.

Coverages and Premiums:	Coverage Section	AOP Limits	HURR Limits	Total Policy Premium \$
	Coverage - A - Dwelling	\$1,452,000	\$1,452,000	\$1,869.00
	Coverage - B - Other Structures	\$145,200	\$145,200	Included
	Coverage - C - Personal Property	\$1,016,400	\$145,200	Included
	Coverage - D - Loss of Use	\$435,600	\$145,200	Included
	Coverage - E - Personal Liability	\$500,000	N/A	\$23.00
	Coverage - F - Medical Payments To Others	\$5,000	N/A	\$17.00
	Total of Premium Adjustments \$1,783.00		Total Policy Premium \$3,692	

SEE COVERAGE SECTION ON LAST PAGE FOR DETAILED DESCRIPTION OF PREMIUM ADJUSTMENTS

Deductible: All Perils Excluding Hurricane: \$1,000 Hurricane: 2% (\$37,752)

Special Message:

THIS POLICY DOES NOT INCLUDE COVERAGE FOR FLOOD LOSSES.

THIS POLICY MAY INCLUDE DIFFERING ALL OTHER PERIL AND HURRICANE COVERAGE LIMITS.

Your Property Coverage limit increased at renewal due to an inflation factor of 10%, as determined by a national index of construction costs, to maintain insurance to the approximate replacement cost of your home. The coverage shown may reflect a different factor if you have requested an adjustment.

(02/28/2023)

Tim Johns
 Authorized Signature

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Hawaii Code § 431:10-209

Pay Plan: 4-Pay Plan	Number of Payments: 4	Bill to: INSURED	
Rating Information:	Program: HO-3	Construction Type: Frame Year Constructed: 1992	
Scheduled Property:	Description:	Item:	Limit:
	Blanket Valuable Items	1	\$5,000
		Item Type:	Jewelry, Watches, Furs, Precious and Semi-Precious Stones
		Item:	2
		Item Type:	Silverware
		Limit:	\$10,000
		Item:	3
		Item Type:	Guns
		Limit:	\$5,000
	Hurricane Windstorm Coverage	Construction Class :	Superior Frame
		Personal Property	Yes
		Replacement Cost :	
	Residence Employees	Item :	1
		Number of Employees:	1
		Occupation:	None

Coverage Section	Limits	Total
Preferred Homeowners Pillar Endorsement		\$434.00
Equipment Breakdown Enhancement Endorsement		\$50.00
Limited Fungi, Wet or Dry Rot or Bacteria Coverage	\$5,000	Included
Limited Water Back-Up and Sump Discharge or Overflow Coverage (Deductible - \$1,000)	\$5,000	Included
Ordinance or Law Coverage	25%	Included
Specified Additional Amount of Insurance for Coverage A	25%	Included
Supplemental Loss Assessment Coverage	\$5,000	Included
Hurricane Windstorm Coverage	\$1,887,600	\$1,721.00
Business Property Increased Limit - Off Premises	\$6,000	Included
Business Property Increased Limit - On Premises	\$10,000	Included
Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money Coverage	\$5,000	Included
Personal Property Replacement Cost Loss Settlement		Included
Refrigerated Property Coverage (Deductible - \$100)	\$500	Included
Blanket Valuable Items	\$20,000	Included
Farming & Agricultural Activities Exclusion Endorsement		Included
Personal Injury Coverage		Included
Residence Employees		Included
Deductible		(\$224.00)
Affinity Discount		(\$165.00)
Protective Devices		(\$33.00)

Policy Interest				
Name:	Address:	Interest type:	Bill to:	Ref#:
Peter A Basile Trust	1520 Glorietta Blvd Coronado, CA 92118-2911	ADDINSURED	No	

Forms and Endorsements:		
ZIC HO3 RENCL 06 20	ZIC IN 06 20	ZIC HOJ 01 19
ZIC 00 03 01 19	ZIC 05 19 01 19	ZIC PRI 01 19
HO 04 16 10 00	HO 04 20 05 11	HO 04 35 05 11
HO 04 41 10 00	HO 04 53 10 00	HO 04 81 05 11

ZIC EO RC 01 19
ZIC BVI 01 19
ZIC RE 01 19

ZIC PE1 01 19
ZIC AG 01 19

ZIC EBC 01 19
ZIC 04 12 01 19

In the event of a claim, please call toll free 1-866-440-5401. We are available 24 hours a day, 7 days a week.

This replaces all previously issued policy declarations, if any. In case of property loss, only that part of loss over stated deductibles applies.
This declaration page together with all policy provisions and any other applicable endorsements completes your policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HOMEOWNERS 3 – SPECIAL FORM

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and:

1. The spouse; or
2. A partner who has entered into a civil union, recognized under Hawaii law, with the "named insured";

if a resident of the same household. "We", "us" and "our" refer to the company providing this insurance.

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

1. "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability" mean liability for "bodily injury" or "property damage" arising out of the:
 - a. Ownership of such vehicle or craft by an "insured";
 - b. Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
 - c. Entrustment of such vehicle or craft by an "insured" to any person;
 - d. Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
 - e. Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.
2. "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
3. "Business" means:
 - a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
 - b. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

(3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

(4) The rendering of home day care services to a relative of an "insured".

4. "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".

5. "Insured" means:

a. You and residents of your household who are:

(1) Your relatives; or

(2) Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;

b. A student enrolled in school full-time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:

(1) 24 and your relative; or

(2) 21 and in your care or the care of a resident of your household who is your relative; or

c. Under **Section II**:

(1) With respect to animals or "watercraft" to which this policy applies, any person or organization legally responsible for these animals or "watercraft" which are owned by you or any person described in **5.a.** or **b.** "Insured" 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 a "motor vehicle" to which this policy applies:

(a) Persons while engaged in your employ or that of any person described in **5.a.** or **b.**; or

(b) Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the

words an "insured" together mean one or more "insureds".

6. "Insured location" means:
- a. The "residence premises";
 - b. The part of 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 premises described in **a.** and **b.** above;
 - d. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
 - e. Vacant land, other than farm land, owned by or rented to an "insured";
 - f. Land owned by or rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured";
 - g. Individual or family cemetery plots or burial vaults of an "insured"; or
 - h. Any part of a premises occasionally rented to an "insured" for other than "business" use.
7. "Motor vehicle" means:
- a. A self-propelled land or amphibious vehicle; or
 - b. Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.
8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:
- a. "Bodily injury"; or
 - b. "Property damage".
9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.
10. "Residence employee" means:
- a. An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
 - b. One who performs similar duties elsewhere not related to the "business" of an "insured".
- A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.
11. "Residence premises" means:
- a. The one-family dwelling where you reside;
 - b. The two-, three- or four-family dwelling where you reside in at least one of the family units; or
 - c. That part of any other building where you reside;
- and which is shown as the "residence premises" in the Declarations.
- "Residence premises" also includes other structures and grounds at that location.
12. "Aircraft" means any contrivance used or designed for flight, including a drone, unmanned aerial vehicle, unmanned aerial system or unmanned aircraft system. "Aircraft" does not include small-scale, replica model aircraft.
13. "Domestic abuse", as used in this endorsement, means:
- a. Physical harm, bodily injury, assault or the infliction of fear of imminent physical harm, bodily injury or assault between family members;
 - b. Sexual assault of one family or household member by another;
 - c. Stalking of one family or household member by another family or household member; or
 - d. Intentionally, knowingly or recklessly causing damage to property so as to intimidate or attempt to control the behavior of another family or household member.
14. "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".
15. "Hovercraft" means a self-propelled motorized ground effect vehicle and includes but is not limited to flarecraft and air cushion vehicles.
16. "Pollutants" means 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.
17. "Watercraft" means a craft principally designed to be propelled on or in water by wind, engine power or electric motor.

SECTION I – PROPERTY COVERAGES**A. Coverage A – Dwelling**

1. We cover:
 - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
 - b. 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".
2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
 - a. Land, including land on which the other structures are located;
 - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
 - c. Other structures from which any "business" is conducted; or
 - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to **Coverage A**. Use of this coverage does not reduce the **Coverage A** limit of liability.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

 - a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or
 - b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

2. Limit For Property At Other Locations**a. Other Residences**

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for **Coverage C**, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
 - (a) Being repaired, renovated or rebuilt; and
 - (b) Not fit to live in or store property in; or
- (2) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility is 10% of the limit of liability for **Coverage C**, or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
 - (a) Being repaired, renovated or rebuilt; and
 - (b) Not fit to live in or store property in; or
- (2) Usually located in an "insured's" residence, other than the "residence premises".

3. Special Limits Of Liability

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 **Coverage C** limit of liability.

- a. \$200 on 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.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories 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.

- c. \$1,500 on "watercraft" of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with "watercraft" of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silverplated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- i. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- j. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle" but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.
Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Special Limit j.
- k. \$250 for antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- l. \$1,500 on electronic apparatus and accessories used primarily for "business", while away from the "residence premises" and not in or upon a "motor vehicle". The electronic apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Special Limit l.

4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles".
This includes a "motor vehicle's" equipment and parts. However, this Paragraph 4.c. does not apply to:
 - (1) Portable electronic equipment that:
 - (a) Reproduces, receives or transmits audio, visual or data signals; and
 - (b) Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.
 - (2) "Motor vehicles" not required to be registered for use on public roads or property which are:
 - (a) Used solely to service a residence; or
 - (b) Designed to assist the handicapped;
- d. "Aircraft" and parts;
- e. "Hovercraft" and parts;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured", except as provided in E.10. Landlord's Furnishings under Section I – Property Coverages;
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:
 - (1) Books of account, drawings or other paper records; or
 - (2) Computers and related equipment.
We do cover the cost of blank recording or storage media and of prerecorded computer programs available on the retail market;
- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages; or

k. Water or steam.

D. Coverage D – Loss Of Use

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

1. Additional Living Expense

If a loss covered under **Section I** makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under **Section I** makes that part of the "residence premises" rented to others or held for rental by you 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 time required but not exceeding 12 consecutive months from the date of loss. This period of time is not limited by the expiration of this policy.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in **1. Additional Living Expense** and **2. Fair Rental Value** above for no more than two weeks.

4. Loss Or Expense Not Covered

We do not cover loss or expense due to cancellation of a lease or agreement.

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

E. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of:

(1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or

(2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit is available for such expense.

b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

(1) Your tree(s) felled by the peril of Windstorm or Hail except Hurricane as defined in **Section I – Exclusions**, paragraph **A.11.**, or Weight of Ice, Snow or Sleet; or

(2) A neighbor's trees felled by a Peril Insured Against under **Coverage C**;

provided the trees:

(3) Damage a covered structure; or

(4) Do not damage a covered structure, but:

(a) Block a driveway on the "residence premises" which prevents a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or

(b) Block a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$1,000 limit is the most we will pay in any one loss, regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

2. Temporary Repairs

In the event that covered property is damaged by a Peril Insured Against:

a. We will pay the reasonable cost incurred by you, up to \$2,500, for necessary measures taken solely to protect against further damage; or

b. We will pay the reasonable cost incurred by you in excess of \$2,500 for necessary measures taken solely to protect against further damage only if we approve of such measures before the measures are undertaken.

If the measures taken involve repair to other damaged property, we will pay for those measures only if that property is covered under this policy and the damage to that property is caused by a Peril Insured Against.

This coverage does not:

- a. Increase the limit of liability that applies to the covered property; or
- b. Relieve you of your duties, in case of a loss to covered property, as set forth in **Section I – Conditions C.4.**

3. Trees, Shrubs And Other Plants

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

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

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$500 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

4. Fire Department Service Charge

We will pay up to \$500 for 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 Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

a. We will pay up to \$500 for:

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

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.

This coverage is additional insurance. No deductible applies to this coverage.

b. We do not cover:

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

c. If the coverage in a. above applies, the following defense provisions also apply:

- (1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.

- (3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under **a.(3)** above.

7. Loss Assessment

- a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under **Coverage A**, other than:

- (1) Earthquake; or
(2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
c. Paragraph **Q. Policy Period under Section I – Conditions** does not apply to this coverage.

This coverage is additional insurance.

8. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
b. For the purpose of this Additional Coverage – Collapse, abrupt 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 intended purpose.
c. This Additional Coverage – Collapse does not apply to:
- (1) A building or any part of a building that is in danger of falling down or caving in;
(2) A part of a building that is standing, even if it has separated from another part of the building; or

- (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by one or more of the following:
- (1) The Perils Insured Against named under **Coverage C**;
(2) Decay, of a building or any part of a building, that is hidden from view, unless the presence of such decay is known to an "insured" prior to collapse;
(3) Insect or vermin damage, to a building or any part of a building, that is hidden from view, unless the presence of such damage is known to an "insured" prior to collapse;
(4) Weight of contents, equipment, animals or people;
(5) Weight of rain which collects on a roof; or
(6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- e. 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 **d.(2)** through **(6)** above, unless the loss is a direct result of the collapse of a building or any part of a building.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

9. Glass Or Safety Glazing Material

- a. We cover:
- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
(2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
(3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

- b. This coverage does not include loss:
- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
 - (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A dwelling being constructed is not considered vacant.
- c. This coverage does not increase the limit of liability that applies to the damaged property.

10. Landlord's Furnishings

We will pay up to \$2,500 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in **Coverage C**, other than Theft.

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

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

11. Ordinance Or Law

- a. You may use up to 10% of the limit of liability that applies to **Coverage A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
- (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.

- c. We do not cover:

- (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

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.

This coverage is additional insurance.

12. Grave Markers

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

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

13. "Fungi", Wet or Dry Rot, or Bacteria

- a. \$5,000 is the most we will pay for:
- (1) The total of all loss payable under **Section I – Property Coverages** caused by "fungi", wet or dry rot, or bacteria.
 - (2) The cost to remove "fungi", wet or dry rot, or bacteria from property covered under **Section I – Property Coverages**;
 - (3) 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

- (4) 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 a presence of “fungi,” wet or dry rot, or bacteria.
- b. The coverage described in paragraph a. above only applies when such loss or costs are a result of a Peril Insured Against 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 Peril Insured Against occurred.
- c. The amount of this coverage is the most we will pay for the total of all loss or costs payable under this Additional Coverage regardless of the:
- (1) Number of locations insured;
 - (2) Number of claims made.
- d. If there is covered loss or damage to covered property, not caused, in whole or in part, by “fungi”, wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Additional Coverage, except to the extent that “fungi”, wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Additional Coverage.

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

14. Tear Out And Replacement Coverage

In the event that loss to property covered under **Coverage A** or **B** results from an 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 on the “residence premises”, we will pay the cost to tear out and replace any part of a building or other structure on the “residence premises”, but only when necessary for you to gain access to repair the system or appliance.

However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the “residence premises.”

This Additional Coverage **14.** does not cover:

- a. Loss to the system or appliance from which the water or steam escaped; or
- b. The cost to tear out and replace any part of a building or other covered property to gain access to “fungi”, wet or dry rot, or bacteria.

For purposes of this Additional Coverage **14.**, a plumbing system or household appliance does not include a cesspool, septic tank, sump, sump pump or related equipment, regardless of its location, or a roof, drain, gutter, downspout or similar fixtures or equipment.

This coverage does 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

1. We insure against direct physical loss to property described in Coverages **A** and **B**.
2. We do not insure, however, for loss:
 - a. Excluded under Section I – Exclusions;
 - b. Involving collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above;

except as provided in **E.8.** Collapse under Section I – Property Coverages; or
 - c. Caused by:
 - (1) Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This provision does not apply if 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.

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.

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment;

- (2) Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, or by hurricane as defined in **Section I – Exclusion A.11.**, 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;
- (3) Theft in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (4) Vandalism and malicious mischief, and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;
- (5) "Fungi" or wet rot. However, subject to the \$5,000 limit of Additional Coverage **13.**, we do insure for loss caused by "fungi" or wet rot that is hidden within the walls ceiling or beneath the floors or above the ceilings of a structure if such loss results from the accidental discharge or overflow of water or steam from within:
- (a) A plumbing, heating, air conditioning, or automatic fire protective sprinkler system or a household appliance on the "residence premises"; or
 - (b) A storm drain, or water, steam, or sewer pipes off the "residence premises".

For purposes of this provision, a plumbing system or household appliance does not include a cesspool, septic tank, sump, sump pump or related equipment, regardless of its location, or a roof drain, gutter, downspout or similar fixtures or equipment.

Section I – Exclusion A.3. Water paragraph **a.**, **b.**, and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this paragraph **(5)**.

- (6) Any of the following:
- (a) Wear and tear, marring, deterioration;
 - (b) Mechanical breakdown, latent defect, inherent vice or any quality in property that causes it to damage or destroy itself;
 - (c) Smog, rust or other corrosion, or dry rot;
 - (d) Smoke from agricultural smudging or industrial operations;
 - (e) Discharge, dispersal, seepage, migration, release or escape of pollutants unless the discharge, dispersal, seepage, migration, release or escape is itself caused by a Peril Insured Against named under **Coverage C.**
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;
 - (f) Settling, shrinking, bulging or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs or ceilings;
 - (g) Birds, rodents or insects;
 - (h) Nesting or infestation, or discharge or release of waste products or secretions, by any animals; or
 - (i) Animals owned or kept by an "insured".

- (j) Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of water or the presence or condensation of humidity, moisture or vapor and the resulting damage is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

Section I – Exclusion A.3. Water paragraphs **a.**, **b.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under paragraph (j).

Exception To c.(6)

Unless the loss is otherwise excluded, we cover loss to property covered under **Coverage A** or **B** resulting from an accidental discharge or overflow of water or steam from within a:

- i. Storm drain, or water, steam or sewer pipe, off the "residence premises"; or
- ii. Plumbing, heating, air conditioning or automatic fire protective sprinkler system or household appliance on the "residence premises". This includes the cost to tear out and replace any part of a building, or other structure, on the "residence premises", but only when necessary to repair the system or appliance. However, such tear out and replacement coverage only applies to other structures if the water or steam causes actual damage to a building on the "residence premises".

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

For purposes of this provision, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

Section I – Exclusion A.3. Water, Paragraphs **a.** and **c.** that apply to surface water and water below the surface of the ground do not apply to loss by water covered under **c.(5)** and **(6)** above.

Under **2.b.** and **c.** above, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this policy is covered.

B. Coverage C – Personal Property

We insure for direct physical loss to the property described in **Coverage C** caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

1. Fire Or Lightning

2. Windstorm or Hail, other than a hurricane as defined in **Section I – Exclusions**, paragraph **A.11.**

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

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

3. Explosion

4. Riot Or Civil Commotion

5. "Aircraft"

This peril includes self-propelled missiles and spacecraft.

6. Vehicles

7. Smoke

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

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

8. Vandalism Or Malicious Mischief

9. Theft

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

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

- (1) Committed by an "insured";

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

10. Falling Objects

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

11. Weight Of Ice, Snow Or Sleet

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

12. Accidental Discharge Or Overflow Of Water Or Steam

- a. This peril means accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- b. This peril does not include loss:
 - (1) To the system or appliance from which the water or steam escaped;
 - (2) Caused by or resulting from freezing except as provided in Peril Insured Against 14. Freezing;
 - (3) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or

- (4) Caused by mold, fungus or wet rot unless hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. Section I – Exclusion A.3. Water, Paragraphs a. and c. that apply to surface water and water below the surface of the ground do not apply to loss by water covered under this peril.

13. Sudden And Accidental Tearing Apart, Cracking, Burning Or Bulging

This peril means sudden and accidental tearing apart, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

14. Freezing

- a. This peril means freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance, but only if you have used reasonable care to:
 - (1) Maintain heat in the building; or
 - (2) Shut off the water supply and drain all systems and appliances of water.

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.

- b. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

15. Sudden And Accidental Damage From Artificially Generated Electrical Current

This peril does not include loss to tubes, transistors, electronic components or circuitry that is a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

16. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

SECTION I – EXCLUSIONS

A. 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 sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a.** Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **A.1.a.** does not apply to the amount of coverage that may be provided for in **E.11. Ordinance Or Law** under Section I – Property Coverages;
- b.** The requirements of which result in a loss in value to property; or
- c.** Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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.

This Exclusion **A.1.** applies whether or not the property has been physically damaged.

2. Earth Movement

Earth Movement means:

- a.** Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b.** Landslide, mudslide or mudflow;
- c.** Subsidence or sinkhole; or
- d.** Any other earth movement including earth sinking, rising or shifting.

This Exclusion **A.2.** applies regardless of whether any of the above, in **A.2.a.** through **A.2.d.**, is caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.2.a.** through **A.2.d.**, is covered.

3. Water

This means:

- 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, or hurricane as defined in **Section I – Exclusion A.11.**, including storm surge;
- b.** Water which:
 - (1)** Backs up through or overflows from sewers or drains located on or off the "residence premises"; or
 - (2)** Overflows or is otherwise discharged from a cesspool, septic tank, sump, sump pump or related equipment, regardless of its location;
- c.** 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
- d.** Waterborne material carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this exclusion.

This Exclusion **A.3.** applies regardless of whether any of the above, in **A.3.a.** through **A.3.d.**, is caused by an act of nature or is otherwise caused.

This Exclusion **A.3.** 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.

However, direct loss by fire, explosion or theft resulting from any of the above, in **A.3.a.** through **A.3.d.**, is covered.

4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

6. War

War includes the following and any consequence of any of the following:

- a.** 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.

7. Nuclear Hazard

This Exclusion **A.7.** pertains to Nuclear Hazard to the extent set forth in **N. Nuclear Hazard Clause** under **Section I – Conditions.**

8. Intentional Loss

- a. Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

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

- b. However, this exclusion will not apply to deny an "insured's" claim for an otherwise covered property loss if such loss is caused by an act of "domestic abuse" by another "insured" under the policy, and the "insured" making claim:

(1) Files a police report and cooperates with any law enforcement investigation relating to the act of "domestic abuse"; and

(2) Did not cooperate in or contribute to the creation of the loss.

- c. If we pay a claim pursuant to Paragraph **8.b.**, our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the limit of liability.

9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in **Coverage A, B or C** by order of any governmental or public authority.

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

10. "Fungi", Wet or Dry Rot, or Bacteria, meaning:

- a. The presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria.
- b. This exclusion does not apply to the extent coverage is provided for in "Fungi", Wet or Dry Rot, or Bacteria Additional Coverage **13.** Under **Section I – Property Coverages** with respect to loss caused by a Peril Insured Against.

Direct loss by a Peril Insured Against resulting from "fungi", wet or dry rot, or bacteria is covered.

- 11. **Hurricane**, meaning a storm or storm system that has been declared and defined by the Central Pacific Hurricane Center of the National Weather Service to be a hurricane which includes the time period in each island in the State of Hawaii defined as follows:

- a. Beginning at the time a hurricane watch or warning is issued for a particular island by the Central Pacific Hurricane Center of the National Weather Service;
- b. Ending 72 hours following the cancellation of the watch or warning for the island by the Central Pacific Hurricane Center of the National Weather Service.

Such loss caused by a hurricane is excluded regardless of any other cause or event contributing concurrently or in any sequence unless loss by:

- a. Fire;
- b. Explosion;
- c. Riot or civil commotion;
- d. Vandalism or malicious mischief; or
- e. Theft;

ensues and then we will pay only for the ensuing loss.

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

- 1. Weather conditions. However, this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A.** 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, 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".

SECTION I – CONDITIONS**A. Insurable Interest And Limit Of Liability**

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

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

B. Deductible

Unless otherwise noted in this policy, the following deductible provision applies:

With respect to any one loss:

1. Subject to the applicable limit of liability, we will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the Declarations.
2. If two or more deductibles under this policy apply to the loss, only the highest deductible amount will apply.

C. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages**;
4. 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 subject to Additional Coverage **2. Temporary Repairs**; and
 - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. 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;
7. 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 another "insured", and sign the same;

8. 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 interests of all "insureds" 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 **6.** above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages**, stating the amount and cause of loss.

D. Loss Settlement

1. In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include:
 - a. The increased costs incurred to comply with the endorsement of any ordinance or law except to the extent that coverage for these increased costs is provided in Additional Coverage **11. Ordinance or Law under Section I – Property Coverages**; or
 - b. The cost to repair or replace undamaged property or parts of property for purposes of appearance or aesthetics, rather than for functionality.
2. Covered property losses are settled as follows:
 - a. Property of the following types at actual cash value at the time of loss but not more than the amount required to repair or replace:
 - (1) Personal property;
 - (2) Awnings, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - (3) Structures that are not buildings; and
 - (4) Grave Markers, including mausoleums.

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

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

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

If the building is rebuilt at a new premises, the cost described in paragraph **2.b.(1)(b)** above is limited to the cost which would have been incurred if the building had been built at the original premises.

Example #1 (Adequate Insurance)

When: Full replacement is \$ 300,000
 Amount of insurance is \$ 250,000
 Amount required is \$ 240,000
 Deductible is \$ 500
 Amount of loss is \$ 50,000

The minimum amount of insurance required under paragraph **2.b.(1)** above is \$240,000 (\$300,000 × 80%). Therefore, the amount of insurance in this example is adequate and no penalty applies. We will pay no more than \$49,500 (\$50,000 Amount of loss minus the deductible of \$500).

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

- (a) The actual cash value of that part of the building damaged; or

(b) That proportion of the cost to repair or replace, after application of deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

Example #2 (Underinsurance)

When: Full replacement is \$ 300,000
 Amount of insurance is \$ 180,000
 Amount required is \$ 240,000
 Deductible is \$ 500
 Amount of loss is \$ 50,000

The minimum amount of insurance required under paragraph **2.b.(2)(b)** above is \$240,000 (\$300,000 × 80%). Therefore, the amount of insurance in this example is not adequate and a penalty applies. The proportion of the cost to repair or replace would be determined as follows:

\$180,000 (Amount of insurance) divided by \$240,000 (Minimum amount required) = .75

\$50,000 (Amount of loss) × .75 = \$37,500

\$37,500 - \$500 (Deductible) = \$37,000

If the actual cash value of that part of the building damaged is \$20,000, the amount to be paid would be the greater amount as determined under the above example. However, we will pay no more than \$37,000. The remaining \$13,000 (\$50,000 Amount of loss less the amount paid of \$37,000) is not covered.

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

- (a) Excavations, footings, foundations, piers or any other structures or devices that support all or part of the building which are below the undersurface of the lowest basement floor;
- (b) Those supports in paragraph (a) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
- (c) Underground flues, pipes, wiring and drains.

- (4) We will pay no more than the actual cash value of the damage unless:
- (a) Actual repair or replacement is complete; or
 - (b) The cost to repair or replace the damage is both:
 - i. Less than 5% of the amount of insurance in this policy on the building; and
 - ii. Less than \$2,500.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability according to the provisions of this Condition 3. **Loss Settlement** provided you notify us of your intent to do so within 180 days after the date of loss.
- (6) Buildings shall include:
- (a) Cooking;
 - (b) Heating;
 - (c) Refrigerating;
 - (d) Cooling;
 - (e) Ventilating;
 - (f) Washing and Drying Appliances; and
 - (g) Floor Coverings;
- attached to the floor.

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 to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

- F. **Appraisal.** If you and we do not agree on the amount of the loss, including the amount to repair or replace each item, the actual cash value, or the replacement cost, then either may request an appraisal of the loss. However, both parties must agree to the appraisal. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

Any decision other than the amount of loss caused directly and in whole by a Peril Insured Against shall not be binding on either party.

1. The appraisers and the umpire shall not:
 - a. Decide any issue other than the amount of loss caused directly and in whole by a Peril Insured Against;
 - b. Determine whether your loss, or any part thereof, is covered under this policy;
 - c. Determine the cause or causes of the loss;
 - d. Make any factual findings that directly or indirectly determine whether your loss, or any part thereof, is covered under this policy;
 - e. Determine the amount of loss that is not insured, not covered, subject to a limitation, or excluded under this policy;
 - f. Interpret this policy;
 - g. Award or determine any interest or penalties;
 - h. Award any amount for matching property which has not sustained loss with property that has sustained loss;
 - i. Determine loss settlement under Condition Loss Settlement of this policy; or
 - j. Adjust your loss.
2. You or we may not demand an appraisal after that party brings suit or action against the other party relating to the amount of loss.

G. Other Insurance And Service Agreement

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. 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.

H. Suit Against Us

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

I. 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.

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of final judgment; or
3. There is a filing of an appraisal award with us.

K. Abandonment Of Property

We need not accept any property abandoned by an "insured".

L. Mortgage Clause

1. If a mortgagee is named in this policy, any loss payable under **Coverage A** or **B** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
 - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
 - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
 - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs **F.** Appraisal, **H.** Suit Against Us and **J.** Loss Payment under Section **I** – Conditions also apply to the mortgagee.
3. 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.
4. If we pay the mortgagee for any loss and deny payment to you:
 - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

- b. 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.

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

M. 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.

N. Nuclear Hazard Clause

1. "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.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section **I** to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

O. 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.

P. Volcanic Eruption Period

One or more volcanic eruptions that occur within a 72-hour period will be considered as one volcanic eruption.

Q. Policy Period

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

R. Concealment Or Fraud

With respect to all "insureds" covered under this policy, concealment or misrepresentation, whether made before or after a loss, shall prevent recovery if it:

1. Was made with actual intent to deceive; or
2. Materially affects either the acceptance of the risk or the hazard assumed by us.

S. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, the definition of "insured" 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.

- T. Glass Replacement.** Loss for damage to glass caused by a Peril Insured Against will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

SECTION II – LIABILITY COVERAGES**A. Coverage E – Personal Liability**

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

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

If form **HO 24 10** is attached to the policy, then paragraph 1. in the endorsement is deleted and replaced by the following:

1. Pay for the damages for which an "insured" is legally liable, subject to the Aggregate Limit Of Liability, as shown in the Schedule and described in **Section II – Conditions, A. Aggregate Limit Of Liability**; and

B. Coverage F – Medical Payments To Others

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

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
 - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
 - b. Is caused by the activities of an "insured";

- c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
- d. Is caused by an animal owned by or in the care of an "insured".

SECTION II – EXCLUSIONS**A. "Motor Vehicle Liability"**

1. Coverages **E** and **F** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
 - a. Is registered for use on public roads or property;
 - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
 - c. Is being:
 - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
 - (2) Rented to others;
 - (3) Used to carry persons or cargo for a charge; or
 - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability", unless the "motor vehicle" is:
 - a. In dead storage on an "insured location";
 - b. Used solely to service a residence;
 - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
 - (1) Being used to assist a handicapped person; or
 - (2) Parked on an "insured location";
 - d. Designed for recreational use off public roads and:
 - (1) Not owned by an "insured"; or
 - (2) Owned by an "insured" provided the "occurrence" takes place:
 - (a) On an "insured location" as defined in Definition **B.6.a., b., d., e. or h.**; or
 - (b) Off an "insured location" and the "motor vehicle" is:
 - i. Designed as a toy vehicle for use by children under seven years of age;

- ii. Powered by one or more batteries; and
 - iii. Not built or modified after manufacture to exceed a speed of five miles per hour on level ground;
- e. A motorized golf cart that is owned by an "insured", designed to carry up to four persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
- (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
 - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or
 - (c) Cross public roads at designated points to access other parts of the golfing facility; or
 - (2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

B. "Watercraft Liability"

1. **Coverages E and F** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved "watercraft" is being:
 - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
 - b. Rented to others;
 - c. Used to carry persons or cargo for a charge; or
 - d. Used for any "business" purpose.
2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the "watercraft":
 - a. Is stored;
 - b. Is a sailing vessel, with or without auxiliary power, that is:
 - (1) Less than 26 feet in overall length; or
 - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or

- c. Is not a sailing vessel and is powered by:
- (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
 - (a) 50 horsepower or less and not owned by an "insured"; or
 - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
 - (2) One or more outboard engines or motors with:
 - (a) 25 total horsepower or less;
 - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
 - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or
 - (d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:
 - i. You declare them at policy inception; or
 - ii. Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

C. "Aircraft Liability"

This policy does not cover "aircraft liability".

D. "Hovercraft Liability"

This policy does not cover "hovercraft liability".

E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others

Coverages E and F do not apply to the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" which is expected or intended by an "insured", even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity or property than initially expected or intended.

However, this Exclusion **E.1.** does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force by an "insured" to protect persons or property;

2. "Business"

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion **E.2.** 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".

- b. This Exclusion **E.2.** does not apply to:
- (1) The rental or holding for rental of an "insured location";
 - (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; or
 - (c) In part, as an office, school, studio or private garage; and
 - (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

3. Professional Services

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

4. "Insured's" Premises Not An "Insured Location"

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

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

5. War

"Bodily injury" or "property damage" 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;

6. Communicable Disease

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse

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

8. Controlled Substance

"Bodily injury" or "property damage" 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. However, 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.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's" Premises Not An "Insured Location" 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".

F. Coverage E – Personal Liability

Coverage E does not apply to:

1. Liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section II – Additional Coverages;
- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:
 - (1) That directly relate to the ownership, maintenance or use of an "insured location"; or
 - (2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in **a.** above or elsewhere in this policy;

2. "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";
3. "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;
4. "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
5. "Bodily injury" or "property damage" for which an "insured" under this policy:
 - a. Is also an insured under a nuclear energy liability policy issued by the:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters;
 - (3) Nuclear Insurance Association of Canada; or any of their successors; or
 - b. Would be an insured under such a policy but for the exhaustion of its limit of liability; or
6. "Bodily injury" to you or an "insured" as defined under Definition 5.a. or b.
This exclusion also applies to any claim made or suit brought against you or an "insured" to:
 - a. Repay; or
 - b. Share damages with;
another person who may be obligated to pay damages because of "bodily injury" to an "insured".

G. Coverage F – Medical Payments To Others

Coverage F does not apply to "bodily injury":

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

2. To any person eligible to receive benefits voluntarily provided or required to be provided under any:
 - a. Workers' compensation law;
 - b. Non-occupational disability law; or
 - c. Occupational disease law;
3. From any:
 - a. Nuclear reaction;
 - b. Nuclear radiation; or
 - c. Radioactive contamination;
all whether controlled or uncontrolled or however caused; or
 - d. Any consequence of any of these; or
4. To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the 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 more than 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. 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.

B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
2. We will not pay for "property damage":
 - a. To the extent of any amount recoverable under Section I;
 - b. Caused intentionally by an "insured" who is 13 years of age or older;

- c. To property owned by an "insured";
- d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
- e. Arising out of:
 - (1) A "business" engaged in by an "insured";
 - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
 - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of "aircraft", "hovercraft", "watercraft" or "motor vehicles".

This Exclusion e.(3) does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
 - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
 - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
 - (1) Is elected by the members of a corporation or association of property owners; and
 - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.

3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
 - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
 - b. 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.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

SECTION II – CONDITIONS

A. Limit Of Liability

1. Our total liability under **Coverage E** for all damages resulting from any one "occurrence" will not be more than the **Coverage E** Limit Of Liability shown in the Declarations. 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. **Sublimit Of Liability**
Subject to Paragraph 1. above, our total liability under **Coverage E** for damages for which an "insured" is legally liable because of statutorily imposed vicarious parental liability not otherwise excluded is \$10,000. This sublimit is within, but does not increase, the **Coverage E** limit of liability.
3. The limit of liability in 1. above and sublimit in 2. above apply regardless of the number of "insureds", claims made or persons injured.
4. Our total liability under **Coverage F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the **Coverage F** Limit Of Liability shown in the Declarations.
5. Subject to paragraph 1. above, our total liability under **Coverage E** for damages arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi", wet or dry rot, or bacteria not otherwise excluded is \$5,000. This sub-limit is within, but does not increase, the **Coverage E** limit of liability.

B. Severability Of Insurance

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

C. Duties After "Occurrence"

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
 - a. The identity of the policy and the "named insured" shown in the Declarations;
 - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
 - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
 - a. To make settlement;
 - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
 - c. With the conduct of suits and attend hearings and trials; and
 - d. To secure and give evidence and obtain the attendance of witnesses;
5. With respect to **C. Damage To Property Of Others** under Section II – Additional Coverages, submit to us within 60 days after the loss a sworn statement of loss and show the damaged property, if in an "insured's" control;
6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

D. Duties Of An Injured Person – Coverage F – Medical Payments To Others

1. The injured person or someone acting for the injured person 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 exam by a doctor of our choice when and as often as we reasonably require.

E. Payment Of Claim – Coverage F – Medical Payments To Others

Payment under this coverage is not an admission of liability by an "insured" or us.

F. Suit Against Us

1. No action can be brought against us unless there has been full compliance with all of the terms under this Section II.
2. No one will have the right to join us as a party to any action against an "insured".
3. Also, no action with respect to **Coverage E** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

G. Bankruptcy Of An "Insured"

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

H. 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.

I. Policy Period

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

J. Concealment Or Fraud

Concealment or misrepresentation by an "insured" covered under this policy, whether made before or after a loss, shall prevent recovery if it:

1. Was made with actual intent to deceive; or
2. Materially affects either the acceptance of the risk or the hazard assumed by us.

SECTIONS I AND II – CONDITIONS**A. Liberalization Clause**

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this policy; or

2. An amendatory endorsement.

B. 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.

C. Cancellation

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the 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:

(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.

However, with respect to paragraphs 2.b., 2.c., and 2.d. above, if any one of the following conditions exists at any building that is covered in this policy, we may cancel this policy by letting you know at least 5 days before the date cancellation takes effect.

a. The building has been vacant or unoccupied, for 60 or more consecutive days. This does, not apply to:

(1) Seasonal unoccupancy; or

(2) Buildings in the course of construction, renovation or addition.

b. After damage by a covered peril, permanent repairs to the building:

(1) Have not started; and

(2) Have not been contracted for within 30 days of payment for the loss.

c. The building has:

(1) An outstanding order to vacate;

(2) An outstanding demolition order; or

(3) Been declared unsafe by governmental authority.

d. Fixed and salvageable items have or are being removed from the building and are not being replaced. This does not apply to removal that is necessary or incidental to any renovation or remodeling.

e. Failure to:

(1) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

(2) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

3. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our short rate procedure. When we cancel, the return premium will be pro rata.

This provision does not apply to the additional premium as a result of endorsing **ZIC 05 19 – Coverage for Hurricane - Hawaii**, as this premium is fully earned.

4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

D. 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.

E. Assignment

Assignment of this policy, or any claim or right under this policy, shall not be valid unless we give our written consent.

F. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to **Coverage F** or Paragraph **C**. Damage To Property Of Others under Section **II** – Additional Coverages.

If we pay an "insured" who is a victim of "domestic abuse" for a loss caused by an act of "domestic abuse", the rights of that "insured" to recover damages from the perpetrator of the abuse are transferred to us to the extent of our payment. That "insured" may not waive such rights to recover against the perpetrator of the "domestic abuse".

G. Death

If any person named in the Declarations or:

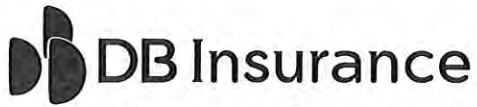
1. The spouse; or
2. A partner who has entered into a civil union, recognized under Hawaii law, with the "named insured";

if a resident of the same household, dies, the following apply:

1. 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
2. "Insured" includes:
 - a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence 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.

All other provisions of this policy apply.

EXHIBIT 6



1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

COMMERCIAL PACKAGE POLICY DECLARATIONS

Renewal

POLICY NUMBER: DPP 1300236 09

AGENCY NAME AND ADDRESS: BUSINESS INSURANCE SERVICES IN 0300000 615 PIIKOI STREET, SUITE 1901 HONOLULU HI 96814 808-592-5011	PRODUCER NAME AND ADDRESS: AARON VIELA 0300098 615 PIIKOI STREET, SUITE 1901 HONOLULU HI 96814 808-592-5011
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NAMED INSURED AND MAILING ADDRESS:

PUNDY LLC
PO BOX 1559
WAILUKU HI 96793

POLICY PERIOD: From 08/16/2022 to 08/16/2023
At 12:01 A.M. Standard Time at your mailing address shown above.

FORM OF BUSINESS: LTD LIAB CO
BUSINESS DESCRIPTION: LESSORS RISK

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COVERAGE PART DESCRIPTION	PREMIUM
Commercial Fire	\$10,494.00
Equipment Breakdown Coverage	Included
General Liability	\$1,651.00
DB Insurance CPP Policy Premium:	_____
Annual Premium	_____
Total Premium:	\$12,145.00


FORMS APPLICABLE TO ALL COVERAGE PARTS:

CG0001 (12/04)	CG0067 (03/05)	CG2147 (07/98)	CG2149 (09/99)
CG2150 (09/89)	CG2160 (09/98)	CG2167 (12/04)	CG2173 (01/15)
CP0010 (06/07)	CP0030 (06/07)	CP0090 (07/88)	CP0140 (07/06)
CP0165 (12/98)	CP0265 (09/01)	CP1030 (06/07)	CP1032 (08/08)
CP1218 (06/07)	DBCT (09/07)	DBHI0011 (09/21)	DBH0001 (06/16)
DBH0004 (06/16)	DCG0001 (11/06)	DCG0002 (11/06)	DCG0003 (11/06)
DCG0004 (12/10)	DCP0003 (08/18)	DCP0004 (05/12)	DCP0005 (05/12)
IL0003 (09/07)	IL0017 (11/98)	IL0021 (07/02)	IL0154 (08/09)
IL0265 (07/02)	IL0935 (07/02)	IL0953 (01/15)	IL0985 (01/15)

These Declarations together with the common policy conditions, coverage declarations, coverage form(s), and form(s) and endorsements, if any, issued, complete the above numbered policy.

In witness whereof, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the company.

Countersigned on 07/04/2022



By: _____
(Authorized Representative)



1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

**COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS**

Policy Number DPP 1300236 09
Renewal of DPP 1300236

Policy Period From 08/16/2022 To 08/16/2023
12:01 A.M. Standard Time at the Named Insured's Address

Transaction RENEWAL DECLARATION
Pay Plan: AGENCY BILL

Named Insured and Address
PUNDY LLC
PO BOX 1559
WAILUKU HI 96793

Agency/Producer
BUSINESS INSURANCE SERVICES IN

AARON VIELA
615 PIIKOI STREET, SUITE 1901
HONOLULU HI 96814

Telephone: 808-592-5011

Business Description
LESSORS RISK

Type of Business
LTD LIAB CO

Audit Period
NONE

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

DESCRIPTION OF PREMISES

Refer to attached schedule.

COVERAGES PROVIDED

Refer to attached schedule, if any.

OPTIONAL COVERAGES

Refer to attached schedule, if any.

MORTGAGEES AND ADDITIONAL INTERESTS

Refer to attached schedule, if any.

FORMS AND ENDORSEMENTS

Refer to attached schedule.

These Declarations together with the common policy conditions, coverage part declarations, coverage part coverage form(s) and form(s) and endorsements, if any, issued, complete the above numbered policy.

TOTAL PREMIUM FOR THIS COVERAGE PART \$ 10,494.00



1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

Policy Number: DPP 1300236 09
RENEWAL DECLARATION
Named Insured:
PUNDY LLC

**COMMERCIAL PROPERTY
SCHEDULE OF PREMISES**

Prem. No.	Bldg. No.	Occupancy	Construction
00001	00001	RETAIL/WHOLESALE-MULTI MERCANTILE OCCUPANCY (gt 15,000 SQ F	Frame



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Honolulu, HI 96814

Policy Number: DPP 1300236 09
RENEWAL DECLARATION
Named Insured:
PUNDY LLC

**COMMERCIAL PROPERTY
SCHEDULE OF COVERAGES PROVIDED**

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Blanket Coverage	Coinsurance [†]	Ded.*	Premium
00000	00000	Enhancement Endorsement II					1,000
00001	00001	Building Water Damage	5,061,888		90	5000 10000	7,643
00001	00001	Business Income With Extra Expense	550,000		50		1,172
00001	00001	Cert Act of Terr Building	5,061,888		90	5000	51
00001	00001	Cert Act of Terr Bus Inc	550,000		50		5
00001	00001	Equipment Breakdown	Included			5000	623

* MULTIPLE DEDUCTIBLES APPLY - REFER TO POLICY FORM CP0320 OR CP0321

† IF EXTRA EXPENSE COVERAGE, LIMITS ON LOSS PAYMENT



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Honolulu, HI 96814

Policy Number: DPP 1300236 09
RENEWAL DECLARATION
Named Insured:
PUNDY LLC

**COMMERCIAL PROPERTY
SCHEDULE OF OPTIONAL COVERAGES PROVIDED**

Prem. No.	Bldg. No.	Coverage	Covered Causes of Loss	Agreed Value	Replacement Cost [†]		Inflation Grd		Monthly Limit of Indemnity	Maximum Period of Indemnity	Extended Period of Indemnity
					Bldg	Pers Prop "Stock"	Bldg	Pers Prop			
00001	00001	BLDG	SPECIAL		RC						
00001	00001	BUSINC	SPECIAL						N/A		

† RC = Replacement Cost
FRC = Functional Replacement Cost
ACV = Actual Cash Value



1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

**GENERAL LIABILITY COVERAGE PART
DECLARATIONS**

Policy Number DPP 1300236 09
Renewal of DPP 1300236

Policy Period From 08/16/2022 To 08/16/2023
12:01 A.M. Standard Time at the Named Insured's Address

Transaction RENEWAL DECLARATION
Pay Plan: AGENCY BILL

Named Insured and Address
PUNDY LLC
PO BOX 1559
WAILUKU HI 96793

Agent
BUSINESS INSURANCE SERVICES IN

AARON VIELA
615 PIIKOI STREET, SUITE 1901
HONOLULU HI 96814

Telephone: 808-592-5011

Business Description
LESSORS RISK

Type of Business
LTD LIAB CO

Audit Period
ANNUAL

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIMITS OF INSURANCE

General Aggregate Limit (Other than Products-Completed Operations)	\$	2,000,000
Products - Completed Operations Aggregate Limit	\$	Not Applicable
Each Occurrence Limit	\$	1,000,000
Personal and Advertising Injury Limit	\$	1,000,000
Medical Expense Limit, any one person	\$	5,000
Damage to Premises Rented to You Limit, any one premises	\$	100,000

AMENDED LIMITS OF LIABILITY

Refer to attached schedule, if any.

LOCATIONS OF ALL PREMISES YOU OWN, RENT OR OCCUPY

Refer to attached schedule.

CLASSIFICATIONS

Refer to attached schedule.

FORMS AND ENDORSEMENTS

Refer to attached schedule.

These Declarations together with the common policy conditions, coverage part declarations, coverage part coverage form(s) and form(s) and endorsements, if any, issued, complete the above numbered policy.

TOTAL PREMIUM FOR THIS COVERAGE PART \$ 1,651.00



1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

Policy Number: DPP 1300236 09
RENEWAL DECLARATION
Named Insured:
PUNDY LLC

**COMMERCIAL GENERAL LIABILITY
EXTENSION OF DECLARATIONS**

LOCATION OF PREMISES

Location of All Premises You Own, Rent or Occupy:

00001
180 DICKENSON STREET
LAHAINA HI 96761

00002
155 DICKENSON STREET
LAHAINA HI 96761

PREMIUM

Location	Classification	Code No.	Exposure	Basis	Prem.Ops.	Rate Prod/Comp Ops.	Advance Premium Prem.Ops.	Premium Prod/Comp Ops.
00001	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU	61217	25,807	- A	44.62600		\$1,152.00	Included
"Products - completed operations are subject to the General Aggregate Limit"								
00002	PARKING-PRIVATE	46622	20,000	- A	23.33100		\$467.00	Included
"Products - completed operations are subject to the General Aggregate Limit"								

Extension of Declarations - Total Advance Annual Premium \$1,619.00

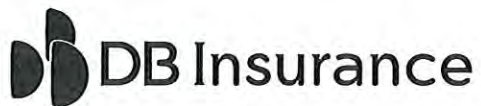


1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

Policy Number: DPP 1300236 09
RENEWAL DECLARATION
Named Insured:
PUNDY LLC

COMMERCIAL GENERAL LIABILITY CLASSIFICATION SCHEDULE

Loc	St	Terr	Code	Premium Basis	Exposure	Rate	Per	Cov	Premium
00000	HI	001	49950				N/A	GLENHC	\$32.00
ADDITIONAL INTERESTS CLASS CODE									
00001	HI	001	61217	AREA	25,807		1000	PREMOP	\$1,152.00
BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU									
00002	HI	001	46622	AREA	20,000		1000	PREMOP	\$467.00
PARKING-PRIVATE									



1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

Policy Number: DPP 1300236 09
RENEWAL DECLARATION
Named Insured:
PUNDY LLC

LOCATION ADDRESS SCHEDULE

Prem # 1
180 DICKENSON STREET
LAHAINA, HI 96761

Prem # 2
155 DICKENSON STREET
LAHAINA, HI 96761



1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

Policy Number: DPP 1300236 09
RENEWAL DECLARATION
Named Insured:
PUNDY LLC

SUB-LOCATION BUILDING SCHEDULE

Prem # 1
BLDG 1

Bldg # 1

Prem # 2
BLDG 1

Bldg # 1



1440 Kapiolani Blvd. Suite 950
Honolulu, HI 96814

Policy Number: DPP 1300236 09
RENEWAL DECLARATION
Named Insured:
PUNDY LLC

POLICY INTEREST SCHEDULE

Prem # 1

MORTGAGEE Y

50186775-0000

BANK OF HAWAII-LOAN OPERATIONS

COMMERCIAL INSURANCE SPECIALIS

PO BOX 2715

HONOLULU HI 96813

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. 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. Refer to Section **H.**, Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software;

- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

EXAMPLE #2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 30,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ($\$79,500 + \$30,000 = \$109,500$) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building was undamaged; and
- (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.

- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.

- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (herein after referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building #1:	\$ 60,000
Limit of Insurance – Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

\$ 60,100
– 250

\$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- Pay its chosen appraiser; and
- Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
- (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
- (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
 - (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i)** Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1)** We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a)** Vandalism;
 - (b)** Sprinkler leakage, unless you have protected the system against freezing;
 - (c)** Building glass breakage;
 - (d)** Water damage;
 - (e)** Theft; or
 - (f)** Attempted theft.
- (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$250,000 x 80%). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When:	The value of the property is:	
	Building at Location #1:	\$ 75,000
	Building at Location #2:	\$ 100,000
	Personal Property at Location #2:	\$ 75,000
		<u>\$ 250,000</u>
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location #2:	\$ 30,000
	Personal Property at Location #2:	\$ 20,000
		<u>\$ 50,000</u>

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

EXAMPLE

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
 - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
- (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "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.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

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**IN THE CIRCUIT COURT OF THE SECOND CIRCUIT OF THE
STATE OF HAWAII**

NELDA PAGDILAO; AMIR SHEIKHAN;
TINA LEUNG; H. EUGENE SMITH;
WILLIAM B. MOFFETT II; PETER
BASILE; and PUNDY LLC

Plaintiffs,

v.

FIRST INSURANCE COMPANY OF
HAWAII, a Hawaii corporation; ZEPHYR
INSURANCE COMPANY, INC., a Hawaii
corporation; ALLSTATE INSURANCE
COMPANY, an Illinois corporation;
LIBERTY MUTUAL FIRE INSURANCE
COMPANY, a Wisconsin corporation;
STATE FARM FIRE AND CASUALTY
COMPANY, an Illinois corporation; DB
INSURANCE COMPANY, LTD., a Hawaii
corporation,

Defendants.

CIVIL No.

(Other Non-Motor Vehicle Tort – Maui Fire)

DEMAND FOR JURY TRIAL

Plaintiffs NELDA PAGDILAO; AMIR SHEIKHAN; TINA LEUNG; H. EUGENE SMITH; WILLIAM B. MOFFETT II; PETER BASILE, and PUNDY, LLC (the "**Plaintiffs**"), by and through their undersigned attorneys, hereby demand a jury trial on all issues triable by jury.

DATED: July 19, 2024

PANISH | SHEA | RAVIPUDI LLP

By: /s/ Jesse Creed
Jesse Creed
Attorneys for Plaintiffs NELDA PAGDILAO;
AMIR SHEIKHAN; TINA LEUNG; H.
EUGENE SMITH; WILLIAM B. MOFFETT II;
PETER BASILE, and PUNDY, LLC