

NORTH CAROLINA ADVISORY NOTICE TO POLICYHOLDERS (DWELLING PROPERTY 1 – BASIC FORM)

CAUTION: No coverage is provided by this summary, nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL.**

This is a summary of the major changes in your Dwelling Property Policy. The major broadenings, reductions and other changes are highlighted below.

We have followed the policy sequence of provisions in setting out this material.

DWELLING PROPERTY POLICY

I. Property Coverage

BROADENING OF COVERAGE

- A. We have revised the motor vehicle provision under Coverage **C** – Personal Property – Property Not Covered so that there may be coverage in certain circumstances when a motor vehicle is used solely to service **a residence**, instead of a **Described Location** as previously provided under the Policy.
- B. Previously, your policy referenced a 1/12 monthly limitation under the Rental Value Other Coverage. We have deleted the reference to this monthly limitation of coverage, revised it and relocated it under Coverage **D** – Fair Rental Value to provide that the amount payable each month will be a proportionate share of the total rental value amount insured under your policy. This addresses the possibility of a property rented for less than 12 months out of the year.

II. General Exclusions

OTHER CHANGES

- A. We revised the Water and Earth Movement Exclusions to reinforce that, in general, the exclusion applies whether the damage is caused by an act of nature or otherwise caused.
- B. We removed the state exception to the Water Damage provision. The multistate Water Damage provision now applies.

III. Conditions

BROADENING OF COVERAGE

We have revised the newly relocated Deductible provision, in part, to state that when two or more deductibles under the Policy apply to the loss, only the highest deductible amount will apply.

OTHER CHANGES

- A. We have revised the newly relocated Deductible provision, in part, to state that it applies "with respect to any one loss".
- B. We have relocated the Policy Period provision to the end of the Conditions section of your policy.

NORTH CAROLINA ADVISORY NOTICE TO POLICYHOLDERS (DWELLING PROPERTY 2 – BROAD FORM)

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This is a summary of the major changes in your Dwelling Property Policy. The major broadenings, reductions and other changes are highlighted below.

We have followed the policy sequence of provisions in setting out this material.

DWELLING PROPERTY POLICY

I. Property Coverage

BROADENING OF COVERAGE

We have revised the motor vehicle provision under Coverage **C** – Personal Property – Property Not Covered so that there may be coverage in certain circumstances when a motor vehicle is used solely to service a **residence**, instead of a **Described Location** as previously provided under the Policy.

OTHER CHANGES

We have revised the Collapse Other Coverage, in part, to generally reinforce that 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. Also, we have reinforced that this Other Coverage applies to certain kinds of hidden decay and hidden insect or vermin damage **to a building or any part of a building.**

II. General Exclusions

OTHER CHANGES

- A. We revised the Water and Earth Movement Exclusions to reinforce that, in general, the exclusion applies regardless of the cause; that is, earth movement damage caused by an act of nature or otherwise caused.
- B. We removed the state exception to the Water Damage provision. The multistate Water Damage provision now applies.

III. Conditions

BROADENING OF COVERAGE

We have revised the newly relocated Deductible provision, in part, to state that when two or more deductibles under the Policy apply to the loss, only the highest deductible amount will apply.

OTHER CHANGES

- A. We have revised the newly relocated Deductible provision, in part, to state that it applies "with respect to any one loss".
- B. We have relocated the Policy Period provision to the end of the Conditions section of your policy.

NORTH CAROLINA ADVISORY NOTICE TO POLICYHOLDERS (DWELLING PROPERTY 3 – SPECIAL FORM)

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This is a summary of the major changes in your Dwelling Property Policy. The major broadenings, reductions and other changes are highlighted below.

We have followed the policy sequence of provisions in setting out this material.

DWELLING PROPERTY POLICY

I. Property Coverage

BROADENING OF COVERAGE

We have revised the motor vehicle provision under Coverage **C** – Personal Property – Property Not Covered so that there may be coverage in certain circumstances when a motor vehicle is used solely to service **a residence**, instead of a **Described Location** as previously provided under the Policy.

OTHER CHANGES

We have revised the Collapse Other Coverage, in part, to generally reinforce that 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. Also, we have reinforced that this Other Coverage applies to certain kinds of hidden decay and hidden insect or vermin damage **to a building or any part of a building**.

II. Perils Against Insured

BROADENINGS OF COVERAGE

Previously, your policy generally provided that we did not insure for loss to your dwelling or other structures caused by birds, vermin, rodents or insects. We have removed "vermin" from this list.

REDUCTION OF COVERAGE

We have added language to your policy to generally provide that it does not insure for loss to your dwelling or other structures caused by nesting or infestation or discharge or release of waste products or secretions by **any** animals.

OTHER CHANGES

- A.** Your previous policy contained the phrase "we insure against **risk of** direct physical loss" to certain property. We have removed the words "risk of" from this phrase to reinforce the related policy language.
- B.** We have revised different sections of your policy to more explicitly express the scope of coverage with respect to collapse. In general, collapse is not covered except under the Collapse Other Coverage. In general, the Collapse Other Coverage only applies to an abrupt collapse.

III. General Exclusions

OTHER CHANGES

- A.** We revised the Water and Earth Movement Exclusions to reinforce that, in general, the exclusion applies regardless of the cause; that is, earth movement damage caused by an act of nature or otherwise caused.
- B.** We removed the state exception to the Water Damage provision. The multistate Water Damage provision now applies.

IV. Conditions

BROADENING OF COVERAGE

We have revised the newly relocated Deductible provision, in part, to state that when two or more deductibles under the Policy apply to the loss, only the highest deductible amount will apply.

OTHER CHANGES

- A.** We have revised the newly relocated Deductible provision, in part, to state that it applies "with respect to any one loss".
- B.** We have relocated the Policy Period provision to the end of the Conditions section of your policy.

NORTH CAROLINA ADVISORY NOTICE TO POLICYHOLDERS (ENDORSEMENTS)

CAUTION: No coverage is provided by this summary, nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this summary, **THE PROVISIONS OF YOUR POLICY SHALL PREVAIL.**

This is a summary of the major changes to optional endorsements applicable to your Dwelling Property Policy.

OPTIONAL ENDORSEMENTS

If indicated below, the following endorsements applicable to your policy have undergone changes that may affect the level of coverage provided in your policy:

- DP 04 14 – Additional Living Expense**
We have revised this endorsement to provide that Additional Living Expense Coverage is subject to a limitation of no more than 25% per month of the limit of liability shown in the Policy.
- DP 04 59 – Assisted Living Care Coverage**
We have removed provisions from the endorsement addressing the application of the policy deductible in a single loss event.
- DP 04 63 – Loss Assessment Property Coverage**
The previous version of your policy contained a "special limit" of \$1,000 when the assessment resulted from a deductible in a corporation or association of property owners' insurance policy. We have eliminated that limit with an additional limit available through this endorsement.
- DP 04 65 – Special Coverage**
The previous version of this endorsement generally provided that we did not insure for loss to your personal property caused by birds, vermin, rodents or insects. We have revised the endorsement to remove "vermin" from this list. However, we have added language to the endorsement to generally provide that your policy does not insure for loss to your personal property caused by nesting or infestation, or discharge or release of waste products or secretions by **any** animals.
- DP 04 68 – Loss Assessment Coverage For Earthquake**
For any one assessment, we have increased the minimum deductible from \$250 to \$500.
- DP 04 69 – Earthquake**
We have increased the minimum deductible from \$250 to \$500.

DP 17 66 – Unit-owners Coverage

Some of your property may be covered both by your policy and your corporation or association of property owners' policy. We have changed the Other Insurance And Service Agreement Condition to expressly address the deductible of other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by your policy. We have also incorporated language from your base policy form to reinforce the definition of service agreement.

DP 32 18 – Named Storm Deductible – North Carolina

We have revised the Named Storm Deductible provision, in part, to state that it applies "for any one loss".

Other: