



February 26, 2026

**CIRCULAR LETTER TO ALL MEMBER COMPANIES**

RE: Implementation of the North Carolina 2027 Homeowners  
Supplemental Policy Programs

**Summary**

- The Commissioner of Insurance has approved revisions to the following **North Carolina Homeowners Supplemental Policy Programs**:
  - Homeowners Enhancement (HE)
  - Homeowners Blanket (HB)
  - Homeowners Historic Home (HH)
- As revised, these programs will be referred to as part of the North Carolina 2027 Homeowners Supplemental Policy Programs
- These revised programs align with the North Carolina 2027 Homeowners Policy Program, become **effective June 1, 2027**, and apply to all new and renewal policies becoming effective on or after that date.

**Please forward this notice to all interested parties within your organization.**

**Purpose of This Circular**

This circular provides notice of approval by the Commissioner of Insurance of, and a general overview of the changes in, the following North Carolina 2027 Homeowners Supplemental Policy Programs:

- 2027 Homeowners Enhancement (HE) Policy Program
- 2027 Homeowners Blanket (HB) Policy Program
- 2027 Homeowners Historic Home (HH) Policy Program

These programs apply to all new and renewal policies becoming effective on or after June 1, 2027, and they replace the current programs at that time. These programs will continue to be optional.

**Background**

In Circular Letter [P-25-3](#), the North Carolina Rate Bureau announced approval of the North Carolina 2027 Homeowners Policy Program, which replaces the current homeowners program effective June 1, 2027. In that circular, the Rate Bureau advised that corresponding revisions to the Homeowners Supplemental Policy Programs would be filed. Note that corresponding revisions to the Windstorm and Hail Policy Program will be distributed at a later date.

## Overview of Approved Changes

The revised Homeowners Supplemental Policy Programs align with updates in the North Carolina 2027 Homeowners Policy Program. Key changes include:

- Increased special limits
- Revised policy language
- Formatting updates
- Editorial revisions
  - Note that the form number for the mandatory Special Provisions endorsement for the Homeowners Blanket Policy Program is changing from 32 21 to 32 32 (so that the Special Provisions endorsement has the same form number across all programs).

Please note that these changes were filed and approved with no changes to the base rates.

## Effective Date and Rule of Application

The Rule of Application for these North Carolina 2027 Homeowners Supplemental Policy Programs is as follows:

**These changes are applicable to all new and renewal policies becoming effective on or after June 1, 2027.**

## Copyright and Usage Requirements

These Programs contain copyrighted materials of the North Carolina Rate Bureau as well as copyrighted materials of Insurance Services Office, Inc. (ISO) used under a limited license.

Member companies must use the following copyright notices when they reprint, copy, or otherwise use these program materials:

- **Rate Bureau material only:**  
“Copyright, North Carolina Rate Bureau, 2025”
- **Combined Rate Bureau and ISO material:**  
“Copyright, North Carolina Rate Bureau, 2025”  
“Includes copyrighted material of Insurance Services Office, Inc., with its permission”

Program materials may be used only by North Carolina Rate Bureau member companies and only within North Carolina.

## Statutory and Legal Considerations

- N.C.G.S. § 58-36-45 provides in part that whenever an insurer changes the coverage in a policy, it shall give the policyholder written notice of such coverage change at least 15 days in advance of the effective date and provide a copy of such notice to the insurance producer. Further, case law in North Carolina has held that, when an insurer renews a policy, the policyholder may assume that the renewal policy will be the same as the earlier policy unless reductions in coverage are clearly, conspicuously, and unambiguously called to the policyholder’s attention. North River Insurance v. Young, 117 N.C. App. 663, 453 S.E.2d 205 (1995).
  - The necessity and manner of notifying policyholders of coverage revisions is an individual company responsibility.

- A policy that constitutes a “coinsurance contract” must be appropriately labeled in compliance with N.C.G.S. §§ 58-3-15 and 58-38-20. The North Carolina Court of Appeals held that language in certain policy forms rendered them coinsurance contracts. Surratt v. Grain Dealers, 74 N.C. App. 288, 328 S.E. 2d 16 (1985). This interpretation would likely apply to the North Carolina 2027 Homeowners Supplemental Policy Programs.
  - The necessity, manner, and placement of any such label is an individual company responsibility.

Companies are encouraged to consult their own legal counsel to ensure compliance with these considerations.

## Enclosures

See the enclosed exhibits in connection with the approved revisions:

- **Exhibit A** – List of revised forms
- **Exhibit B** – Redlined 2027 HE Policy Program forms
- **Exhibit C** – Redlined 2027 HB Policy Program forms
- **Exhibit D** – Redlined 2027 HH Policy Program forms
- **Exhibit E** – Redlined 2027 Homeowners Manual Supplement

Final (clean) program materials will be posted to the Rate Bureau’s Web Portal at a later date.

## Company Responsibilities

These programs are optional. To the extent that a company intends to use these programs, each member company should:

- Review the revised forms and rules
- Determine whether and how policyholders must be notified of coverage changes
- Consider whether to notify policyholders that a policy written under the North Carolina 2027 Homeowners Supplemental Policy Programs constitutes a new contract rather than a renewal
- Consult their own legal counsel regarding compliance with the statutory and legal considerations described above
- Identify any required system or programming changes
- Complete implementation prior to the June 1, 2027 effective date

## Distribution

Please ensure that this circular letter and enclosures are shared with all relevant personnel within your organization.

Sincerely,

Andy Montano  
Personal Lines Director

AM:ko  
P-26-3  
Attachments

**North Carolina 2027 Homeowners Enhancement Policy Program Forms**

Form Number		Form Title
HE 00 07 06 27	Revised	Homeowners Enhancement Coverage
HE 32 20 06 27	Revised	Expanded Enhancement Coverage Form HE 00 07 Only - North Carolina
HE 32 21 06 27	Revised	Extended Enhancement Coverage Form HE 00 07 Only – North Carolina
HE 32 22 06 27	Revised	Specified Additional Amount of Insurance for Coverage A – Dwelling Form HE 00 07 Only – North Carolina
HE 32 30 06 27	Revised	Debris Removal - Broadened Tree Removal Form HE 00 07 Only – North Carolina
HE 32 40 06 27	Revised	Blanket Property Limit Coverage Form HE 00 07 Only - North Carolina
HE 32 45 06 27	Revised	Property Coverage Enhancement Form HE 00 07 Only – North Carolina
HE 32 74 06 27	Revised	Broadened Home-Sharing Host Activities Coverage Form HE 00 07 Only – North Carolina

**North Carolina 2027 Homeowners Blanket Policy Program Forms**

Form Number		Form Title
HB 00 03 06 27	Revised	Blanket Property Limit Endorsement (For Use With HO 00 03)
HB 00 04 06 27	Revised	Blanket Property Limit Endorsement (For Use With HO 00 04)
HB 00 05 06 27	Revised	Blanket Property Limit Endorsement (For Use With HO 00 05)
HB 00 06 06 27	Revised	Blanket Property Limit Endorsement (For Use With HO 00 06)
HB 03 12 06 27	Revised	Windstorm Or Hail Percentage Deductible - All Forms Except HO 00 04 and HO 00 06
HB 04 46 06 27	Revised	Inflation Guard - North Carolina
HB 04 77 06 27	Revised	Ordinance or Law - Increased Amount of Coverage
HB 04 98 06 27	Revised	Refrigerated Property Coverage
HB 05 46 06 27	Revised	Supplemental Landlord's Furnishings Coverage
HB 32 11 06 27	Revised	Additional Blanket Property Limit Coverage - HO 00 03 and HO 00 05 Only
HB 32 20 06 27	Revised	Specified Additional Blanket Property Limit Coverage - HO 00 03 and HO 00 05 Only
HB 32 32 06 27	Revised	Special Provisions - North Carolina (Note: Form Number Changed from 32 21 to 32 32)
HB 32 54 06 27	Revised	Earthquake Coverage

**North Carolina 2027 Homeowners Historic Home Policy Program Forms**

Form Number		Form Title
HH 32 03 06 27	Revised	Historic Home Special Endorsement - North Carolina
HH 32 10 06 27	Revised	Historic Home Scheduled Architectural Features Endorsement – North Carolina
HH 32 11 06 27	Revised	Coverage B – Other Structures (Specific Insurance) - North Carolina

# HOMEOWNERS ENHANCEMENT COVERAGE

## AGREEMENT

We will provide the insurance described in this ~~p~~P~~o~~l~~i~~c~~y~~ in return for the premium and compliance with all applicable provisions of this ~~p~~P~~o~~l~~i~~c~~y~~.

## DEFINITIONS

- A. In this ~~p~~P~~o~~l~~i~~c~~y~~, "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;~~  
(a) An aircraft, hovercraft, or watercraft by any person; or  
(b) A motor vehicle by an "insured";
      - (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, ~~except model or hobby watercraft not designed to carry people or cargo; and~~
      - (4) Motor vehicle means a "motor vehicle" as defined in ~~4011~~. below.
  2. "Bodily injury" means bodily harm, sickness, or disease, including required care, loss of services, and death that results.
  3. **"Business" means includes:**
    - 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; ~~or and~~
    - b. "Home-sharing host activities".
  4. **"Cannabis" means:**
    - a. ~~Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.~~
    - b. ~~Paragraph 4.a. above includes, but is not limited to, any of the following containing such THC or cannabinoid:~~
      - (1) ~~Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks, and roots; or~~
      - (2) ~~Any compound, by-product, extract, derivative, mixture, or combination, such as:~~
        - (a) ~~Resin, oil or wax;~~
        - (b) ~~Hash or hemp; or~~

(c) Infused liquid or edible cannabis;

whether or not derived from any plant or part of any plant set forth in Paragraph 4.b.(1) above.

c. Paragraph 4.a. above includes, but is not limited to, marijuana.

R  
E  
V  
I  
S  
E  
D

- 45.** "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".
- 56.** "Home-sharing host activities" means:
- a. The:
    - (1) Rental or holding for rental; or
    - (2) Mutual exchange of services; of the "residence premises", in whole or in part, by an "insured" to a "home-sharing occupant" through the use of a "home-sharing network platform"; and
  - b. Any other related property or services made available by an "insured" for use during such:
    - (1) Rental or holding for rental; or
    - (2) Mutual exchange of services; except those property or services provided by another party.
- 67.** "Home-sharing network platform" means an online-enabled application, website, or digital network that:
- a. Is used for the purpose of facilitating for money, mutual exchange of services or other compensation, the rental of a dwelling or other structure, in whole or in part; and
  - b. Allows for the agreement and compensation with respect to such rental to be transacted through such online-enabled application, website, or digital network.
- 78.** "Home-sharing occupant" means a person other than an "insured" who:
- a. Has entered into an agreement or arranged compensation with an "insured" through the use of a "home-sharing network platform" for "home-sharing host activities", or
  - b. Is accompanying or staying with a person described in Paragraph **78.a.** of this provision under such "home-sharing host activities".
- 89.** "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 ~~p~~Policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person described in **89.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 ~~p~~Policy applies:
      - (a) Persons while engaged in your employ or that of any person described in **89.a.** or **b.** above; 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".
- 910.** "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.

**4011.** "Motor vehicle" means:

- a. A ~~self-propelled~~ land or amphibious vehicle that is self-propelled or capable of being self-propelled; or
- b. Any trailer or semitrailer which is being carried on, towed by, or hitched for towing by a vehicle described in 11.a. above.

**4112.** "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".

**4213.** "Property damage" means physical injury to, destruction of, or loss of use of tangible property.

**4314.** "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.

**4415.** "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.

**4516.** "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 any good or product intended for consumption.

**4617.** "Personal Injury"

"Personal injury" means injury arising out of one or more of the following offenses, including a series of related offenses, committed during the ~~p~~Policy period:

- a. False arrest, detention, or imprisonment;
- b. Malicious prosecution;
- c. The following if committed by or on behalf of its owner, landlord, or lessor:
  - (1) Wrongful eviction from;
  - (2) Wrongful entry into; or
  - (3) Invasion of the right of private occupancy of;
    - a room, dwelling, or premises that a person occupies.

- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

**C. In this Policy, the terms:**

- 1. Roomer;
- 2. Boarder;
- 3. Tenant; or
- 4. Guest;

do not include a "home-sharing occupant".

**D. Actual Cash Value**

Throughout this Policy, the following is added to any provision that uses the term actual cash value:

Actual cash value is the value of the covered damaged part of the property at the time of loss, calculated as the estimated cost to repair or replace such property with material of like kind and quality, less a deduction to account for pre-loss depreciation.

In calculating the actual cash value, the components of this estimated cost that are subject to depreciation include, but are not limited to:

- 1. Materials, labor, permits, and any applicable tax; and
- 2. Overhead and profit.

Pre-loss depreciation refers to the decrease in the value of the covered damaged part of the property due to, but not limited to, such considerations as:

- 1. Age;
- 2. Condition, including wear and tear, or deterioration;
- 3. Remaining useful life; and
- 4. Obsolescence.

**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:

~~(1) Construct;~~

~~(2) Alter; or~~

~~(3) 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:

~~a. Fence;~~

~~b. Utility line; or~~

~~c. 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:

R

E

V

I

S

E

D

- ~~(1) S~~olely owned by an "insured" or a tenant of the dwelling; ~~and~~
  - ~~(2) O~~nly if 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 \$~~4,000~~ 5,000 whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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 usually owned or used by an "insured" and located in a self-storage facility is 10% of the limit of liability for Coverage C, or \$~~4,000~~ 5,000, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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. \$1,000 on ~~the following~~:**

- ~~(1) M~~oney, bank notes, bullion; ~~and~~
- ~~(2) G~~old other than goldware; ~~and~~
- ~~(3) S~~ilver other than silverware; ~~and~~
- ~~(4) P~~latinum other than platinumware; ~~and~~
- ~~(5) C~~oins, medals, scrip; ~~and~~
- ~~(6) S~~tored value cards; ~~and~~
- ~~(7) S~~mart cards.

**b. \$5,500 on**

- ~~(1) S~~ecurities, accounts; ~~and~~
- ~~(2) D~~eeds, evidences of debt; ~~and~~
- ~~(3) L~~etters of credit; ~~and~~
- ~~(4) N~~otes other than bank notes; ~~and~~
- ~~(5) M~~anuscripts; ~~and~~
- ~~(6) P~~ersonal records, passports; ~~and~~
- ~~(7) T~~ickets, and stamps.

R  
E  
V  
I  
S  
E  
D

–This dollar limit:

~~(a)~~ Applies to these categories regardless of the medium (such as paper or computer software) on which the material exists; and

~~(b)~~ This limit ~~l~~includes the cost to research, replace, or restore the information from the lost or damaged material.

c. ~~\$1,500~~ 2,500 on watercraft of all types, including their trailers, furnishings, equipment, and outboard engines or motors.

d. ~~\$1,500~~ 2,500 on trailers or semitrailers not used with watercraft of all types.

e. \$5,500 for loss by theft, misplacing or losing of jewelry, watches, furs, precious and semiprecious stones, ~~but not exceeding \$1,500 for any one article.~~

f. \$10,000 for loss by theft, misplacing or losing of firearms and related equipment.

g. \$10,000 for loss by theft, misplacing or losing of the following:

~~(1)~~ Silverware, silver-plated ware;

~~(2)~~ Goldware, gold-plated ware;

~~(3)~~ Platinumware, platinum-plated ware; and

~~(4)~~ Pewterware.

–This includes flatware, hollowware, tea sets, trays, and trophies made of or including silver, gold, or pewter.

h. ~~\$2,500~~ 3,500 on property, on the "residence premises", used primarily for "business" purposes.

i. ~~\$1,500~~ 2,500 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~~ 2,500 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~~ 500 on 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. \$5,000 for model or hobby aircraft not used for designed to carry people or cargo.

#### 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 that are in or upon the "motor vehicle".

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 to service an "insured's" 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:
  - (1) A "home-sharing occupant";
  - (2) Any other person occupying the "residence premises" as a result of any "home-sharing host activities"; and
  - (3) Roomers, boarders, and other tenants, except property of roomers and boarders related to an "insured".
- g. Property in:
  - (1) A space while rented or primarily held for rental to a "home-sharing occupant"; or
  - (2) Subject to Paragraph ~~C.4.g.(1)~~, in an apartment regularly rented or held for rental to others by an "insured" except as provided in ~~E.409~~. Landlord's Furnishings under Section I – Property Coverages;
- ~~h. Property rented or held for rental to others off the "residence premises"; Property used primarily for "home-sharing host activities";~~
- ~~i. Property rented or held for rental to others off the "residence premises";~~
- ~~ij. "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;~~
- ~~jk. The following:
 
  - ~~(1) Credit cards, electronic fund transfer cards; or~~
  - ~~(2) 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~~~~
- ~~kl. Water or steam.
 
  - ~~i. Property used primarily for "home-sharing host activities".~~~~
- ~~m. Virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency; or~~
- ~~n. Any:
 
  - ~~(1) Controlled Substances, other than "cannabis", as defined by the Federal Food and Drug Law at 21 U.S.C. Sections 811 and 812; and~~
  - ~~(2) "Cannabis" regardless of whether such "cannabis" is considered a Controlled Substance. Controlled Substances include but are not limited to cocaine, LSD and all narcotic drugs.~~
 However, this Paragraph ~~4.n.~~ does not apply to:
 
  - ~~(3) Prescription drugs obtained following the lawful orders of a licensed health care professional; or~~
  - ~~(4) Goods or products containing or derived from hemp, including, but not limited to:
 
    - ~~(a) Seeds;~~
    - ~~(b) Food;~~
    - ~~(c) Clothing;~~
    - ~~(d) Lotions, oils or extracts;~~
    - ~~(e) Building materials; or~~
    - ~~(f) Paper.~~~~
 However, this Paragraph ~~4.n.(4)~~ does not apply to the extent any such goods or products are prohibited~~

R  
E  
V  
I  
S  
E  
D

under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.

## 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 and residents of your household who are:

a. Your relatives; or

b. Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative;

so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damaged property 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.

However, we do not cover any fair rental value arising out of or in connection with "home-sharing host activities".

Payment will be for the shortest time required to repair or replace the damaged property such premises.

### 3. Civil Authority Prohibits Use

a. If a civil authority prohibits you from use of the "residence premises" as a result of:

(1) 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 30 days; or

(2) Endangerment to life or health from:

(a) A Peril Insured Against;

(b) Earth movement; or

(c) Release, discharge, or dispersal of contaminants or pollutants;

we cover, up to \$1000, the Additional Living Expense and Fair Rental Value loss you incur from any one event.

This coverage 3.a.(2) applies only while the "residence premises" is vacated in accordance with the order of a civil authority.

b. The Section I Exclusions do not apply to the coverage provided in 3.a. above. However, if you are ordered to vacate the "residence premises", we do not cover the loss provided in D.1. and 2. above resulting from:

(1) Loss covered under Section I – Perils Insured Against;

(2) Enforcement of any ordinance or law with respect to the occupancy of the "residence premises";

(3) War, including the following and any consequence of any of these:

(a) Undeclared war, civil war, insurrection, rebellion, or revolution;

(b) Warlike act by a military force or military personnel;

(c) Destruction or seizure or use for a military purpose;

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

(4) A hazard discovered prior to the effective date and time of this coverage;

(5) An order issued by a civil authority after expiration of this ~~P~~Policy;

(6) Water meaning:

(a) Flood, including but not limited to flash flood, surface water, waves, including tidal wave and tsunami, seiche, 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;

R  
E  
V  
I  
S  
E  
D

- (b) Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- (c) Water or water-borne material 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;

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.

#### 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 D.1., 2. and 3. 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 ~~\$2,000~~ 5,000, 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; 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 ~~\$2,000~~ 5,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. ~~No more than \$1,000 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.
- c. Coverage provided under a. and b. 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.43. under Section I – Conditions; and is limited to the greater of:
    - (3) \$3,000; or
    - (4) 1% of your Coverage A limit of liability; unless we grant you approval within 72 hours of your request to exceed the limit. In such circumstance we will pay only up to the additional amount for the measures we authorize. If we fail to respond to you within 72 hours of your request to us and the damage is caused by a Peril Insured Against you may exceed the amount stated above only up to the cost incurred by you for the reasonable repairs necessary to protect the covered property from further damage.

R

E

V

I

S

E

D

d. In the event such repairs are undertaken, we have the right to inspect the repairs and the removed property which, to the extent possible, you are required to retain.

### 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 ~~\$1,000~~ 2,000 of this limit will be paid for any one tree, shrub or plant. We do not cover:

- ~~h. Property, other than "cannabis", grown for "business" purposes; or~~
- ~~i. "Cannabis," whether or not grown for "business" purposes.~~

This coverage is additional insurance.

### 4. Fire Department Service Charge

We will pay up to \$1,000 for your liability assumed by contract or agreement for fire department charges you incur. For coverage to apply, the fire department must be 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:

- ~~a. City;~~
- ~~b. Municipality; or~~
- ~~c. 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:

- ~~a. While being removed from a premises endangered by a Peril Insured Against; and~~
- ~~b. For no more than 30 ~~45~~ days while removed.~~

This coverage does not ~~change~~ increase 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~~

R

E

V

I

S

E

D

- ~~(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.~~

**76. Loss Assessment**

a. We will pay up to \$~~1,000~~ 2,500 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:

- ~~(1) Owned by all members collectively;~~
- ~~(2) Of the type that would be covered by this Policy if owned by you;~~  
caused by a Peril Insured Against, other than:

- ~~(31) Earthquake; or~~
- ~~(42) Land shock waves or tremors before, during or after a volcanic eruption.~~

~~This~~ The limit of \$~~1,000~~ 2,500 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 R. Policy Period under Section I – Conditions does not apply to this coverage. This coverage is additional insurance.

**87. Collapse**

This Additional Coverage applies to property covered under Coverages **A** and **B**.

- 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 under Coverages **A** and **B**;
  - (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.

R  
E  
V  
I  
S  
E  
D

- 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.

**98. 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, remodeled, renovated, or repaired is not considered vacant.
- c. Loss to glass covered under this Additional Coverage **98**. will be settled on the basis of replacement with safety glazing materials when required by ordinance or law.
- d. This coverage does not increase the limit of liability that applies to the damaged property.

**409. Landlord's Furnishings**

We will pay up to ~~\$2,500~~ 5,000 for your appliances, carpeting, and other household furnishings, in each apartment on the "residence premises" for loss caused only by the Perils Insured Against noted below. The apartment must be regularly rented or held for rental to others by an "insured". This coverage does not include loss arising out of or in connection with "home-sharing host activities".

- a. **Fire Or Lightning**
- b. **Windstorm Or Hail**

- ~~(1)~~ This peril includes loss to watercraft of all types and their:
  - ~~(a)~~ Trailers, furnishings, equipment; and
  - ~~(b)~~ Outboard engines or motors; only while inside a fully enclosed building.
- ~~(2)~~ This peril does not include loss to the property contained in a building caused by:
  - ~~(a)~~ Rain, snow, sleet; or
  - ~~(b)~~ 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.

- c. **Explosion**
- d. **Riot Or Civil Commotion**
- e. **Aircraft**
- f. **Vehicles**
- g. **Smoke**

This peril includes self-propelled missiles and spacecraft.

This peril means sudden and accidental damage from smoke, including the emission or puffback of:

- ~~(1)~~ Smoke, or soot; or
  - ~~(2)~~ 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.

R  
E  
V  
I  
S  
E  
D

**h. Vandalism Or Malicious Mischief**

**i. 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.

**j. Weight Of Ice, Snow, Or Sleet**

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

**k. Accidental Discharge Or Overflow Of Water Or Steam**

(1) This peril means accidental discharge or overflow of water or steam from within a:

- ~~(a) Plumbing, heating, air conditioning system;~~
- ~~(b) Automatic fire protective sprinkler system; or~~
- ~~(c) From within a household appliance.~~

(2) 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 m. Freezing below;
- (c) On the "residence premises" caused by accidental discharge or overflow which occurs off the "residence premises"; or
- (d) Caused by:

- ~~(i) Constant or repeated discharge, seepage or leakage of water; or~~
- ~~(ii) The presence or condensation of humidity, moisture, or vapor; over a period of weeks, months, or years.~~

(3) In this peril, a plumbing system or household appliance does not include a:

- ~~(a) Sump, sump pump or related equipment; or~~
- ~~(b) Roof drain, gutter, downspout, or similar fixtures or equipment.~~

**l. Sudden And Accidental Tearing Apart, Cracking, Burning, Or Bulging**

This peril means sudden and accidental tearing apart, cracking, burning, or bulging of:

- ~~(1) A steam or hot water heating system;~~
- ~~(2) An air conditioning or automatic fire protective sprinkler system; or~~
- ~~(3) An appliance for heating water.~~

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

**m. Freezing**

(1) 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:

- (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.

(2) In this peril, a plumbing system or household appliance does not include a:

- ~~(a) Sump, sump pump or related equipment; or~~
- ~~(b) Roof drain, gutter, downspout, or similar fixtures or equipment.~~

**n. Sudden And Accidental Damage From Artificially Generated Electrical Current**

This peril does not include loss to:

- ~~(1) Tubes, transistors;~~
- ~~(2) Electronic components or circuitry that is a part of appliances, fixtures, computers, home entertainment units; or~~
- ~~(3) Other types of electronic apparatus.~~

**o. Volcanic Eruption**

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

R  
E  
V  
I  
S  
E  
D

The ~~\$2,500~~ 5,000 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.

**4410. 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.

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

**4211. "Fungi", Wet Or Dry Rot, Or Bacteria**

a. We will pay up to a total of \$5,000 for:

(1) Direct physical loss to property covered under Section I:

~~(a) Coverage A – Dwelling;~~

~~(b) Coverage B – Other Structures; and~~

~~(c) Coverage C – Personal Property~~

caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria if the direct result of a Peril Insured Against; and

(2) The necessary increase in costs which you incur to maintain your normal standard of living when the "residence premises" is uninhabitable due to a loss caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria which is the direct result of a Peril Insured Against.

~~b.~~ The coverage provided in a. above is the only coverage under Section I:

~~(1) Coverage A – Dwelling;~~

~~(2) Coverage B – Other Structures;~~

~~(3) Coverage C – Personal Property; and~~

~~(4) Coverage D – Loss Of Use~~

for loss caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria caused directly or indirectly regardless of any other cause or event contributing concurrently or in any sequence.

~~cb.~~ The amount in a. above is the most we will pay for the cost:

(1) To remove "fungi", wet or dry rot, or bacteria from covered property;

(2) To tear out and replace any part of the building or other covered property as needed to gain access to the:

~~(a) "Fungi";~~

~~(b) Wet or dry rot; or~~

~~(c) Bacteria;~~

(3) Of any testing of air or property to confirm the absence, presence, or level of:

~~(a) "Fungi";~~

~~(b) Wet or dry rot; or~~

~~(c) 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.

~~dc.~~ The coverage provided above applies only:

~~(1) When such loss or costs are the result of a Peril Insured Against that occurs during the policy period; and only~~

~~(2) If all reasonable means were used to save and protect the property from further damage at or after the time of the occurrence of that Peril Insured Against.~~

~~ed.~~ If there is covered loss 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.

R

E

V

I

S

E

D

This is additional insurance- ~~and it~~ is the most we will pay for the total of all loss or costs payable under ~~this~~ ~~the~~ Additional Coverage regardless of the number of locations insured or the number of claims made.

No deductible applies to this coverage.

**4312. Refrigerated Property**

We will pay up to \$500 for direct loss to covered property stored in freezers or refrigerators on the "residence premises" caused by:

- a. Interruption of electrical service to the refrigeration unit because of damage to the generating or transmitting equipment; or
- b. Mechanical failure of the unit storing the property.

This coverage applies only if you have maintained the refrigeration unit in proper working condition immediately before the loss.

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

The Section I – Power Failure exclusion does not apply to coverage provided in this Peril ~~4312~~.

**4413. Power Interruption.**

- a. We insure loss to personal property in a building at the "residence premises" due to a change in temperature resulting from power interruption.

This coverage applies only:

- (1) To personal property covered under Coverage C; and
  - (2) When there is damage to the "residence premises" caused by a Peril Insured Against.
- It does not increase the limit of liability for Coverage C – Personal Property.

- b. We cover the additional living expense and fair rental value, as provided in Coverage D – Loss of Use, due to an interruption of power or other utility service that happens away from the "residence premises" only if the interruption:

- (1) Is caused by a Peril Insured Against; and
- (2) Makes the "residence premises" not fit to live in

This coverage:

- (3) Begins 48 hours after the "residence premises" becomes not fit to live in; and
- (4) Applies for no more than seven days. The seven-day period of coverage is not limited by expiration of the policy.

No deductible, other than the 48-hour deductible, applies to the coverage provided in this paragraph (b).

The Section I – Power Failure exclusion does not apply to coverage provided in this Peril ~~4413~~.

**SECTION I – PERILS INSURED AGAINST**

We insure against direct physical loss to property described in Coverages A, B<sub>1</sub> and C.

We do not insure, however, for loss:

**A. Under Coverages A, B<sub>1</sub> and C:**

- 1. Excluded under Section I – Exclusions;
- 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 provision does not apply 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:

~~(3) Continue the water supply; and~~

~~(4) Maintain heat;~~

in the building for coverage to apply.

For purposes of this provision, a plumbing system or household appliance does not include a:

R  
E  
V  
I  
S  
E  
D

- ~~(5) S~~ump, sump pump<sub>1</sub> or related equipment; or ~~a~~
- ~~(6) R~~oof drain, gutter, downspout<sub>1</sub> or similar fixtures or equipment.
- b. Freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
  - (1) Fence, pavement, patio<sub>1</sub> 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<sub>1</sub> or dock;
- c. Theft:
  - (1) If such loss arises out of or results from "home-sharing host activities"; or
  - (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;
- d. Constant or repeated seepage or leakage of water or the presence or condensation of humidity, moisture<sub>1</sub> or vapor, over a period of weeks, months<sub>1</sub> or years.; or
- e. Any of the following:
  - (1) Wear and tear, marring, deterioration;
  - (2) Mechanical breakdown, latent defect, inherent vice<sub>1</sub> or any quality in property that causes it to damage or destroy itself;
  - (3) Smog, rust<sub>1</sub> or other corrosion;
  - (4) Smoke from agricultural smudging or industrial operations;
  - (5) Discharge, dispersal, seepage, migration, release<sub>1</sub> or escape of pollutants unless the discharge, dispersal, seepage, migration, release<sub>1</sub> or escape is itself caused by one or more Perils Insured Against listed in Additional Coverages **E.409**, Landlord's Furnishings.  
Pollutants means any solid, liquid, gaseous<sub>1</sub> or thermal irritant or contaminant, including:
    - ~~(a) S~~smoke, soot<sub>1</sub>;
    - ~~(b) F~~fumes, vapor<sub>1</sub>;
    - ~~(c) A~~acids, alkalis, chemicals<sub>1</sub>; and
    - ~~(d) W~~waste. Waste includes materials to be recycled, reconditioned<sub>1</sub> or reclaimed;
  - (6) Settling, shrinking, bulging<sub>1</sub> or expansion, including resultant cracking, of bulkheads, pavements, patios, footings, foundations, walls, floors, roofs<sub>1</sub> or ceilings;
  - (7) Birds, rodents<sub>1</sub> or insects;
  - (8) Nesting or infestation or discharge or release of waste products or secretions, by any animals; or
  - (9) Animals owned or kept by an "insured".

**Exception To 2.e.**

Unless the loss is otherwise excluded, we cover loss to property covered under Coverage **A**, **B**<sub>1</sub> or **C** resulting from an accidental discharge or overflow of water or steam from within a:

- ~~(a) (i)~~ Storm drain, or water, steam<sub>1</sub> or sewer pipe, off the "residence premises"; or
- ~~(b) (ii)~~ Plumbing, heating, air conditioning<sub>1</sub> 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<sub>1</sub> or related equipment or ~~a~~ roof drain, gutter, downspout<sub>1</sub> or similar fixtures or equipment.

Section I – Exclusion **A.2**. 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 **e**. above.

Under **2.a.** through **e**. above, any ensuing loss to property described in Coverages **A**, **B**<sub>1</sub> and **C** not precluded by any other provision in this ~~p~~Policy is covered.

**B. Under Coverages A and B:**

**1. Caused by:**

- ~~a.~~ ~~V~~vandalism and malicious mischief; and
  - ~~b.~~ ~~A~~any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief if:
    - ~~(1)~~~~a.~~ The loss arises out of or results from "home-sharing host activities"; or
    - ~~(2)~~~~b.~~ The dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed, remodeled, renovated, or repaired is not considered vacant;
- 2. Involving collapse, including any of the following conditions of property or any part of the property:**
- a.** An abrupt falling down or caving in;
  - b.** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
  - c.** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion as such condition relates to **a.** or **b.** above;
- other than as provided in **E.87**. Collapse under Section I – Property Coverages. However, any ensuing loss to property described in Coverages **A** and **B** not precluded by any other provision in this ~~p~~P~~o~~l~~i~~c~~y~~ is covered.

**C. Under Coverage C caused by:**

- 1. Breakage of eyeglasses, glassware, statuary, marble, bric-a-brac, porcelains, and similar fragile articles. Fragile articles do not include jewelry, watches, bronzes, cameras, and photographic lenses.**
- However, there is coverage for breakage of such property by or resulting from:
- a.** Fire, lightning, explosion;
  - b.** Windstorm, hail;
  - c.** Smoke, other than smoke from agricultural smudging or industrial operations;
  - d.** Riot, civil commotion, vandalism and malicious mischief;
  - e.** Aircraft, earthquake, vehicles, volcanic eruption;
  - f.** Collapse of a building or any part of a building;
  - g.** Water not otherwise excluded;
  - h.** Theft or attempted theft; or
  - i.** Sudden and accidental tearing apart, cracking, burning, or bulging of:
    - (1)** A steam or hot water heating system;
    - (2)** An air conditioning or automatic fire protective sprinkler system; or
    - (3)** An appliance for heating water;
- 2. Dampness of atmosphere or extremes of temperature unless the direct cause of loss is rain, snow, sleet, or hail;**
- 3. Refinishing, renovating, or repairing property other than watches, jewelry, and furs;**
- 4. Collision, other than collision with a land vehicle, sinking, swamping, or stranding of watercraft, including their trailers, furnishings equipment, and out board engines or motors; or**
- 5. Acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body. However, any ensuing loss to property described in Coverage C not precluded by any other provision in this ~~p~~P~~o~~l~~i~~c~~y~~ is covered.**
- 6. Vandalism Or Malicious Mischief**
- This peril does not include loss caused by vandalism or malicious mischief to property arising out of or resulting from "home-sharing host activities".

**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. Earth Movement**

Earth Movement means:

- a.** Earthquake, including land shock waves or tremors before, during, or after a volcanic eruption;

Copyright, North Carolina Rate Bureau, 2025 2024

R  
E  
V  
I  
S  
E  
D

- b. Landslide, mudslide, or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising, or shifting.

This Exclusion **A.1.** applies only to property described in Coverages **A** and **B** and applies regardless of whether any of the above, in **A.1.a.** through **A.1.d.**, is caused by an act of nature, an act of man, or is otherwise caused.

However, direct loss by fire, explosion, or theft resulting from any of the above, in **A.1.a.** through **A.1.d.**, is covered.

## 2. Water

This means:

- a. Flood, including but not limited to flash flood, surface water, waves, including tidal wave and tsunami, seiche, 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 **2.a.** through **2.c.** of this **Exclusion**.

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, an act of man, or is otherwise caused.

This Exclusion **A.2.** applies to, but is not limited to, escape, overflow, or discharge, for any reason, of water or waterborne material from a dam, levee, seawall, or any other boundary or containment system whether natural, man-made, or is otherwise made.

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

This exclusion does not apply to property described in Coverage **C** that is away from a premises or location owned, rented, occupied, or controlled by an "insured".

This exclusion applies to property described in Coverage **C** that is on a premises or location owned, rented, occupied, or controlled by an "insured" even if weather conditions contribute in any way to produce the loss.

## 3. 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.

## 4. 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.

## 5. 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.

## 6. Nuclear Hazard

This Exclusion **A.6.** pertains to Nuclear Hazard to the extent set forth in **O. Nuclear Hazard Clause** under Section **I – Conditions**.

## 7. 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.

R

E

V

I

S

E

D

This exclusion only applies to an "insured" who commits or conspires to commit an act with the intent to cause a loss.

### 8. 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 **pPolicy**.

### 9. "Fungi", Wet Or Dry Rot, Or Bacteria

"Fungi", Wet Or Dry Rot, Or Bacteria means the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria other than as provided in Additional Coverage **4211**. "Fungi", Wet Or Dry Rot, Or Bacteria.

**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 **pPolicy** 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 **pPolicy**, the following deductible provision applies:

#### 1. All Section I Perils Except Windstorm Or Hail

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section **I** that exceeds the deductible amount shown in the Declarations. However, this deductible does not apply when such loss is more than \$50,000.

#### 2. Windstorm Or Hail

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section **I** that exceeds the deductible amount shown in the Declarations.

### C. Duties After Loss

In case of a loss to covered property, we have no duty to provide coverage under this **pPolicy** if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, or 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**;~~
- 43.** 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;
- 54. Cooperate with us in the investigation of a claim;
- 65. 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;
- 76. 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;
- 87. 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 pPolicy;
  - e. Specifications of damaged buildings and detailed repair estimates;
  - f. The inventory of damaged personal property described in 65. 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.~~

However, if a state of disaster is proclaimed or declared for the state of North Carolina or for an area within the state in accordance with North Carolina law and the covered property that has sustained loss is located within the geographic area designated in the disaster proclamation or declaration, this 60-day period shall not commence until the expiration of the disaster proclamation or declaration, including all renewals of the proclamation or 45 days, whichever is later.

**D. Loss Settlement**

**1. Personal Property**

Covered personal property losses are settled as follows:

- a. Personal Property of the following type at actual cash value at the time of loss but not more than the amount required to repair or replace or the limit of liability applying to the property:
  - (1) Antiques, fine arts, paintings, and similar articles of rarity or antiquity which cannot be replaced;
  - (2) Memorabilia, souvenirs, collectors items, and similar articles whose age or history contribute to their value;
  - (3) Articles not maintained in good or workable condition;
  - (4) Articles that are outdated or obsolete and are stored or not being used.
- b. Scheduled personal property which is separately described and specifically insured in this pPolicy at the amount shown for each scheduled article which is agreed to be the value of the article, but not more than the least of the following amounts:
  - (1) The full cost of repair at the time of loss; or
  - (2) The amount of insurance for the article.
- c. Covered losses to the following property are settled at replacement cost at the time of loss:
  - (1) Coverage C – Personal Property, except such property as described in a. or b. above; and
  - (2) If covered in this pPolicy:
    - (a) Carpeting, household appliances; and
    - (b) Awnings, outdoor antennas, and outdoor equipment, whether or not attached to buildings.

However, we will not pay more than the least of the replacement cost at the time of loss without deduction for depreciation; the full cost of repair at the time of loss; the limit of liability that applies to Coverage C; or any special limits of liability described in the pPolicy.

- d. When the replacement cost for the entire loss under **c.** above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
- e. You make a claim for loss on an actual cash value basis. You may then make claim for any additional liability in accordance with this condition **D.1.**, provided you notify us of your intent to do so within 180 days after the loss.

**2. Buildings**

**a. Replacement Cost Protection**

Loss to a building insured under Coverages **A** or **B** is settled as follows:

- (1) At replacement cost without deduction for depreciation. This includes the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
  - (a) The construction, demolition, remodeling, renovation, or repair of that part of a covered building damaged by a Peril Insured Against;
  - (b) The demolition and reconstruction of a covered building, when that building must be totally demolished because of damage by a Peril Insured Against to another part of that covered building; or
  - (c) The remodeling, removal, or replacement of that 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 damaged by a Peril Insured Against.
- (2) We do not cover:
  - (a) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
  - (b) The cost 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 on any covered building or other structure.  
 Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including:
    - i. Smoke, soot;
    - ii. Fumes, vapor
    - iii. Acids, alkalis, chemicals; and
    - iv. Waste. Waste includes materials to be recycled, reconditioned, or reclaimed;
- (3) We will pay no more than the least of the following amounts:
  - (a) The replacement cost of that part of the damaged building with materials of like kind and quality and for like use;
  - (b) The necessary amount actually spent to repair or replace the building on the "residence premises" or some other premises within the State of North Carolina;
  - (c) The limit of liability under this ~~P~~Policy, whether increased or not, that applies to the building and as provided in paragraph **b.** below.  
 If the building is rebuilt at a new premises, the cost described in **(b)** above is limited to the cost which would have been incurred if the building had been built at the original premises.
- (4) We will pay no more than the actual cash value of the damage until actual repair or replacement is completed.
- (5) You may disregard the replacement cost loss settlement provisions and make claim under this ~~P~~Policy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability in accordance with **D.2.a.** above if you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

**b. Enhanced Replacement Cost Protection**

We will amend the present coverage amounts shown in the Declarations in accordance with **(1)** and **(2)** below.

- (1) If you have:
  - (a) Allowed us to adjust the Coverage **A** limit of liability and the premium in accordance with:
    - (i) The property evaluations we make; and
    - (ii) Any increases in inflation; and

R  
E  
V  
I  
S  
E  
D

(b) Notified us, within 30 days of completion, of any:

~~(i) Improvements;~~

~~(ii) Alterations; or~~

~~(iii) Additions;~~

to the building insured under Coverage A which increase the replacement cost of the building by 5% or more;

paragraph (2) below will apply after loss if you elect to repair or replace the damaged building.

(2) If there is a loss to the building insured under Coverage A that exceeds the Coverage A limit of liability shown in the Declarations, we will:

(a) Increase that limit to equal the replacement cost of the building;

(b) Also increase by the same percentage applied to Coverage A the limits of liability for Coverages B, C and D. However, we will do this only if the Coverage A limit of liability is increased under (1) above as a result of a Coverage A loss; and

(c) Adjust the policy premium from the time of loss for the remainder of the policy term based on the increased limits of liability determined at the time of loss.

Losses settled under this Condition 2.b. will be settled in accordance with paragraph (2)(a) above.

### 3. Structures That Are Not Buildings

Loss to structures that are not buildings is settled at actual cash value at the time of loss but not more than:

a. The amount required to repair or replace; or

b. The limit of liability applying to the property.

### 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. 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.

### G. Appraisal

If you and we fail to agree on the value or amount of any item or loss, either may demand an appraisal of such item or loss. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a 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.

In no event will an appraisal be used for the purpose of:

~~3. Interpreting any policy provision;~~

~~4. Determining causation; or~~

~~5. Determining whether any item or loss is covered under this Policy.~~

If there is an appraisal, we still retain the right to deny the claim.

### H. 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

R  
E  
V  
I  
S  
E  
D

2. A service agreement, this insurance is excess over any amounts payable under any such agreement.

Service agreement means a:

- ~~a. Sservice plan;~~
- ~~b. Pproperty restoration plan; or~~
- ~~c. Hhome warranty agreement or other similar service warranty agreement;~~  
even if it is characterized as insurance.

**I. Suit Against Us**

No action can be brought against us unless:

- ~~1. Tthere has been full compliance with all of the terms under Section I of this pPolicy; and~~
- ~~2. Tthe action is started within three years after the date of loss.~~

**J. 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 materials of like, kind and quality.

**K. Loss Payment**

We will adjust all losses with you. We will pay you unless some other person is named in the pPolicy or is legally entitled to receive payment.

We will pay within 60 days after the amount is finally determined. This amount may be determined by:

- 1. Reaching an agreement with you;
- 2. Entry of a final judgment; or
- 3. The filing of an appraisal award with us.

**L. Abandonment Of Property**

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

**M. Mortgage Clause**

- 1. If a mortgagee is named in this pPolicy, 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 pPolicy 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 G. Appraisal, I. Suit Against Us and K. Loss Payment under Section I – Conditions also apply to the mortgagee.
- 3. If we decide to cancel or not to renew this pPolicy, 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.

**N. 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 pPolicy.

**O. Nuclear Hazard Clause**

1. "Nuclear Hazard" means any:

- ~~a. Nnuclear reaction;~~
- ~~b. Rradiation; or~~
- ~~c. Rradioactive contamination;~~

R

E

V

I

S

E

D

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 ~~p~~P~~o~~l~~i~~c~~y~~ 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.

#### P. Recovered Property

If you or we recover any property for which we have made payment under this ~~p~~P~~o~~l~~i~~c~~y~~, 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.

#### Q. Volcanic Eruption Period

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

#### R. Policy Period

This ~~p~~P~~o~~l~~i~~c~~y~~ applies only to loss which occurs during the policy period.

#### S. Concealment Or Fraud

We provide coverage to no "insureds" under this ~~p~~P~~o~~l~~i~~c~~y~~ 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.

#### T. Loss Payable Clause

If the Declarations show 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 ~~p~~P~~o~~l~~i~~c~~y~~, 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:

1. "Bodily injury" or "property damage" caused by an "occurrence"; or
2. "Personal injury" resulting from an offense defined under "personal injury" to which this coverage applies, we will:
  - a. 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
  - b. 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" or offense 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:

- ~~1. M~~medical, surgical, ~~and~~ dental ~~services;~~
- ~~2. A~~ambulance, hospital, ~~and~~ professional nursing ~~services;~~
- ~~3. P~~rosthentic devices, x-rays; and
- ~~4. F~~uneral services.

This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

- ~~5~~1. To a person on the "insured location" with the permission of an "insured"; or
- ~~6~~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;

R

E

V

I

S

E

D

- 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 to service an "insured's" residence;
  - c. A riding lawnmower that, at the time of the "occurrence", is being used to mow a lawn;**
  - ed.** 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";
  - de.** 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.910.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;
  - ef.** A motorized golf cart that is owned by an "insured", designed to carry up to 4 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:

~~(a)~~ is subject to the authority of a property owners association; and

~~(b)~~ 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;

R  
E  
V  
I  
S  
E  
D

- 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~~ 50 total horsepower or less;
      - (b) More than ~~25~~ 50 horsepower if the outboard engine or motor is not owned by an "insured";
      - (c) More than ~~25~~ 50 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or
      - (d) More than ~~25~~ 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.

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

~~H~~orsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

**C. "Aircraft Liability"**

This ~~p~~Policy does not cover "aircraft liability".

**D. "Hovercraft Liability"**

This ~~p~~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**

~~a.~~ "Bodily injury" or "property damage" which is intended by or which may reasonably be expected to result from the:

~~(1)~~ intentional acts or omissions; or

~~(2)~~ Criminal acts or omissions;

—of one or more "insured" persons.

~~b.~~ This exclusion applies even if:

~~(1)~~ a. The "insured" persons lack the mental capacity to govern their own conduct;

~~(2)~~ b. The "bodily injury" or "property damage" is of a different kind, quality or degree than intended or reasonably expected; or

~~(3)~~ c. The "bodily injury" or "property damage" is sustained by a different person, entity or property than initially intended or reasonably expected.

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

**2. "Business"**

a. "Bodily injury" or "property damage" arising out of or in connection with a "business" engaged in by 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. With respect to other than "home-sharing host activities", 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 minor involved in part-time, self-employed "business" pursuits normally undertaken by minors, unless the minor is employed by a "business". A minor means a person who has not attained his or her 19th birthday (or age 23 if a full-time student);

### 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;

### 8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer, or possession by any person of:

- a. ~~a~~ Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C. ~~A~~ Sections 811 and 812; ~~or~~
- b. Any "cannabis" regardless of whether such "cannabis" is considered a Controlled Substance.

Controlled Substances include but are not limited to:

- ~~a. Cocaine;~~
- ~~b. LSD;~~
- ~~c. Marijuana, and~~
- ~~d. 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; or

### 9. "Fungi", Wet Or Dry Rot, Or Bacteria

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the actual, alleged or threatened:

R  
E  
V  
I  
S  
E  
D

- ~~a. I~~nhalation of;
- ~~b. I~~ngestion of;
- ~~c. C~~ontact with;
- ~~d. E~~xposure to;
- ~~e. E~~xistence of; or
- ~~f. P~~resence of;

any "fungi", wet or dry rot, or bacteria.

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 **p**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:

- ~~a. R~~ented to;
- ~~b. O~~ccupied or used by; or
- ~~c. I~~n the care of an "insured".

This exclusion does not apply to "property damage" caused by fire, smoke, explosion, or water;

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 **p**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;

6. "Bodily injury" to you or an "insured" as defined under Definitions **89a.** 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".

7. "Bodily injury" or "property damage" arising out of an act or omission of an "insured" as an officer or member of the board of directors of a corporation or organization. This exclusion does not apply if:

- a. The corporation or organization is not-for-profit, or is a corporation or association of property owners; and
- b. The "insured" received no compensation.

8. "Personal Injury":

- a. Caused by or at the direction of an "insured" with the knowledge that the act would:

- (1) Violate the rights of another; and
- (2) Inflict "personal injury";

- b. Arising out of oral or written publication of material:

- (1) If done by or at the direction of an "insured" with knowledge of its falsity; or
- (2) Whose first publication took place before the beginning of the policy period;

- c. Arising out of a criminal act committed by or at the direction of an "insured";

- d. Arising out of liability assumed by an "insured" under any contract or agreement.

This exclusion does not apply to any indemnity obligation assumed by an "insured" under a written contract directly relating to the ownership, maintenance, or use of the premises;

- e. Sustained by any person as a result of an offense directly or indirectly related to the employment of this person by an "insured";

- f. Arising out of or in connection with a "business" engaged in by an "insured."

- (1) This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty:

- (a) Rendered;
- (b) Promised;
- (c) Owed; or
- (d) Implied to be provided;

because of the nature of the "business".

- (2) With respect to other than "home-sharing host activities", this exclusion does not apply to:

- (a) The rental or holding for rental of an "insured location";
  - (i) On an occasional basis if used only as a residence;
  - (ii) 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
  - (iii) In part, as an office, school, studio, or private garage; and
- (b) An insured minor involved in part-time, self-employed "business" pursuits normally undertaken by minors, unless the minor is employed by a "business". A minor means a person who has not attained his or her 19th birthday (or age 23 if a full-time student);

- g. Civic or public activities performed for pay by an "insured";

- h. To you or an "insured" as defined under Definitions 89.a. or b.

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

- ~~(1) To repay; or~~

- ~~(2) Share damages with;~~

another person who may be obligated to pay damages because of "personal injury" to an "insured";

- i. 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:

- ~~(1) Smoke, soot;~~

- ~~(2) Fumes, vapor;~~

- ~~(3) Acids, alkalis, chemicals; and~~

- ~~(4) Waste. Waste includes materials to be recycled, reconditioned or reclaimed;~~

- j. Arising directly or indirectly, in whole or in part, out of the actual, alleged, or threatened:

- ~~(1) Inhalation of;~~

- ~~(2) Ingestion of;~~

- ~~(3) C~~contact with;
  - ~~(4) E~~xposure to;
  - ~~(5) E~~xistence of; or
  - ~~(6) P~~resence of;
- any "fungi", wet or dry rot, or bacteria.

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

a. Request, demand, or order that an "insured" or others:

- ~~(1) T~~est for;
  - ~~(2) M~~onitor;
  - ~~(3) C~~lean up;
  - ~~(4) R~~emove;
  - ~~(5) C~~ontain;
  - ~~(6) T~~treat;
  - ~~(7) D~~etoxify;
  - ~~(8) N~~neutralize; or
  - ~~(9) I~~n 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:

- ~~(1) T~~esting for;
  - ~~(2) M~~onitoring;
  - ~~(3) C~~lean up;
  - ~~(4) R~~emoving;
  - ~~(5) C~~ontaining;
  - ~~(6) T~~reating;
  - ~~(7) D~~etoxifying;
  - ~~(8) N~~neutralizing; or
  - ~~(9) I~~n any way responding to, or assessing the effects of;
- pollutants, "fungi", wet or dry rot, or bacteria.

**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
  - a. A "home-sharing occupant"; or

- b. ~~a~~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 the following:

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) for assisting us in the investigation or defense of a claim or suit. The most we will pay for such expense is \$250;
4. Interest on the entire judgment which accrues after entry of the judgment and before we:

~~a. Pay or tender;~~ or

~~b. Deposit in court;~~

that part of the judgment which does not exceed the limit of liability that applies;

5. Prejudgment interest awarded against the "insured" on that part of the judgment we pay.

If we make an offer to pay the limit of liability that applies, we will not pay any prejudgment interest based on **that period of time after the offer.**

### B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this ~~p~~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 ~~\$4,000~~ 5,500 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:

~~(1) Tenant of an "insured";~~ or

~~(2) 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:

~~(a) Owned by;~~

~~(b) Rented by;~~ or

~~(c) Controlled by;~~

an "insured", other than the "insured location"; or

(3) The ownership, maintenance, occupancy, operation, use, loading, or unloading of:

~~(a) Aircraft;~~

~~(b) Hovercraft;~~

~~(c) Watercraft;~~ or

~~(d) "Motor vehicles".~~

This Exclusion e.(3) does not apply to a "motor vehicle" that:

(1a) Is designed for recreational use off public roads;

(2b) Is not owned by an "insured"; and

R

E

V

I

S

E

D

~~(3c)~~ At the time of the "occurrence", is not:

~~(i) R~~required by law; or

~~(ii) R~~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~~ 2,500 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.
  - c. "Personal injury" not excluded from coverage under Section II – Exclusion F.8. above.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage provided under 1.a. and b. above.
3. Regardless of the number of assessments, the limit of \$~~1,000~~ 2,500 is the most we will pay for loss arising out of:
  - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition;
  - b. One or more offenses defined under "personal injury"; or
  - c. A covered act of a:
    - ~~(1) D~~irector;
    - ~~(2) O~~fficer; or
    - ~~(3) T~~rustee.

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:

1. Any one "occurrence" of "bodily injury" or "property damage"; or
2. Any one offense of "personal injury";

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, persons injured, or suits brought.

##### 1. "Bodily Injury" And "Property Damage"

All "bodily injury" and "property damage" resulting from:

- a. Any one accident; or
- b. From continuous or repeated exposure to substantially the same general harmful conditions; -shall be considered to be the result of one "occurrence"; and

##### 2. "Personal Injury"

All injury resulting from:

- a. Any one offense, as defined under "personal injury"; or
- b. From a series of related offenses; shall be considered to be the result of one offense.

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" or offense.

## C. Duties After An "Occurrence" Or Offense-

In case of an "occurrence" or offense, you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this ~~p~~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" or 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 "occurrence" or 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. 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:
  - a. Voluntarily make payment;
  - b. Assume obligation; or
  - c. Incur expense;other than for first aid to others at the time of the "bodily injury" or "personal 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 ~~p~~Policy.

## H. 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 ~~p~~Policy.

R  
E  
V  
I  
S  
E  
D

## I. Policy Period

This **p**Policy applies only to:

- ~~1. "Bbodily injury";~~
- ~~2. "Ppproperty damage";~~ or
- ~~3. "Ppersonal injury"~~

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 to this edition of our **p**Policy which broadens coverage without additional premium charge, that change will automatically apply to your insurance on the date we implement the change in your state. This clause applies only if that date of change is effective during or within 60 days prior to your policy period.

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 **p**Policy; or
2. An amendatory endorsement.

### B. Waiver Or Change Of Policy Provisions

A waiver or change of a provision of this **p**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 **p**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 **p**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 **p**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 **p**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 **p**Policy; or
    - (2) If the risk has changed substantially since the **p**Policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.
  - d. When this **p**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 **p**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 **p**Policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

### D. Nonrenewal

R  
E  
V  
I  
S  
E  
D

We may elect not to renew this **p**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 **p**Policy. Proof of mailing will be sufficient proof of notice.

**E. Assignment of Policy or Policy Benefits**

Neither the assignment of this **p**Policy nor the assignment of the benefits of this **p**Policy will be valid unless we give our written consent. This provision applies both before and after a loss.

**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 **p**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.

**H. Choice Of Law**

This **p**Policy is issued in accordance with the laws of North Carolina and covers property or risks principally located in North Carolina. Any and all claims or disputes in any way related to this **p**Policy shall be governed by the laws of North Carolina.

R

E

V

I

S

E

D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXPANDED ENHANCEMENT COVERAGE

### Form HE 00 07 -7 Only – North Carolina

#### SECTION I – PROPERTY COVERAGES

##### B. Coverage B – Other Structures

Paragraph **B.3.** is replaced by the following:

**3.** The limit of liability for this coverage will not be more than 20% 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

Paragraph **C.2.** is replaced by the following:

#### 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 \$10,000, whichever is greater. However, this limitation does not apply to personal property:

(1) Moved from the “residence premises” because it is:

(a) Being ~~remodeled, renovated, or~~ repaired ~~renovated or rebuilt~~; and

(b) Not fit to live in or store property in; or

(2) In a newly acquired principal residence for 60 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 ~~\$5,000~~ \$10,000, whichever is greater. However, this limitation does not apply to personal property:

(1) Moved from the “residence premises” because it is:

(a) Being ~~remodeled, renovated, or~~ 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

Category ~~ies 3.c. and d. are~~ is replaced by the following:

~~c. \$2,500 on watercraft of all types, including their trailers, furnishings, equipment, and outboard engines or motors.~~

**d.** \$3,500 on trailers or semitrailers not used with watercraft of all types.

Category m-1. is added:

##### m-1. Higher Limits For Certain Property In A Safe Deposit Box

(1) The Special Limits of Liability for property described in categories **3.b.**, **e.**, and **g.**, are increased to a combined single limit of \$50,000 while such property is in a safe deposit box stored in a vault.

(2) The vault shall be in a bank, trust, or safe deposit company.

(3) This higher special limit does not apply if the property is removed by or at the request of an “insured” from the premises of the bank, trust, or safe deposit company.

R

E

V

I

S

E

D

**E. Additional Coverages**

Paragraph E.5. is replaced by the following:

**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 90 days while removed.

This coverage does not ~~change~~ increase 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~~

~~Under paragraph a., the limit of \$500 is increased to \$5,000.~~

The following Additional Coverage is added

**1445. Lock Replacement**

We will pay, up to ~~\$500~~ 1,500, for the replacement of locks or cylinders which are:

- a. Used to lock the dwelling or other structure on the "residence premises"; and
- b. Replaced due to the theft of keys.

The ~~\$500~~ 1,500 limit is the most we will pay in any one loss, regardless of the number of locks or cylinders.

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

**~~SECTION II – EXCLUSIONS~~**

**~~B. "Watercraft Liability"~~**

~~Under paragraphs 2.c.(2) (a), (b), (c), and (d), the power rating of 25 horsepower is increased to 50 horsepower.~~

**~~SECTION II – ADDITIONAL COVERAGES~~**

**~~C. Damage To Property Of Others~~**

~~Under paragraph 1., the limit of \$1,000 is increased to \$1,500.~~

All other provisions of this Policy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXTENDED ENHANCEMENT COVERAGE

### Form HE 00 07 -7 Only – North Carolina

#### SECTION I – PROPERTY COVERAGES

##### B. Coverage B – Other Structures

Paragraph **B.3.** in the policy form is replaced by the following:

3. The limit of liability for this coverage will not be more than 20% 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

Paragraph **C.2.** is replaced by the following:

###### 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 \$10,000, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the “residence premises” because it is:
  - (a) Being remodeled, renovated, or repaired, ~~renovated or rebuilt~~; and
  - (b) Not fit to live in or store property in; or
- (2) In a newly acquired principal residence for 60 days from the time you begin to move the property there.

###### b. Self-storage Facilities

Our limit of liability for personal property usually owned or used by an “insured” and located in a self-storage facility is 10% of the limit of liability for Coverage **C**, or ~~\$5,000~~ \$10,000, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the “residence premises” because it is:
  - (a) Being remodeled, renovated, or 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

Categories ~~3.e.~~, **d.**, **h.**, and **i.**, are replaced by the following:

- ~~c. \$2,500 on watercraft of all types, including their trailers, furnishings, equipment, and outboard engines or motors.~~
- d.** \$3,500 on trailers or semitrailers not used with watercraft of all types.
- h.** \$5,000 on property, on the “residence premises”, used primarily for “business” purposes. This special limit does not apply to such property away from the “residence premises”, except computer hardware or software used in “business” and away from the “residence premises” for repair, servicing, or temporary use.
- i.** ~~\$1,500~~ \$3,000 on property, away from the “residence premises”, used primarily for “business” purposes. However, this limit does not apply to loss to portable electronic equipment and other property described in Categories **j.** and **k.** below.

Category m.i. is added:

R  
E  
V  
I  
S  
E  
D

**m.f. Higher Limits For Certain Property In A Safe Deposit Box**

- (1) The Special Limits of Liability for property described in categories **3.b.**, **e.** and **g.**, are increased to a combined single limit of \$50,000 while such property is in a safe deposit box stored in a vault.
- (2) The vault shall be in a bank, trust, or safe deposit company.
- (3) This higher special limit does not apply if the property is removed, by or at the request of an "insured", from the premises of the bank, trust, or safe deposit company.

**4. Property Not Covered**

Paragraph **4.i.j.** is replaced by the following:

**i.j.** "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:
- (3) Blank recording or storage media;
- (4) Prerecorded computer programs available on the retail market;
- (5) Custom software used in connection with a "business"; and
- (6) Recreation of "business" records.

**D. Coverage D – Loss Of Use**

Paragraph **D.1.** is replaced by the following:

**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:

**a. Increase In Living Expenses**

Any necessary increase in living expenses incurred by you and residents of your household who are your relatives or other persons under the age of 21 and in your care or the care of a resident of your household who is your relative so that your household can maintain its normal standard of living.

**b. Primary Mortgage Expense**

The monthly payment necessary to maintain an existing primary mortgage with the mortgagee named in this policy while that part of the "residence premises" where you reside is not fit to live in.

We will not pay:

- (1) more than the monthly payment at the time of loss; and
- (2) for more than a period of twelve months.

Payment under **a.** and **b.** above will be made 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.

**E. Additional Coverages**

Paragraph **E.5.** in the policy form is deleted and replaced by the following:

**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 90 days while removed.

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

~~**7.6.**~~ **Loss Assessment**

Under paragraph **67.a.** the limit of ~~\$2,500~~ ~~4,000~~ is increased to \$5,000.

The following Additional Coverages are added:

~~**14**~~ ~~**15.**~~ **Lock Replacement.**

We will pay, up to ~~\$500~~ ~~\$1,500~~, for the replacement of locks or cylinders which are:

- a.** Used to lock the dwelling or other structure on the "residence premises"; and
- b.** Replaced due to the theft of keys.

R  
E  
V  
I  
S  
E  
D

This ~~\$500~~ \$1,500 limit is the most we will pay in any one loss, regardless of the number of locks or cylinders.  
This coverage is additional insurance.  
No deductible applies to this coverage.

**1546. Reward Payment.**

**a. Coverage**

We will pay, to an eligible person described in **b.** below, a reward of:

- (1) \$2,500 for information leading to the arrest and conviction of the person(s) committing a crime resulting in loss to covered property by a Peril Insured Against; and
- (2) Up to \$5,000 for the return of stolen covered property when the loss is caused by theft, but no more than the least of the following amounts:
  - (a) The actual cash value based upon the condition of the property at the time it is returned, but not more than the amount required to repair or replace; or
  - (b) The amount determined by the loss settlement procedure that applies to the property returned.
  - (c) Return the stolen property.

**b. Eligible Person**

The eligible person noted in **a.** above is:

- (1) A person designated by a law enforcement agency as being the first to:
  - (a) Voluntarily provide the necessary information; or
  - (b) Return the stolen property;
- (2) A person who did not have custody of the property at the time the theft was committed; or
- (3) A person who is not:
  - (a) Involved in the crime;
  - (b) An "insured" or a relative of an "insured";
  - (c) An employee of a law enforcement agency; or
  - (d) An employee of a "business" engaged in property protection.

**c. Conditions**

- (1) No reward will be paid unless and until the person(s) committing the crime is (are) convicted or the property returned.
- (2) The amounts of the reward stated in **a.** above is the most we will pay for any one loss.

This coverage is additional insurance.

**16-17. Witness Reimbursement.**

- a.** Subject to the limits stated in **b.** below, we will pay for an "insured's" actual loss of earnings and expenses incurred, unless otherwise reimbursed, arising out of appearance as a witness for the prosecution at hearings or trials. The hearings or trials must be called to prosecute any person(s) charged with committing a crime against an "insured's" property covered by this policy.
- b.** We will pay up to \$250 per day for loss of earnings and \$50 per day for expenses, subject to an aggregate limit of \$3,000. This limit is the most we will pay regardless of the number of hearings or trials arising from a crime.

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

**17-18. Land**

If there is a covered loss to the "residence premises", we will pay up to \$10,000 for the cost to replace, stabilize, or rebuild the land necessary to support the dwelling or other structure.

This coverage is additional insurance.

**18-19. Limited Water Back-Up And Sump Discharge Or Overflow Coverage**

**a. Coverage**

We will pay up to \$50,000 for direct physical loss, not caused by the negligence of an "insured", caused by water or waterborne material, which:

R  
E  
V  
I  
S  
E  
D

- (1) Originates from within the dwelling where you reside and backs up through sewers or drains; or
- (2) Overflows or is discharged from a:
  - (a) Sump, sump pump; or
  - (b) Related equipment;
 even if such overflow or discharge results from mechanical breakdown. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown.

**b. Perils Insured Against**

With respect to the coverage provided under this endorsement, paragraph **A.2.e.(2)** under Section I – Perils Insured Against is replaced by the following:

- (2) Latent defect, inherent vice, or any quality in property that causes it to damage or destroy itself.

**c. Exclusion**

With respect to this coverage, paragraph **A.2.** under Section I – Exclusions is replaced by the following:

**Water**

This means:

- (1) Flood, including, but not limited to, flash flood, surface water, waves, including tidal wave and tsunami, seiche, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- (2) Water which:
  - (a) Backs up through sewers or drains; or
  - (b) Overflows or is otherwise discharged from a sump, sump pump, or related equipment; as a direct or indirect result of flood;
- (3) 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
- (4) Waterborne material carried or otherwise moved by any of the water referred to in **c.(1)** through **c.(3)** of this Exclusion.

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

This Exclusion 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 whether natural, man-made, or is otherwise made.

However, direct loss by fire, explosion, or theft resulting from any of the above, in **c.(1)** through **c.(4)**, is covered.

This coverage is additional insurance.

**SECTION II – EXCLUSIONS**

**B. "Watercraft Liability"**

~~Under paragraphs 2.c.(2) (a), (b), (c), and (d), the power rating of 25 horsepower is increased to 50 horsepower.~~

**SECTION II – ADDITIONAL COVERAGES**

**C. Damage To Property Of Others**

~~Under paragraph 1, the limit of \$1,000 is increased to \$1,500.~~

**D. Loss Assessment**

Paragraph **D.** in the policy form is deleted and replaced by the following:

- 1. We will pay up to \$5,000 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:

R  
E  
V  
I  
S  
E  
D

- (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 \$5,000 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.

All other provisions of this policy apply.

R

E

V

I

S

E

D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# SPECIFIED ADDITIONAL AMOUNT OF INSURANCE FOR COVERAGE A – DWELLING

## Form HE 00 07 -7 Only – North Carolina

### SCHEDULE\*

Additional Amount Of Insurance:

%

The Additional Amount Of Insurance is determined by multiplying the Coverage **A** limit of liability shown in the Declarations by the percentage amount shown above.

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

R  
E  
V  
I  
S  
E  
D

### SECTION I – CONDITIONS

#### D. Loss Settlement

##### 2. Buildings

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

##### **b. Increased Replacement Cost Protection**

We agree to provide an additional amount of insurance in accordance with the following provisions:

- (1) If you have:
  - (a) Allowed us to adjust the Coverage **A** limit of liability and the premium in accordance with:
    - (i) The property evaluations we make; and
    - (ii) Any increases in inflation; and
  - (b) Notified us, within 30 days of completion, of any improvements, alterations, or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5% or more;
 

the provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.
- (2) For the purpose of settling a loss to the building insured under Coverage **A** that exceeds the Coverage **A** limit of liability shown in the Declarations:
  - (a) We will provide an additional amount of insurance, up to the amount described in the Schedule above or the Declarations; and
  - (b) Settle such loss in accordance with paragraph **a.** Replacement Cost Protection.

All other provisions of this ~~P~~olicy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# DEBRIS REMOVAL – BROADENED TREE REMOVAL

Form HE-~~00~~ 07 Only – North Carolina

## SECTION I – PROPERTY COVERAGES

### E. Additional Coverages

Paragraph 1. Debris Removal is replaced by the following:

#### 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 ~~\$2,000~~ \$5,500 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.

The ~~\$2,000~~ \$5,500 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than ~~\$1,000~~ \$2,500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

All other provisions of this policy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BLANKET PROPERTY LIMIT COVERAGE Form HE ~~00 07 -7~~ Only – North Carolina

### DEFINITIONS

The following definition is added:

**1814.** "Blanket Property Limit" means the total limit of liability available for all covered property under Section I:

- a. Coverage **A** – Dwelling;
- b. Coverage **B** – Other Structures;
- c. Coverage **C** – Personal Property; and
- d. Coverage **D** – Loss of Use.

The "Blanket Property Limit" is shown on the Declarations page.

### SECTION I – PROPERTY COVERAGES

#### B. Coverage B – Other Structures

Paragraph 3. in the policy form is deleted.

#### C. Coverage C – Personal Property

Paragraph 2. is replaced by the following:

##### 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 ~~\$5,000~~ 10,000 or 10% of the "Blanket Property Limit", whichever is greater. This coverage does not increase the "Blanket Property Limit". This limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being ~~repaired, renovated or rebuilt~~ remodeled, renovated, or repaired; 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 "Blanket Property Limit" or ~~\$2,500~~ 10,000, 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~~ remodeled, renovated, or repaired; 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".

#### D. Coverage D – Loss Of Use

The lead-in paragraph in the policy form is deleted.

#### E. Additional Coverages

Paragraph 1. is replaced by the following:

R  
E  
V  
I  
S  
E  
D

**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 "blanket property limit" that applies to the damaged property.

This coverage does not increase the "Blanket Property Limit".

- b. We will also pay your reasonable expense, up to ~~\$2,000~~ 5,000, 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; provided the trees:
- (3) Damages a covered structure; or
- (4) Does not damage a covered structure, but:
  - (a) Blocks 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) Blocks a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The ~~\$2,000~~ 5,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than ~~\$1,000~~ 2,000 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

**3. Trees, Shrubs And Other Plants**

The second and third paragraphs are replaced by the following:

We will pay up to 5% of the "Blanket Property Limit" for all trees, shrubs, plants, or lawns. No more than ~~\$1,000~~ 2,500 of this limit will be paid for any one tree, shrub, or plant.

We do not cover: ~~property grown for "business" purposes.~~

h. Property, other than "cannabis", grown for "business" purposes; or

i. "Cannabis", whether or not grown for "business" purposes.

This coverage is additional insurance.

**SECTION I – CONDITIONS**

**D. Loss Settlement**

Paragraph 2.b. is replaced by the following:

**2. Buildings**

**b. Enhanced Replacement Cost Protection**

We will amend the present coverage amounts indicated on the Declarations page in accordance with the following provisions:

- (1) If you have:
  - (a) Allowed us to adjust the "Blanket Property Limit" and the premium in accordance with:
    - (i) The property evaluations we make; and
    - (ii) Any increases in inflation; and
  - (b) Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage A which increased the replacement cost of the building by 5% or more;

This provision will apply after loss, provided you elect to repair or replace the damaged building.

- (2) We will:

R  
E  
V  
I  
S  
E  
D

- (a) Pay for a covered loss under Section I Coverage **A** – Dwelling up to the current replacement cost of the building.
- (b) Pay no more than an amount equal to 100% of the current replacement cost of the building for all covered losses under Section I Coverage:
  - (i) **B** – Other Structures;
  - (ii) **C** – Personal Property;
  - (iii) **D** – Loss of Use; and
  - (iv) **E** – Additional Coverage;
    - 1. Debris Removal;
    - 2. Reasonable Repairs;
    - 5. Property Removed; and
    - 78**. Collapse.

Coverage will not be less than the "Blanket Property Limit" shown on the Declaration Page.

- (c) Adjust the policy premium from the time of loss for the remainder of the policy term based on the increased "Blanket Property Limit".

The following Condition is added:

**U. "Blanket Property Limit"**

- 1. The most we will pay for a covered loss is:
    - a. The "Blanket Property Limit" shown in the Declarations for the "residence premises"; or
    - b. If applicable, the coverage amount amended in accordance with Section I Loss Settlement Condition **D.2.b.** in this endorsement.
  - 2. The limit determined in 1. above applies, in the aggregate, for all coverages under Section I:
    - a. Coverages **A, B, C,** and **D**; and
    - b. ~~E.~~ Additional Coverages:
      - ~~E.~~ 1. Debris Removal;
      - ~~E.~~ 2. Reasonable Repairs;
      - ~~E.~~ 5. Property Removed; and
      - ~~E.~~ **78**. Collapse.
  - 3. The limits for all other Section I – Additional Coverages apply in addition to the "Blanket Property Limit".
- All other provisions of this ~~Pp~~olicy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PROPERTY COVERAGE ENHANCEMENT Form HE ~~00 07 -7~~ Only – North Carolina

The following Additional Coverages are added:

### E. Additional Coverages

#### 1445. Witness Reimbursement

- a. Subject to the limits stated in b. below, we will pay for an "insured's" actual loss of earnings and expenses incurred, unless otherwise reimbursed, arising out of appearance as a witness for the prosecution at hearings or trial. The hearings or trials must be called to prosecute any person(s) charged with committing a crime against an "insured's" property covered by this ~~P~~olicy.
- b. We will pay up to \$100 per day for loss of earnings and \$50 per day for expenses, subject to an aggregate limit of \$600. This limit is the most we will pay regardless of the number of hearings or trials arising from a crime.

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

#### 1546. Accidental Death

- a. We will pay \$1,000 in the event of the accidental death of an "insured" that occurs within 90 days of the accident causing the injury.

Such death must:

- (1) Result solely from an injury sustained while on an "insured location";
- (2) Be independent of other causes; and
- (3) Be caused solely and directly by external and accidental means.

For the purpose of this coverage, the word accident or accidental means an event, which is sudden, unforeseen, and unintended.

- b. We will not pay if an "insured's" death results from:

- (1) An injury sustained in the course of "business" pursuits;
- (2) Suicide while either sane or insane;
- (3) Any act one or more persons, other than an "insured", commit or conspire to commit with the intent to do bodily harm; or
- (4) Medical reasons, including but not limited to:
  - (a) Heart attack, heart disease, pneumonia, or old age;
  - (b) Any type of sexually transmitted disease, drug overdose, or sensitivity; and
  - (c) Viral infection, auto immune deficiency syndrome (AIDS), or any types of carcinomas.

- c. Upon submission of proper proof, we will pay the death benefit to:

- (1) The surviving spouse if a resident of the deceased "insured's" household; or
- (2) The deceased "insured's" estate.

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

#### 1647. Personal Records

- a. We will pay up to \$250 for the following reasonable and necessary expenses an "insured" incurs to research and obtain information needed to reproduce, restore, or replace your personal records:

- (1) Loss of earnings up to \$50 a day;
- (2) Postage, telephone;

R  
E  
V  
I  
S  
E  
D

- (3) Transportation, including meals and lodging if necessary; or
- (4) Other similar extraordinary expenses;

These records must be damaged by a Peril Insured Against while on an "insured location".

b. For the purpose of this coverage, the term personal records means:

- (1) Birth and death certificates, drivers and marriage licenses;
- (2) Ownership records of real and personal property;
- (3) Passports, wills, income tax information; and other records of a personal nature.

Personal records do not include "business" records.

This coverage is additional insurance.

**1748. Cost of Preparing Proof of a Loss**

We will pay up to \$250 for the reasonable expenses an "insured" incurs for outside services necessary to prepare proof of a covered loss or other exhibits required by this Policy. This includes:

- a. Building repair estimates;
- b. Accounting services, appraisals; or
- c. Other necessary services performed for an "insured" by others

However, we will not pay for any legal services or the services of a public adjuster.

This coverage is additional insurance.

All other provisions of this Policy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# BROADENED HOME-SHARING HOST ACTIVITIES COVERAGE **ENDORSEMENT** Form HE 00 07 Only – North Carolina

## SCHEDULE

Home-sharing Host Activities Damage To Property Of Others	
Limit Of Liability: \$	Per Occurrence
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

### SECTION I – PROPERTY COVERAGES

#### B. Coverage B – Other Structures

With respect to the coverage provided by this endorsement, Paragraphs **B.2.b.** and **B.2.c.** are replaced by the following:

2. We do not cover:

b. Other structures rented or held for rental to any person other than a:

(1) "Home-sharing occupant"; or

(2) Tenant of the dwelling;

unless used solely as a private garage;

c. Other structures from which any "business" is conducted, except structures used primarily for "home-sharing host activities"; or

#### D. Coverage D – Loss Of Use

With respect to the coverage provided by this endorsement, ~~the second~~ Paragraph **D.2. Fair Rental Value** is replaced by the following:

##### 2. Fair Rental Value

If an "insured" has entered into a contract or agreement with another person through the use of a "home-sharing network platform" for "home-sharing host activities" for a specified period of time, and either:

**a.** A loss covered under Section I makes that part of the "residence premises" used for such "home-sharing host activities" not fit to live in during the period of time specified in such contract or agreement; or

**b.** The "insured" or such other person cancels such contract or agreement, provided such cancellation takes place:

(1) During the period of time a National Weather Service hurricane watch or hurricane warning is in effect for any part of the state in which the:

(a) "Residence premises" is located; or

(b) Person entering into such contract or agreement with the "insured" resides; or

(2) Within 24 hours of the termination of such hurricane watch or hurricane warning described in Paragraph **b.(1)** of this provision;

we cover the lost rental value of the "home-sharing host activities" specified under such contract or agreement, less any expenses that do not continue while that part of the "residence premises" used for such "home-sharing host activities" is not fit to live in.

R

E

V

I

S

E

D

## E. Additional Coverages

With respect to the coverage provided by this endorsement, the first paragraph of **E.940. Landlord's Furnishings** is replaced by the following:

### 9. Landlord's Furnishings

We will pay up to ~~\$2,500~~ **5,000** for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" for loss caused only by the Perils Insured Against noted below. The apartment must be regularly rented or held for rental to others by an "insured". This coverage includes loss to appliances, carpeting and other household furnishings arising out of or in connection with "home-sharing host activities".

## SECTION I – PERILS INSURED AGAINST

### C. Coverage C – Personal Property

With respect to the coverage provided by this endorsement, Paragraph **A.2.c.(1)** is replaced by the following:

#### c. Theft

(1) From that part of a "residence premises" rented by an "insured" to someone other than:

- (a) Another "insured"; or
- (b) A "home-sharing occupant".

However, we will not pay, under this Paragraph **A.2.Cc.(1)**, for loss by theft of:

- (i) Money, bank notes, bullion, gold, goldware, gold-plated ware, silver, silverware, silver-plated ware, pewterware, platinum, platinumware, platinum-plated ware, coins, medals, scrip, stored value cards, and smart cards;
- (ii) Securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets, and stamps regardless of the medium (such as paper or computer software) on which the material exists; or
- (iii) Jewelry, watches, furs, precious, and semiprecious stones; or

## SECTION I – CONDITIONS

With respect to the coverage provided by this endorsement, Paragraph **H. Other Insurance And Service Agreement** is replaced by the following:

### H. Other Insurance And Service Agreement

1. If a loss covered by this Policy is also covered by:

- a. Other insurance, except insurance provided by a "home-sharing network platform", we will pay only the proportion of the loss that the limit of liability that applies under this Policy bears to the total amount of insurance covering the loss; or
- b. A service agreement, protection plan or guarantee, except a service agreement, protection plan, or guarantee provided by a "home-sharing network platform", this insurance is excess over any amounts payable under any such agreement.

2. Subject to Paragraph **H.1.**, if, at the time of loss, there is:

- a. Other insurance;
- b. A service agreement;
- c. A protection plan; or
- d. A guarantee;

provided by, on behalf of, or through a "home-sharing network platform" covering the same property covered by this Policy, this insurance is primary with respect to the amount due under such other insurance, service agreement, protection plan, or guarantee.

3. As used in this Paragraph **H.**:

- a. A service agreement means a service plan, property restoration plan, home warranty, or other similar service warranty agreement, even if it is characterized as insurance.
- b. A protection plan or guarantee means a product provided by a "home-sharing network platform" which provides property damage protection for "home-sharing host activities", even if it is characterized as insurance.

R  
E  
V  
I  
S  
E  
D

## SECTION II – EXCLUSIONS

With respect to the coverage provided by this endorsement, Exclusion **E.2.b.** is replaced by the following:

### 2. Business

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

- (1) "Home-sharing host activities";
- (2) With respect to other than "home-sharing host activities":
  - (a) The rental or holding for rental of an "insured location":
    - (i) On an occasional basis if used only as a residence;
    - (ii) 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
    - (iii) In part, as an office, school, studio, or private garage; and
  - (b) An insured minor involved in part-time, self-employed "business" pursuits normally undertaken by minors, unless the minor is employed by a "business". A minor means a person who has not attained his or her 19<sup>th</sup> birthday (or age 23 if a full-time student).

With respect to Personal Injury Coverage provided by this endorsement, Paragraph **F.8.f.(2)** is replaced by the following:

### 8. Personal Injury

f. Arising out of or in connection with a "business" engaged in by an "insured".

(2) This Exclusion does not apply to:

- (a) "Home-sharing host activities";
- (b) With respect to other than "home-sharing host activities", the rental or holding for rental of an "insured location":
  - (i) On an occasional basis if used only as a residence;
  - (ii) 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
  - (iii) In part, as an office, school, studio, or private garage; and
- (c) An insured minor involved in part-time, self-employed "business" pursuits normally undertaken by minors, unless the minor is employed by a "business". A minor means a person who has not attained his or her 19<sup>th</sup> birthday (or age 23 if a full-time student).

## SECTION II – ADDITIONAL COVERAGES

With respect to the coverage provided by this endorsement, Paragraph **C. Damage To Property Of Others** is replaced by the following:

### **C. Home-sharing Host Activities Damage To Property Of Others**

1. We will pay, at replacement cost, up to:

- a. \$1,000; or
- b. The Home-sharing Host Activities Damage To Property Of Others Limit Of Liability shown in the Schedule;

whichever is greater, per "occurrence", for "property damage" to property of others:

- a. Caused by an "insured"; and
- b. Arising out of "home-sharing host activities".

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", other than "home-sharing host activities", engaged in by an "insured";

R  
E  
V  
I  
S  
E  
D

- (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.

## SECTION II – CONDITIONS

With respect to the coverage provided by this endorsement, Paragraph H. **Other Insurance** is replaced by the following:

### H. Other Insurance

This insurance is:

- 1. Primary with respect to:
  - a. Other insurance;
  - b. A protection plan; or
  - c. A guarantee;

provided by, on behalf of, or through a "home-sharing network platform" covering "home-sharing host activities".

- 2. Subject to Paragraph H.1., 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.
- 3. As used in this Paragraph H., a protection plan or guarantee means a product provided by, on behalf of, or through a "home-sharing network platform" which provides liability protection for "home-sharing host activities", even if it is characterized as insurance.

## SECTIONS I AND II – CONDITIONS

The following provision is added:

### Home-sharing Host Activities Verification Requirements

With respect to "home-sharing host activities", we must be provided, as often as we reasonably require, with information concerning the number of:

- 1. Rental agreements or contracts entered into by an "insured"; and
- 2. Nights the "residence premises" was occupied, in whole or in part, by "home-sharing occupants".

All other provisions of this Policy apply.

R

E

V

I

S

E

D

## BLANKET PROPERTY LIMIT ENDORSEMENT (FOR USE WITH HO 00 03)

### Definitions

The following definition is added to Paragraph **B.**:

~~17-43.~~ "Blanket Property Limit" means the total limit of liability available for all covered property under Section I Coverage **A** - Dwelling, Coverage **B** - Other Structures, Coverage **C** - Personal Property and Coverage **D** - Loss of Use. The "Blanket Property Limit" is shown on the Declarations page.

### SECTION I – PROPERTY COVERAGES

#### B. Coverage B – Other Structures

Paragraph **3.** is deleted.

#### C. Coverage C – Personal Property

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

##### a. Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is \$5,000 or 10% of the "Blanket Property Limit", whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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 "Blanket Property Limit" or \$2,500, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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

Items **f.** and **g.** are deleted in this form and replaced by the following:

- f.** 4% of the "Blanket Property Limit", subject to a maximum of \$10,000 for loss by theft of firearms and related equipment.
- g.** 10% of the "Blanket Property Limit", subject to a maximum of \$10,000 for loss by theft, misplacing or losing 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.

#### B. Coverage D - Loss of Use

The first sentence is deleted.

#### C. Additional Coverages

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

##### 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 does not increase the "Blanket Property Limit".

- b. We will also pay your reasonable expense, up to ~~\$1,000~~ 3,000 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~~ 3,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than ~~\$1,000~~ 1,500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

### 3. Trees, Shrubs, and Other Plants

The limit of liability is amended as follows:

The limit of liability for this additional coverage will not be more than 8.5% of the "Blanket Property Limit" or more than ~~\$1,000~~ 1,500 for any one tree, shrub, or plant. We do not cover property, other than "cannabis", grown for "business" purposes or "cannabis", whether or not grown for "business" purposes.

This coverage is additional insurance.

### 1044. Ordinance or Law

The first paragraph of ~~4410~~ 4410.a. is replaced by the following:

~~You may use~~ We will pay up to 5% of the "Blanket Property Limit" for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

The following Additional Coverage is added:

#### 13. Lock Replacement Coverage

We will pay, up to \$500, for the replacement of locks or cylinders, which are:

- a. Used to lock the dwelling or other structure on the "residence premises"; and
- b. Replaced due to the theft of keys.

The \$500 limit is the most we will pay in any one loss, regardless of the number of locks or cylinders.

No deductible applies to this coverage.

## SECTION I – CONDITIONS

### D. Loss Settlement

Under **D. Loss Settlement**, ~~P~~paragraph 2. is replaced by the following:

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 "Blanket Property Limit" in this ~~P~~policy is 160% 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 any deductible and without deduction for depreciation, but not more than the least of the following amounts:
    - (1) The "Blanket Property Limit" under this ~~P~~policy;
    - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or

R  
E  
V  
I  
S  
E  
D

(3) The necessary amount actually spent to repair or replace the damaged building on the “residence premises” or some other premises within the state of North Carolina.

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 “Blanket Property Limit” in this policy ~~P~~policy is less than 160% 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 “Blanket Property Limit” under this ~~P~~policy:

(1) The actual cash value of that part of the building damaged; or

(2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of the “Blanket Property Limit” in this ~~P~~policy on the damaged building bears to 160% of the replacement cost of the building.

c. To determine the amount of insurance required to equal 160% 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 in (1) above which are below the surface of the ground inside the foundation walls, if there is not 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 2.b. above.

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

(1) Less than 3% of the amount of the “Blanket Property Limit”; and

(2) Less than ~~\$2,000~~ 5,000;

we will settle the loss as noted in 2.a. and 2.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 ~~P~~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.

The following Condition is added:

**T. “Blanket Property Limit”**

The “Blanket Property Limit” shown in the Declarations for the “residence premises” is the most we will pay for a covered loss. This “Blanket Property Limit” applies in the aggregate for all coverages under Section I - Property Coverages. It also includes these Section I - Additional Coverages:

1. Debris Removal;

2. Reasonable Repairs;

5. Property Removed; and

~~87.~~ Collapse.

The other Section I - Additional Coverages apply in addition to the “Blanket Property Limit”.

All other provisions of this ~~P~~policy apply.

R

E

V

I

S

E

D

# BLANKET PROPERTY LIMIT ENDORSEMENT (FOR USE WITH HO 00 04)

## Definitions

The following definition is added to Paragraph B.:

~~17-43.~~ "Blanket Property Limit" means the total limit of liability available for all covered property under Section I Coverage C - Personal Property and Coverage D - Loss of Use. The "Blanket Property Limit" is shown on the Declarations page.

## SECTION I – PROPERTY COVERAGES

### A. Coverage C - Personal Property

Paragraph 2. is replaced by the following:

#### 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 \$5,000 or 10% of the "Blanket Property Limit", whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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 "Blanket Property Limit" or \$2,500, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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

Items f. and g. are deleted in this form and replaced by the following:

- f. 8.5% of the "Blanket Property Limit", subject to a maximum of \$10,000 for loss by theft of firearms and related equipment.
- g. 21% of the "Blanket Property Limit", subject to a maximum of \$10,000 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.

### B. Coverage D - Loss of Use

The first sentence is deleted.

### C. Additional Coverages

Paragraph 1. is replaced by the following:

#### 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

R  
E  
V  
I  
S  
E  
D

- (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 does not increase the "Blanket Property Limit".

- b. We will also pay your reasonable expense, up to ~~\$1,000~~ 3,000 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~~ 3,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than ~~\$500~~ 1,500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

### 3. Trees, Shrubs, and Other Plants

The limit of liability is amended as follows:

The limit of liability for this additional coverage will not be more than 8.5% of the "Blanket Property Limit" or more than ~~\$1,000~~ 1,500 for any one tree, shrub, or plant. We do not cover property, other than "cannabis", grown for "business" purposes or "cannabis", whether or not grown for "business" purposes.

This coverage is additional insurance.

### 910. Building Additions And Alterations

The limit of liability is amended as follows:

The limit of liability for this coverage will not be more than 8.5% of the "Blanket Property Limit".

### 1044. Ordinance or Law

The words "covered building property" used in Paragraph 10, Section 11 refer to the property covered under Additional Coverage 9.40 – Building Additions And Alterations.

The first paragraph of 11.a. is replaced by the following:

The limit of liability is amended as follows:

You may use We will pay up to 1% of the "Blanket Property Limit" for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

## SECTION I - CONDITIONS

The following Condition is added:

### S. "Blanket Property Limit"

The "Blanket Property Limit" shown in the Declarations for the "residence premises" is the most we will pay for a covered loss. This "Blanket Property Limit" applies in the aggregate for all coverages under Section I - Property Coverages. It also includes these Section I - Additional Coverages:

1. Debris Removal;
2. Reasonable Repairs;
5. Property Removed; and
87. Collapse.

The other Section I Additional Coverages apply in addition to the "Blanket Property Limit".

All other provisions of this Policy apply.

R

E

V

I

S

E

D

# BLANKET PROPERTY LIMIT ENDORSEMENT (FOR USE WITH HO 00 05)

## Definitions

The following definition is added to Paragraph **B**.:

~~17-13~~. "Blanket Property Limit" means the total limit of liability available for all covered property under Section I Coverage **A** - Dwelling, Coverage **B** - Other Structures, Coverage **C** - Personal Property and Coverage **D** - Loss of Use. The "Blanket Property Limit" is shown on the Declarations page.

## SECTION I – PROPERTY COVERAGES

### B. Coverage B – Other Structures

Paragraph **3**. is deleted.

### C. Coverage C – Personal Property

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

#### a. Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is \$5,000 or 10% of the "Blanket Property Limit", whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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 "Blanket Property Limit" or \$2,500, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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

Items **f.** and **g.** are deleted in this form and replaced by the following:

- f.** 4% of the "Blanket Property Limit", subject to a maximum of \$10,000 for loss by theft of firearms and related equipment.
- g.** 10% of the "Blanket Property Limit", subject to a maximum of \$10,000 for loss by theft, misplacing or losing 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.

### B. Coverage D - Loss of Use

The first sentence is deleted.

### C. Additional Coverages

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

#### 1. Debris Removal

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

R  
E  
V  
I  
S  
E  
D

- (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 does not increase the "Blanket Property Limit".

- b. We will also pay your reasonable expense, up to ~~\$1,000~~ 3,000 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~~ 3,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than ~~\$1,000~~ 1,500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

### 3. Trees, Shrubs, and Other Plants

The limit of liability is amended as follows:

The limit of liability for this additional coverage will not be more than 8.5% of the "Blanket Property Limit" or more than ~~\$1,000~~ 1,500 for any one tree, shrub, or plant. We do not cover property, other than "cannabis", grown for "business" purposes or "cannabis", whether or not grown for "business" purposes.

This coverage is additional insurance.

#### 1044. Ordinance or Law

~~The first paragraph of 11.a. is replaced by the following:~~

The limit of liability is amended as follows:

You may use We will pay up to 5-10% of the "Blanket Property Limit" for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

The following Additional Coverage is added:

#### 13. Lock Replacement Coverage

We will pay, up to \$500, for the replacement of locks or cylinders, which are:

- a. Used to lock the dwelling or other structure on the "residence premises"; and
- b. Replaced due to the theft of keys.

The \$500 limit is the most we will pay in any one loss, regardless of the number of locks or cylinders.

No deductible applies to this coverage.

## SECTION I – CONDITIONS

### D. Loss Settlement

Under D. Loss Settlement, ~~P~~paragraph 2. is replaced by the following:

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 "Blanket Property Limit" in this ~~P~~policy is 160% 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 any deductible and without deduction for depreciation, but not more than the least of the following amounts:
    - (1) The "Blanket Property Limit" under this ~~P~~policy;

R  
E  
V  
I  
S  
E  
D

- (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 on the "residence premises" or some other premises within the state of North Carolina.

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 "Blanket Property Limit" in this policy ~~P~~policy is less than 160% 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 "Blanket Property Limit" under this ~~P~~policy:

- (1) The actual cash value of that part of the building damaged; or
- (2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of the "Blanket Property Limit" in this ~~P~~policy on the damaged building bears to 160% of the replacement cost of the building.

- c. To determine the amount of insurance required to equal 160% 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 in (1) above which are below the surface of the ground inside the foundation walls, if there is not 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 **2.b.** above.

However, if the cost to repair or replace the damaged d property is both:

- (1) Less than 3% of the amount of the "Blanket Property Limit"; and
- (2) Less than ~~\$2,000~~ 5,000;

we will settle the loss as noted in **2.a.** and **2.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 ~~P~~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.

The following Condition is added:

**T. "Blanket Property Limit"**

The "Blanket Property Limit" shown in the Declarations for the "residence premises" is the most we will pay for a covered loss. This "Blanket Property Limit" applies in the aggregate for all coverages under Section **I** - Property Coverages. It also includes these Section **I** - Additional Coverages:

1. Debris Removal;
2. Reasonable Repairs;
5. Property Removed; and
- ~~87.~~ Collapse.

The other Section **I** - Additional Coverages apply in addition to the "Blanket Property Limit".

All other provisions of this ~~P~~policy apply.

R

E

V

I

S

E

D

# BLANKET PROPERTY LIMIT ENDORSEMENT (FOR USE WITH HO 00 06)

## Definitions

The following definition is added to Paragraph **B.**:

~~17-43.~~ "Blanket Property Limit" means the total limit of liability available for all covered property under Section I Coverage **A** - Dwelling, Coverage **C** - Personal Property and Coverage **D** - Loss of Use. The "Blanket Property Limit" is shown on the Declarations page.

## SECTION I – PROPERTY COVERAGES

### B. Coverage C - Personal Property

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

#### 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 \$5,000 or 10% of the "Blanket Property Limit", whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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 "Blanket Property Limit" or \$2,500, whichever is greater. However, this limitation does not apply to personal property:

- (1) Moved from the "residence premises" because it is:
  - (a) Being remodeled, renovated, or 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

Items **f.** and **g.** are deleted in this form and replaced by the following:

- f.** 7% of the "Blanket Property Limit", subject to a maximum of \$10,000 for loss by theft of firearms and related equipment.
- g.** 17% of the "Blanket Property Limit", subject to a maximum of \$10,000 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.

### C. Coverage D - Loss of Use

The first sentence is deleted.

### D. Additional Coverages

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

#### 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

R  
E  
V  
I  
S  
E  
D

- (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 does not increase the "Blanket Property Limit".

- b. We will also pay your reasonable expense, up to ~~\$4,000~~ 3,000 for the removal from the "residence premises" of:

- (1) Trees you solely own 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 damage a covered structure.

The ~~\$4,000~~ 3,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than ~~\$500~~ 1,500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

### 3. Trees, Shrubs, and Other Plants

The limit of liability is amended as follows:

The limit of liability for this additional coverage will not be more than 8.5% of the "Blanket Property Limit" or more than ~~\$4,000~~ 1,500 for any one tree, shrub, or plant. We do not cover property, other than "cannabis", grown for "business" purposes or "cannabis", whether or not grown for "business" purposes.

This coverage is additional insurance.

#### 940. Ordinance or Law

~~The first paragraph of 10.a. is replaced by the following:~~

The limit of liability is amended as follows:

~~You may use~~ We will pay up to 1% of the "Blanket Property Limit" for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:

The following Additional Coverage is added:

#### 1142. Lock Replacement Coverage

We will pay, up to \$500, for the replacement of locks or cylinders, which are:

- a. Used to lock the dwelling or other structure on the "residence premises"; and
- b. Replaced due to the theft of keys.

The \$500 limit is the most we will pay in any one loss, regardless of the number of locks or cylinders.

No deductible applies to this coverage.

## SECTION I - CONDITIONS

The following Condition is added:

### T. "Blanket Property Limit"

The "Blanket Property Limit" shown in the Declarations for the "residence premises" is the most we will pay for a covered loss. This "Blanket Property Limit" applies in the aggregate for all coverages under Section I - Property Coverages. It also includes these Section I - Additional Coverages:

- 1. Debris Removal;
- 2. Reasonable Repairs;
- 5. Property Removed; and
- 87. Collapse.

All other provisions of this ~~Pp~~ policy apply.

R

E

V

I

S

E

D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE All Forms Except HO 00 04 and HO 00 06

Windstorm ~~o~~or Hail Deductible Percentage Amount:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

### Section 1 – Conditions

#### B. Deductible

The following special deductible is added to the ~~P~~Policy:

With respect to the peril of Windstorm Or Hail, for any one loss, we will pay only that part of the total of all loss payable under Section I – Property Coverages that exceeds the windstorm or hail percentage deductible.

The dollar amount of the windstorm or hail deductible is determined by multiplying the percentage amount shown above to the “Blanket Property Limit” amount at the time of the loss or damages.

No other deductible provision in the ~~P~~Policy applies to loss caused by windstorm or hail.

All other provisions of this ~~P~~Policy apply.

R  
E  
V  
I  
S  
E  
D

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **INFLATION GUARD – NORTH CAROLINA**

The “Blanket Property Limit” will be increased annually by %\*, applied pro rata during the policy period.

\*Entries may be left blank if shown elsewhere in this ~~P~~policy for this coverage.

R  
E  
V  
I  
S  
E  
D

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE**

The percentage applied to the "Blanket Property Limit", under Additional Coverage, Ordinance or Law, is increased to the percentage shown below.

New Total Percentage      %\*

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

All other provisions of this ~~P~~olicy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## REFRIGERATED PROPERTY COVERAGE

### A. Definitions

The following definition is added:

"Loss of power" means the complete or partial interruption of electric power due to conditions beyond an "insured's" control.

### B. Section I – Property Coverages

The following coverage is added:

1. We insure, for up to \$500, covered property stored in freezers or refrigerators on the "residence premises" for direct loss caused by:
  - a. "Loss of power" to the refrigeration unit. "Loss of power" must be caused by damage to:
    - (1) Generating equipment; or
    - (2) Transmitting equipment; or
  - b. Mechanical failure of the unit which stores the property.
2. Coverage will apply only if you have maintained the refrigeration unit in proper working condition immediately prior to the loss.
3. This endorsement does not increase the limit of liability for "Blanket Property Limit".

### C. Section I – Exclusions

**Power Failure** ~~E~~exclusion does not apply to this coverage.

### D. Section I – Conditions

The following replaces any other deductible provision in this ~~P~~policy with respect to any one loss covered under this endorsement:

We will pay only that part of the total of all loss payable that exceeds \$100. No other deductible applies to this coverage.

All other provisions of this ~~P~~policy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# SUPPLEMENTAL LANDLORD'S FURNISHINGS COVERAGE

FORMS HO 00 03 AND HO 00 05 ONLY

## SCHEDULE\*

	Increase In Limit Of Liability*	Total Limit Of Liability*
1.	\$	\$
2.	\$	\$
3.	\$	\$

~~\*Entries may be left blank if shown elsewhere in this policy for this coverage.~~ **Information required to complete this Schedule, if not shown above, will be shown in the Declarations.**

Additional Coverage **E.409. Landlord's Furnishings** under **Section I – Property Coverages** is extended:

1. As indicated in the Schedule above; and
2. Subject to the "Blanket Property Limit" that applies at the time of loss.

All other provisions of this ~~P~~policy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL BLANKET PROPERTY LIMIT COVERAGE HO 00 03 and HO 00 05 ONLY

To the extent that coverage is provided, we agree to the present "Blanket Property Limit" indicated on the Declarations page, if the amount of the loss to the building is 45% or more of the "Blanket Property Limit". This will be done in accordance with the following provisions:

**A.** If you have:

1. Allowed us to adjust the "Blanket Property Limit" of liability and the premium in accordance with:
  - a. The property evaluations we make; and
  - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5 % or more;

the provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

**B.** We will:

1. Pay for a covered loss to property under Coverage **A** – Dwelling up to the current replacement cost of the dwelling.
2. Pay for a covered loss to property under:
  - a. Coverage **B** - Other Structures;
  - b. Coverage **C** - Personal Property; and
  - c. Coverage **D** -Loss of Use;
 up to an amount equal to 100% of the current replacement cost of the building. This is the most we will pay for all covered losses in items **a.**, **b.**, and **c.** above.

This amount also includes the Additional Coverages:

- a. Debris Removal;
- b. Reasonable Repairs;
- c. Property Removed; and
- d. Collapse.

Coverage will not be less than the "Blanket Property Limit" shown on the Declarations page.

3. We will adjust the Policy premium from the time of loss for the remainder of the Policy term based on the increased "Blanket Property Limit"; and

**C.** For the purpose of settling that loss only, **Section I – Condition D. Loss Settlement**, paragraph **2.** is replaced by paragraphs **2.**, **3.**, and **4.** as follows:

2. Buildings covered under Coverage **A** and **B** at replacement cost without deduction for depreciation. We will pay no more than the smallest of the following amounts:
  - a. The replacement cost of that part of the building damaged or destroyed with material of like kind and quality and for like use;
  - b. The necessary amount actually spent to repair or replace the damaged or destroyed building on the "residence premises" or some other premises within the state of North Carolina; or

R  
E  
V  
I  
S  
E  
D

c. The limit of liability under this ~~P~~olicy that applies to the building, increased in accordance with paragraphs **B.1.** and **B.2.** of this endorsement.

If the building is rebuilt at a new premises, the cost described in **a.** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
4. You may disregard the replacement cost loss settlement provisions and make claim under this ~~P~~olicy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us within 180 days after the date of loss, of your intent to repair or replace the damaged building.

All other provisions of this ~~P~~olicy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SPECIFIED ADDITIONAL BLANKET PROPERTY LIMIT COVERAGE  
HO 00 03 AND HO 00 05 ONLY**

**SCHEDULE\***

<b>Additional Amount Of Insurance:</b>	% of the "Blanket Property Limit"
The Additional Amount Of Insurance is determined by multiplying the "Blanket Property Limit" of liability shown in the Declarations by the percentage amount shown above.	
*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

R

To the extent that coverage is provided, we agree to amend the "Blanket Property Limit" indicated on the Declarations page, if the amount of the loss to the building is 45% or more of the "Blanket Property Limit". This will be done in accordance with the following provisions:

E

**A. If you have:**

1. Allowed us to adjust the "Blanket Property Limit" and the premium in accordance with:
  - a. The property evaluations we make; and
  - b. Any increases in inflation; and
2. Notified us, within 30 days of completion, of any improvements, alterations or additions to the building insured under Coverage **A** which increase the replacement cost of the building by 5% or more;

V

the provisions of this endorsement will apply after a loss, provided you elect to repair or replace the damaged building.

I

**B. We will provide an additional amount of insurance, up to the amount described in the Schedule above. This amount also includes Additional Coverages:**

- a. Debris Removal;
- b. Reasonable Repairs;
- c. Property Removed; and
- d. Collapse.

S

**C. Section I – Condition D. Loss Settlement, Paragraph 2. is replaced by paragraphs 2., 3., and 4. as follows:**

2. The building insured under Coverage **A** at replacement cost without deduction for depreciation. We will pay no more than the smallest of the following amounts:
  - a. The replacement cost of that part of the building damaged with material of like kind and quality and for like use;
  - b. The necessary amount actually spent to repair or replace the damaged building on the "residence premises" or some other premises within the state of North Carolina; or
  - c. The limit of liability under this **P**olicy that applies to the building, plus any additional amount provided by this endorsement.

E

If the building is rebuilt at a new premises, the cost described in a. above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

D

3. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete.
4. You may disregard the replacement cost loss settlement provisions and make claim under this **P**olicy for loss to buildings on an actual cash value basis. You may then make claim for any additional liability on a replacement cost basis, provided you notify us, within 180 days after the date of loss, of your intent to repair or replace the damaged building.

All other provisions of this **P**olicy apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SPECIAL PROVISIONS – NORTH CAROLINA**

### **DEFINITIONS**

Definition **B.3.** is replaced by the following:

**3.** "Business" includes:

- 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; and
- b.** "Home-sharing host activities."

The following definition is added to Paragraph **B.** in all forms:

**4216. "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 any good or product intended for consumption.

### **Actual Cash Value**

Throughout this ~~P~~policy the following is added to any provision that uses the term actual cash value:

Actual cash value is the value of the covered damaged part of the property at the time of loss, calculated as the estimated cost to repair or replace such property with material of like kind and quality, less a deduction to account for pre-loss depreciation.

In calculating the actual cash value, the components of this estimated cost that are subject to depreciation include, but are not limited to:

- 1.** Materials, labor, permits, and any applicable tax; and
- 2.** Overhead and profit.

Pre-loss depreciation refers to the decrease in the value of the covered damaged part of the property due to, but not limited to, such considerations as:

- 1.** Age;
- 2.** Condition, including wear and tear or deterioration;
- 3.** Remaining useful life; and
- 4.** Obsolescence.

### **SECTION I – PROPERTY COVERAGES**

#### **C. Coverage C – Personal Property**

##### **4. Property Not Covered**

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

- (a)** Used to service an "insured's" residence; or

#### **E. Additional Coverages**

In all forms:

Paragraph **2. Reasonable Repairs** is replaced by the following:

##### **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.

R  
E  
V  
I  
S  
E  
D

- 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.
- c. Coverage provided under a. and b. does not:
  - (1) Increase the limit of liability that applies to the covered property; or
  - (2) Relieve you of your duties, in case of a loss to covered property, described in Section I – Conditions, **C.43**. Duties After Loss; and
 is limited to the greater of:
  - (3) \$3,000; or
  - (4) 1% of the "Blanket Property Limit";
 unless we grant you approval within 72 hours of your request to exceed the limit. In such circumstance we will pay only up to the additional amount for the measures we authorize.
 

If we fail to respond to you within 72 hours of your request to us and the damage is caused by a Peril Insured Against, you may exceed the amount stated above only up to the cost incurred by you for the reasonable repairs necessary to protect the covered property from further damage.
- d. In the event such repairs are undertaken, we have the right to inspect the repairs and the removed property which, to the extent possible, you are required to retain.

**409. Landlord's Furnishings**

**k. Accidental Discharge Or Overflow Of Water Or Steam**

Paragraph 2.(d) is replaced by the following in Form **HO 00 05**:

- (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; or

The following Additional Coverage is added to all forms except **HO 00 04**:

**1412. "Fungi", Wet Or Dry Rot, Or Bacteria**

- a. We will pay up to a total of \$5,000 for:
  - (1) Direct physical loss to property covered under Section I Coverage **A** – Dwelling, Coverage **B** – Other Structures, and Coverage **C** – Personal Property caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria if the direct result of a Peril Insured Against; and
  - (2) The necessary increase in costs which you incur to maintain your normal standard of living when the "residence premises" is uninhabitable due to a loss caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria which is the direct result of a Peril Insured Against.
 The coverage provided above is the only coverage under Section I Coverage **A** – Dwelling, Coverage **B** – Other Structures, Coverage **C** – Personal Property, and Coverage **D** – Loss Of Use for loss caused by, resulting from, or consisting of "fungi", wet or dry rot, or bacteria caused directly or indirectly regardless of any other cause or event contributing concurrently or in any sequence.
- b. The amount in a. above is the most we will pay for the cost:
  - (1) To remove "fungi", wet or dry rot, or bacteria from covered property;
  - (2) To tear out and replace any part of the building or other covered property as needed to gain access to the "fungi", wet or dry rot, or bacteria; and
  - (3) Of any 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.
- c. The coverage provided above applies only when such loss or costs are the result of a Peril Insured Against that occurs during the policy period and only if all reasonable means were used to save and protect the property from further damage at or after the time of the occurrence of that Peril Insured Against.
- d. If there is covered loss 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.

R  
E  
V  
I  
S  
E  
D

This is additional insurance and is the most we will pay for the total of all loss or costs payable under the Additional Coverage regardless of the number of locations insured or the number of claims made. No deductible applies to this coverage.

~~(This is Additional Coverage 13. in Form HO 00 06.)~~

**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) Constant or repeated discharge, seepage, or leakage of water or the presence or condensation of humidity, moisture, or vapor, over a period of weeks, months, or years; or

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.

In Form **HO 00 05**:

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

- d. 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; or

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

- (3) Smog, rust, or other corrosion;

In Forms **HO 00 04** and **HO 00 06**:

**12. Accidental Discharge Or Overflow Of Water Or Steam**

Paragraph **b.(5)** in Form **HO 00 06** and Paragraph **b.(4)** in Form **HO 00 04** is replaced by the following:

- (5) To a building 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.

**SECTION I – EXCLUSIONS**

Paragraph **2.** Earth Movement is replaced by the following:

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

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

(This is Paragraph **A.2.** in Forms **HO 00 03** and **HO 00 05.**)

In all forms except **HO 00 05**:

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

**3. Water**

This means:

- a. Flood, including but not limited to flash flood, surface water, waves, including tidal wave and tsunami, seiche, 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;

R  
E  
V  
I  
S  
E  
D

- 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, an act of man, 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 whether natural, man-made, or is otherwise made.

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

(This is Paragraph A.3. in Form HO 00 03.)

In Form HO 00 05:

Paragraph A.3. is replaced by the following:

**3. Water**

This means:

- a. Flood, including but not limited to flash flood, surface water, waves, including tidal wave and tsunami, seiche, 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 3.a. through 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, an act of man, 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 whether natural, man-made, or is otherwise made.

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

This exclusion does not apply to property described in Coverage C that is away from a premises or location owned, rented, occupied, or controlled by an "insured".

This exclusion applies to property described in Coverage C that is on a premises or location owned, rented, occupied, or controlled by an "insured", even if weather conditions contribute in any way to produce the loss.

Paragraph 8. Intentional Loss is replaced by the following:

**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.

This exclusion only applies to an "insured" who commits or conspires to commit an act with the intent to cause a loss.

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

The following exclusion is added:

R  
E  
V  
I  
S  
E  
D

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

"Fungi", Wet Or Dry Rot, Or Bacteria means the presence, growth, proliferation, spread, or any activity of "fungi", wet or dry rot, or bacteria other than as provided in Additional Coverage ~~4312~~. "Fungi", Wet Or Dry Rot, Or Bacteria.

(This is Exclusion **A.10.** in Forms **HO 00 03** and **HO 00 05.**)

**SECTION I – CONDITIONS**

**C. Duties After Loss**

The following is added to the end of Paragraph ~~87~~:

However, if a state of disaster is proclaimed or declared for the State of North Carolina or for an area within the state in accordance with North Carolina law and the covered property that has sustained loss is located within the geographic area designated in the disaster proclamation or declaration, this 60-day period shall not commence until the expiration of the disaster proclamation or declaration, including all renewals of the proclamation, or the expiration of the commissioner's order.

Paragraph **F. Appraisal** is replaced by the following:

**F. Appraisal**

If you and we fail to agree on the value or amount of any item or loss, either may demand an appraisal of such item or loss. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. The two appraisers will choose a competent and impartial umpire. If they cannot agree upon an umpire within 15 days, you or we may request that a 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.

In no event will an appraisal be used for the purpose of interpreting any Policy provision, determining causation, or determining whether any item or loss is covered under this ~~P~~policy. If there is an appraisal, we still retain the right to deny the claim.

Paragraph **H. Suit Against Us** is replaced by the following:

**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 ~~P~~policy and the action is started within three years after the date of loss.

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. We will pay within 60 days after the amount is finally determined.

This amount may be determined by:

- 1. Reaching an agreement with you;
- 2. Entry of a final judgment; or
- 3. The filing of an appraisal award with us.

**SECTION II – EXCLUSIONS**

**A. "Motor Vehicle Liability"**

Paragraph **2.b.** is replaced in all forms by the following:

- b.** Used to service an "insured's" residence;

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

Paragraph **1. Expected Or Intended Injury** is replaced in all forms by the following:

**1. Expected Or Intended Injury**

"Bodily injury" or "property damage" which is intended by or which may reasonably be expected to result from the intentional acts or omissions or criminal acts or omissions of one or more "insured" persons. This exclusion applies even if:

R  
E  
V  
I  
S  
E  
D

- a. The "insured" persons lack the mental capacity to govern their own conduct;
- b. The "bodily injury" or "property damage" is of a different kind, quality, or degree than intended or reasonably expected; or
- c. The "bodily injury" or "property damage" is sustained by a different person or entity than intended or reasonably expected.

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

~~If the Broadened Home-sharing Host Activities Coverage Endorsement is not made a part of this Policy,~~

Paragraph 2. "Business" is replaced by the following:

**2. "Business"**

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" engaged in by 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. With respect to other than "home-sharing host activities", 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 minor involved in part-time, self-employed "business" pursuits normally undertaken by minors, unless the minor is employed by a "business". A minor means a person who has not attained his or her 19th birthday (or age 23 if a full-time student);

~~If the Broadened Home-sharing Host Activities Coverage Endorsement is made a part of this Policy, Paragraph 2. "Business" is replaced by the following:~~

~~**2. "Business"**~~

- ~~a. "Bodily injury" or "property damage" arising out of or in connection with a "business" engaged in by 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) "Home-sharing host activities";~~
- ~~(2) With respect to other than "home-sharing host activities":~~
  - ~~(a) The rental or holding for rental of an "insured location":~~
    - ~~(i) On an occasional basis if used only as a residence;~~
    - ~~(ii) 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~~
    - ~~(iii) In part, as an office, school, studio or private garage; and~~
  - ~~(b) An insured minor involved in part-time, self-employed "business" pursuits normally undertaken by minors, unless the minor is employed by a "business". A minor means a person who has not attained his or her 19th birthday (or age 23 if a full-time student);~~

The following exclusion is added:

**9. "Fungi", Wet Or Dry Rot, Or Bacteria**

"Bodily injury" or "property damage" 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.

R  
E  
V  
I  
S  
E  
D

**SECTIONS I AND II – CONDITIONS**

Paragraph **E. Assignment** is replaced by the following:

**E. Assignment of Policy or Policy Benefits**

Neither the assignment of this Policy nor the assignment of the benefits of this Policy will be valid unless we give our written consent. This provision applies both before and after a loss.

The following Condition is added:

**H. Choice Of Law**

This Policy is issued in accordance with the laws of North Carolina and covers property or risks principally located in North Carolina. Any and all claims or disputes in any way related to this Policy shall be governed by the laws of North Carolina.

All other provisions of this Policy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# EARTHQUAKE COVERAGE

## SCHEDULE

Earthquake Deductible Percentage Amount:	%
Exterior Masonry Veneer Exclusion 1.	
<input type="checkbox"/>	Check here if this exclusion does not apply.
<input type="checkbox"/>	Check here if this exclusion does apply.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

R  
E  
V  
I  
S  
E  
D

### A. Section I – Property Coverages

The following is added:

1. We insure for direct physical loss to property covered under Section I caused by earthquake, including land shock waves or tremors before, during, or after a volcanic eruption.  
One or more earthquake shocks that occur within a 72-hour period constitute a single earthquake.
2. This coverage does not increase the limits of liability stated in this ~~P~~policy.

### B. Section I – Exclusions

1. The following exclusions are added:

#### a. Exterior Masonry Veneer

We do not cover loss to exterior masonry veneer caused by earthquake. The value of exterior masonry veneer will be deducted before applying the earthquake deductible described above. For the purpose of this exclusion, stucco is not considered masonry veneer.

#### b. Flood

We do not cover loss resulting directly or indirectly from flood, including but not limited to flash flood, of any nature or waves, including tidal wave and tsunami, or seiche, whether:

- (1) Caused by;
  - (2) Resulting from;
  - (3) Contributed to by; or
  - (4) Aggravated by;
- earthquake.

#### c. Filling Land

This coverage does not include the cost of filling land.

### 2. Exception To The Earth Movement Exclusion

The Section I – Earth Movement Exclusion does not apply to loss caused by earthquake, including land shock waves or tremors before, during, or after a volcanic eruption.

### C. Section I – Conditions

#### B. Deductible

The following replaces any other deductible provision in this ~~P~~policy with respect to any one loss covered under this endorsement:

1. We will pay only that part of the total of all loss payable under all Section I – Property Coverages, except:
  - a. Coverage D; and
  - b. The Additional Coverages;
 that exceeds the earthquake deductible described in Paragraph B.2.

2. The dollar amount of the earthquake deductible is determined based on the form.

For all forms except **HO 00 04** and **HO 00 06**: an earthquake deductible of %\* applies to 50% of the "Blanket Property Limit".

For Form **HO 00 04**: an earthquake deductible of %\* applies to 83% of the "Blanket Property Limit".

For Form **HO 00 06**: an earthquake deductible of %\* applies to 62% of the "Blanket Property Limit".

The total deductible amount will not be less than \$500.

All other provisions of this **P**olicy apply.

R  
E  
V  
I  
S  
E  
D

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HISTORIC HOME SPECIAL ENDORSEMENT NORTH CAROLINA

### SECTION I – PROPERTY COVERAGES

#### B. Coverage B – Other Structures

1. Coverage B – Other Structures does not apply to this Ppolicy unless added by endorsement.

### SECTION I – CONDITIONS

#### D. Loss Settlement

Paragraph 2. is replaced by the following:

2. Buildings covered under Coverage **A** (excluding separately described and specifically insured building features) or **B** (if specifically described in this Ppolicy for repair or reproduction with building materials of like kind and quality available in the United States, without deduction for depreciation, subject to the following:
  - a. If, at the time of loss, the amount of insurance in this Ppolicy on the damaged building is \*% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or reproduce, after application of any deductible and without deduction for depreciation, but not more than the least of the following:
    - (1) The limit of liability under this Ppolicy that applies to the building;
    - (2) The reproduction cost of that part of the building damaged for equivalent use on the same premises; or
    - (3) The amount actually and necessarily spent to repair or reproduce the damaged building on the “residence premises” or some other premises within the state of North Carolina.
  - b. If, at the time of loss, the amount of insurance in this Ppolicy on the damaged building (including separately described and specially insured building features) is less than \*% of the full reproduction cost of the building immediately before the loss, we will pay the greater of the following amounts, but no more than the limit of liability under this Ppolicy applying to the building:
    - (1) The actual cash value of that part of the building damaged; or
    - (2) The proportion of the cost to repair or reproduce, after application of any deductible and without deduction for depreciation of that part of the building damaged, which the total amount of insurance in this Ppolicy on the damaged building bears to the \*% of the reproduction cost of the building.
  - c. To determine the amount of insurance required to equal \*% of the full reproduction cost of the building immediately before the loss, do not include the value of:
    - (1) Excavations, foundations, piers, or any supports which are below the undersurface of the lowest basement floor;
    - (2) Those supports 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. When the cost to repair or reproduce the damage is more than \$~~2,500~~ 5,000 or more than 5% of the amount of insurance in this Ppolicy on the building, whichever is less, we will pay not more than the actual cash value of the damage until actual repair or reproduction is completed. If repairs are subsequently made, you may then make claim within 180 days after the loss for any additional liability for loss or damage as provided under **D. Loss Settlement 2.a.** or **b.** above.

\*Percentage that applies is \_\_\_\_\_%.

R  
E  
V  
I  
S  
E  
D

**SECTION II – EXCLUSIONS**

**E. Coverage E – Personal Liability and Coverage F – Medical Payments to Others**

The following exclusion is added:

**409.** “Bodily injury” or “property damage” arising out of public viewing of the insured “residence premises” for a fee.

For an additional premium, the above exclusion does not apply so long as the public viewing of the “residence premises” is limited as shown below:

\$\_\_\_\_\_ Public viewing 1-3 per year

\$\_\_\_\_\_ Public viewing 4-10 per year

\$\_\_\_\_\_ Public viewing 11 or more per year

All other provisions of this **P**olicy apply.

R  
E  
V  
I  
S  
E  
D





---

**RULE 1.  
OPTIONAL INFLATION GUARD ENDORSEMENTS**


---

Subject to the provisions noted in **B.** and **C.** below, the inflation guard endorsements referenced in this **Rule 1.** may be used instead of the endorsement noted in **General Rule 405.** in the standard Homeowners manual.

**A. Eligible Forms**

The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in **Paragraph B.** below:

1. **Forms HO 00 02, HO 00 03, HO 00 05 and HE 00 07 – Coverages A, B, C, and D;** and
2. **Forms HO 00 04 and HO 00 06 – Coverages C and D.**

These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, or billing notice or named on the form.

**B. Approved Inflation Cost Indexes**

The following Indexes noted below have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsements listed in **Paragraph C.** below.

A company that elects to use one of these indexes must use it exclusively and notify the Rate Bureau of its election.

1. Marshall & Swift Boeckh ~~(MS/B)~~ Residential Cost Index published by the American Appraisal Company, Inc.
2. Composite Construction Cost Index published by the U.S. Department of Commerce.
3. Consumer Price Index published by the U.S. Department of Labor.
4. Marshall & Swift Boeckh Construction Cost Index published by Marshall & Swift Boeckh ~~(MS/B)~~.
5. RSMeans CostWorks Valuator Published by RS Means.
6. Xactware Inflation Index published by Xactware Solutions, Inc.

**C. Endorsements**

A company that elects to use one or both of the following endorsements noted below must use it exclusively and notify the Rate Bureau of its election.

1. Inflation Guard – North Carolina Endorsement **HO 32 18**  
Use this endorsement with Forms **HO 00 02, HO 00 03, HO 00 05, and HE 00 07.**
2. Inflation Guard – North Carolina Endorsement **HO 32 19**  
Use this endorsement with Forms **HO 00 04 and HO 00 06.**

The Rate Bureau or Insurance Services Office will not furnish supplies of these endorsements.

**D. Premium**

There is no additional charge for these optional endorsements.

R  
E  
V  
I  
S  
E  
D

**RULE 2.  
HISTORIC HOME PROGRAM**

The following rules are in addition to, modify, or replace rules in the standard Homeowners manual and apply only to the North Carolina Homeowners Historic Home Program.

For rules not accommodated below, refer to the standard Homeowners manual.

**A. Introduction**

A Homeowners Form **HO 00 03** policy may be issued for an historic home as long it meets the eligibility and other requirements in this Additional Rule 2.

**B. Endorsements**

<b>HH 32 03</b>	Historic Home <u>Special</u> Endorsement
<b>HH 32 10</b>	Scheduled Architectural Features Endorsement
<b>HH 32 11</b>	<u>Coverage B – Other Structures</u>

**Table 2.-B. Historic Home Endorsements**

**C. Eligibility**

**1. Home Defined**

A historic home is one that is architecturally or historically significant to the area in which it is located. It must be:

- a. Listed, or nominated for listing, in the National Register of Historic Places; or
- b. In a historic district so designated by Federal, State, or Local Government.

A new home in a designated historic district is eligible if built to match the surrounding architecture.

**2. Occupancy**

The dwelling must be occupied by the owner, have no more than four families and used exclusively for private residential purposes. The term "residential purposes":

- ~~a. Includes incidental farming or incidental office, professional, private school and studio occupancies, provided the premises is occupied principally for dwelling purposes and no other business is conducted on the premises; and~~
- ~~b. Does not include the business of public viewing, which means the charging of admission fees for viewing all or part of the home during regularly scheduled viewing hours announced to the general public.~~

**3. Dwelling Condition**

The dwelling must have the items noted below in good repair. These conditions must be verified by a proper inspection service report.

a. Roof	d. Electrical Wiring
b. Plumbing	e. Heating Plant
c. Tuckpointing	f. Gas Lines And Fixtures (if not disconnected)

**Table 2.-C.3. Dwelling Condition Criteria**

**4. Scheduled Architectural Features**

If disclosed by the required inspection, special architectural features that add to the historic value of the dwelling must be separately insured at the agreed values.

**D. Limits Of Liability And Coverage Relationships**

The limits of liability for the Historic Home Program are as follows:

**1. Section I – Property Damage**

**a. Coverage A – Dwelling**

The Coverage A limit may be set at 80%, 70%, 60%, or 50% of the reproduction cost of the dwelling building, exclusive of ~~S~~cheduled building features.

The limit may not be less than 50% of the full reproduction cost or \$30,000, whichever is greater.

R  
E  
V  
I  
S  
E  
D

**RULE 2.  
HISTORIC HOME PROGRAM (Con't)**

**b. Coverage B – Other Structures**

Coverage for other structures is available by option. See [Rule Paragraph G.1. below](#).

**c. Coverage C – Personal Property**

The Coverage C limit may be set at 40% of the full reproduction cost of the dwelling building exclusive of Scheduled building features.

This limit may be reduced to not less than 30% of the full reproduction cost.

**d. Coverage D – Loss of Use**

The Coverage D limit shall be 20% of the Coverage A – Dwelling limit.

**2. Section II – Liability**

**a. Coverage E – Personal Liability**

\$100,000 Each Occurrence

**b. Coverage F – Medical Payments to Others**

\$1,000 Each Person

**E. Mandatory Coverages**

It is mandatory that insurance be written on all coverages provided under Sections I and II of the Historic Home policy except as follows:

1. Under Section I – Property Coverages, Coverage B does not automatically apply.  
Coverage for Other Structures is available for an additional premium. See [Rule Paragraph G.1. below](#).
2. Under Section I – Conditions, Loss Settlement provides for reproduction of damaged property using building materials of like kind and quality that are available in the USA without deduction for depreciation.
3. Under Section II Exclusions, Coverage E – Liability and Coverage F – Medical Payments To Others do not apply to bodily injury or property damage arising out of public viewing of the insured residence premises for a fee.

This exclusion may be waived for an additional premium. See [Rule Paragraph G.2. below](#).

**F. Deductibles**

The Historic Home policy is subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. See Earthquake Rule 505. in the standard Homeowners manual.

**1. \$1,000 Deductible**

This amount is the base deductible for a historic home policy. The minimum amount available is \$250.

**2. Optional Deductibles**

Higher and lower deductible amounts are optionally available. See [Rule Paragraph H.1.b. below](#) for the amounts and rating instructions.

**G. Optional Coverages**

**1. Other Structures On The Residence Premises (Section I – Property Coverages)**

a. Other Structures on the residence premises may be insured under a ~~H~~historic ~~H~~home policy. Separately identify each structure insured in the endorsement noted in ~~b. below~~.

b. Use Historic Home [Coverage B](#) – Other Structures Endorsement **HH 32 11**.

**2. Public Viewing Of Residence Premises (Section II – Liability)**

a. The Coverages E and F exclusion pertaining to loss arising out of the public viewing of the residence premises may be deleted for an additional premium.

Public viewing means the charging of admission fees for viewing all or part of the home during regularly scheduled viewing hours announced to the public.

b. Use Historic Home Special Endorsement **HH 32 03**.

R  
E  
V  
I  
S  
E  
D

**RULE 2.  
HISTORIC HOME PROGRAM (Con't)**

**H. Premiums**

**1. Base Premium Computation**

**a. Base Premium Deductible**

- (1) In accordance with Rule 301. Base Premium Computation in the standard Homeowners manual, develop the Base Premium for Form **HO 00 03** for the Coverage **A** – Dwelling limit that contemplates 80% of the dwelling's replacement cost.
- (2) Multiply the premium developed in Paragraph H.1.a.(1) above by the factor for the **Full Reproduction Cost** percentage amount desired:

<b>Percentage Of Full Reproduction Cost Amount</b>	80%	70%	60%	50%
<b>Historic Home Rating Factor</b>	.90	.88	.86	.84

**Table 2.-H.1.a. Historic Home Factors**

**b. Optional Deductibles**

Multiply the Base Premium developed in Paragraph H.1.a. above by the factor for the deductible amount desired.

<b>Coverage A Limit</b>	<b>Deductible Amount</b>			
	\$250	\$500	\$1,000	\$2,500
Up to \$59,999	1.14	1.03	.94	.85
\$ 60,000 to \$ 99,999	1.14	1.06	.97	.85
100,000 to 200,000	1.14	1.08	1.00	.85
200,001 to 250,000*	1.14	1.08	1.00	.97

\*Refer to Company- for credits for higher limits.

**Table 2.H.1.b. Higher Deductible Factors**

**2. Scheduled Building Features (Coverage A – Dwelling)**

a. Develop the rate per \$1,000 of insurance as follows:

- (1) Select the Key All Perils Premium used to compute the Base Premium;
- (2) Develop the Key Amount of Insurance Factor as follows:  
.115 x .10 x the rating factor from Paragraph H.1.a. above; and
- (3) Multiply the result computed in Paragraph H.2.a.(2) above by the Key All Perils Premium determined in Paragraph H.2.a.(1) above.

b. Multiply the rate per \$1,000 computed in Paragraph H.2.a.(3) above by the total amount of insurance for all building features that are scheduled.

**3. Coverage B – Other Structures**

Rate per \$1,000 - **\$2.00**.

**4. Waiver Of Public Viewing Exclusion (Section II – Liability)**

**a. Coverages E (\$100,000) And F (\$1,000)**

<b>Tours Per Year</b>	<b>Premium</b>
Less Than 4	\$12
4 to 10	17
11 or more	32

**Table 2.H.4.a. Public Viewing Basic Limits Premium**

**b. Increased Limit – Coverage E**

Multiply the premium selected in Paragraph 4.a. above by the factor for the desired limit of liability:

<b>Limit Of Liability</b>	<b>Factor</b>
\$200,000	1.14
300,000	1.26

**c. Increased Limit – Coverage F**

To increase the limit of liability from \$1,000 to \$2,000, add **\$3.00**.

R  
E  
V  
I  
S  
E  
D

**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM**

The following rules are in addition to, modify, or replace the rules in the standard Homeowners manual and apply only to the Homeowners Enhancement Program.

For rules not accommodated below, refer to the standard Homeowners manual.

**A. Introduction**

The North Carolina Homeowners Enhancement Program provides enhanced property and liability coverages using the form and endorsements specified in [Paragraph C. below](#).

**B. Eligibility**

Each Company shall determine which changes, if any, to Eligibility Rule **104**. in the standard Homeowners manual are necessary to accommodate the class of risk eligible for an enhancement policy.

**C. Available Form and Endorsements**

**1. Enhancement Coverage Form HE 00 07**

Attach this form to all enhancement policies.

This form is based on the latest edition of Homeowners Comprehensive Form **HO 00 05** of the Insurance Services Office, Inc. The enhancements made to Form **HO 00 05** are described in [Paragraph Rule F.](#)

**2. Expanded Enhancement Coverage Endorsements HE 32 20**

This endorsement adds more enhancements to the policy. The coverage enhancements are outlined in [Paragraph F. below](#).

**3. Extended Enhancement Coverage Endorsements HE 32 21**

This endorsement includes the enhancements in **HE 32 20** plus other enhancements. The extended enhancements are also outlined in [Paragraph F. below](#).

**4. Optional Coverages**

The [following](#) endorsements ~~noted below~~ add to or modify the enhancements in the form or endorsements noted above. Refer to ~~Rule-Paragraph G.~~ for coverage details.

<b>HE 32 22</b>	Specified Additional Amount Of Insurance For Coverage <b>A</b>
<b>HE 32 30</b>	Debris Removal–Broadened Tree Removal Coverage
<b>HE 32 40</b>	Blanket Property Limit Coverage
<b>HE 32 45</b>	Property Coverage Enhancement
<b>HE 32 74</b>	<a href="#">Broadened Home–Sharing Host Activities Coverage Endorsement</a>

**Table 3.-C.4. Other Coverage Endorsements**

**5. Do not use [HO 32 31 Roof Payment Schedule](#) or any other endorsement which modifies the required percentage of replacement value with the Homeowners Enhancement Program.**

**D. Deductibles**

The Homeowners Enhancement policy is subject to a deductible that applies to loss from all Section **I** Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage. See Earthquake Rule **505**. in the standard Homeowners manual

This Section **I** All Perils Deductible is waived when a covered loss exceeds \$50,000 for all covered perils except Windstorm or Hail.

**1. \$1,000 Deductible**

This amount is the base deductible for an ~~e~~Enhancement policy. The minimum amount available is \$250.

**2. Optional Deductibles**

The optional deductible amounts in the standard Homeowners manual are available for an ~~E~~enhancement policy, subject to the minimum deductible amount of \$250.

R  
E  
V  
I  
S  
E  
D

**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM (Cont.)**

**E. Limits Of Liability And Coverage Relationships**

The limits of liability required for an enhancement policy are as follows:

**1. Section I – Property Damage**

- a. Coverage **A** – Dwelling  
Refer to Company
- b. Coverage **B** – Other Structures  
Coverage **C** – Personal Property  
Coverage **D** – Loss Of Use

Number Of Families	Percent Of Coverage A Limit		
	Coverage- B	Coverage- C	Coverage- D
1 or 2	10%	70%	20%
3	5%	50%	20%
4	5%	45%	20%

Table 3.-E.1.b. Coverage- B, C, & D. Limit Of Liability

**2. Section II – Liability**

- a. Coverage **E** – Personal Liability  
\$100,000 Each Occurrence
- b. Coverage **F** – Medical Payments  
\$1,000 Each Person

**3. Optional Higher Limits**

- a. Coverages **C, D, E, and F**  
The limit of liability for these coverages may be increased.
- b. Coverage **B**  
An additional amount of insurance may be written on a specific structure.

**F. Mandatory Coverages**

It is mandatory that insurance be written for all coverages provided under Sections **I** and **II** of the enhancement policy.

The following enhanced coverages and limits are included in Form **HE 00 07** and Endorsements **HE 32 20** and **HE 32 21**:

**1. Section I Coverages**

- a. Coverage **A** – Dwelling And Coverage **B** – Other Structures
  - (1) Special Coverage;
  - (2) Ordinance Or Law Coverage for buildings up to the policy limits;
  - (3) Guaranteed Replacement Cost Loss Settlement for buildings;
  - (4) Coverage **B** limit:
    - (a) 10% of Coverage **A** in form **HE 00 07**; and
    - (b) 20% of Coverage **A** in endorsements **HE 32 20** and **HE 32 21**.
- b. Coverage **C** – Personal Property
  - (1) Special Coverage;
  - (2) Replacement Cost Loss Settlement;
  - (3) Agreed Value Loss Settlement for scheduled personal property up to the limits shown in the schedule;

R  
E  
V  
I  
S  
E  
D

**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM (Cont.)**

(4) Personal Property at a New Residence covered for up to 30 days in form **HE 00 07** and 60 days in endorsements **HE 32 20** and **HE 32 21**; and

(5) Personal Property At Other Locations

(a) Other Residences

Coverage for personal property usually located at other residences is 10% of Coverage **C** or ~~\$1,000~~**5,000** whichever is greater in form **HE 00 07** and 10% of Coverage **C**, or \$10,000 whichever is greater in endorsements **HE 32 20** and **HE 32 21**.

(b) Self-storage Facilities

Coverage for certain personal property located in self-storage facilities is 10% of Coverage **C** or ~~\$1,000~~**5,000**, whichever is greater in form **HE 00 07** and 10% of Coverage **C**, or ~~\$5,000~~**10,000** whichever is greater in endorsements **HE 32 20** and **HE 32 21**.

**c. Coverage C – Enhanced Special Limits**

Special Limits	HE 00 07	With Endorsement HE 32 20	With Endorsement HE 32 21
Money, bank notes	\$1,000	\$1,000	\$1,000
Securities, accounts	\$5,500	\$5,500	\$5,500
Firearms	\$10,000	\$10,000	\$10,000
Silverware, goldware	\$10,000	\$10,000	\$10,000
Jewelry, watches, furs	\$5,500	\$5,500	\$5,500
Watercraft	<del>\$1,500</del> <del>\$2,500</del>	\$2,500	\$2,500
Trailers or Semitrailers not used with watercraft of all types	<del>\$1,500</del> <del>\$2,500</del>	\$3,500	\$3,500
Business property used on the “residence premises”	<del>\$2,500</del> <del>\$3,500</del>	<del>\$2,500</del> <del>\$3,500</del>	\$5,000
Business property used away from the “residence premises”	<del>\$1,500</del> <del>\$2,500</del>	<del>\$1,500</del> <del>\$2,500</del>	<del>\$1,500</del> <del>\$3,000</del>
Portable Electronic Equipment in or upon a motor vehicle	<del>\$1,500</del> <del>\$2,500</del>	<del>\$1,500</del> <del>\$2,500</del>	<del>\$1,500</del> <del>\$2,500</del>
Jewelry, securities if lost or stolen from a safe deposit box	N/A	\$50,000	\$50,000

**Table 3.F.1.c. Special Limits**

**d. Coverage D – Loss of Use**

(1) If a civil authority prohibits use of the residence premises:

(a) Because a covered peril damages a neighboring premises, additional living expense and fair rental value coverages are extended for up to 30 days; or

(b) Because life or health is endangered from a covered peril, earth movement or contaminants or pollutants, up to \$1,000 is provided for additional living expense and fair rental value loss incurred by an insured.

(2) Additional Living Expense coverage is extended to pay the monthly payment of an existing primary mortgage, for up to 12 months, while the residence premises is not fit to live in. Use endorsement **HE 32 21**.

**e. Additional Coverages**

(1) Personal property loss due to temperature change covered if it results from power interruption at the residence premises which is caused by a covered peril;

R  
E  
V  
I  
S  
E  
D

**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM (Cont.)**

- (2) Additional Living Expense and Fair Rental Value loss covered if due to power interruption that occurs away from the residence premises and caused by a covered peril;
- (3) Trees, Shrubs & Other Plants subject to a per tree ~~minimum maximum~~ of \$1,000-\$2,000;
- (4) Up to ~~\$2,000~~\$5,000 available for removal of fallen tree(s) ~~subject to a per tree maximum of \$1,000;~~
- (5) Up to \$1,000 available for loss under Fire Department Service Charge coverage;
- (6) Up to \$500 available for loss to Refrigerated Property;
- (7) Property Removed from a premises endangered by a covered peril covered for up to ~~30~~ 45 days in form **HE 00 07** and for up to 90 days in endorsement **HE 32 20** and **HE 32 21**;
- (8) Witness Reimbursement Expenses covered up to \$250 a day for wages and \$50 a day for expenses subject to a \$3,000 maximum limit. Use endorsement **HE 32 21**;
- (9) Up to \$5,000 available for loss under Loss Assessment coverage. Use endorsement **HE 32 21**;
- (10) Up to ~~\$500~~\$1,500 available for replacement of door lock(s) when house key(s) are stolen. Use endorsement **HE 32 20** or **HE 32 21**;
- (11) Up to \$10,000 for the cost to replace, stabilize or rebuild land necessary to support the dwelling or other structure. Use endorsement **HE 32 21**;
- ~~(12) The policy provides up to \$500 for loss under Credit Card and Electronic Fund Transfer Card Or Access Device coverage in form HE 00 07 and increased to \$5,000 in endorsement HE 32 20 and HE 32 21;~~
- ~~(13)~~(12) Up to \$2,500 available to reward person(s) for information leading to arrest & conviction of person(s) committing a crime that involved loss to insured property; Use endorsement **HE 32 21**;
- ~~(14)~~(13) Up to \$5,000 available to reward person(s) for return of stolen covered property; Use endorsement **HE 32 21**; and
- ~~(15)~~(14) Up to \$50,000 available for loss caused by water or water-borne material that backs up through sewers or drains or discharges or overflows from a sump. This coverage does not apply to direct physical loss of the sump pump, or related equipment, which is caused by mechanical breakdown. Use endorsement **HE 32 21**.

**2. Section II Coverages**

- a. Coverage **E** – Personal Liability  
\$100,000 per occurrence
- b. Coverage **F** – Medical Payments  
\$1,000 per person
- c. Additional Coverages
  - (1) Prejudgement Interest;
  - (2) Water Damage Legal Liability;
  - (3) Personal Injury;
  - (4) Business Pursuits of Minors;
  - (5) Liability Coverage for Directors and Officers of Not-For-Profit Organizations;
  - (6) Watercraft Liability – the horsepower threshold for outboard motors is ~~increased from 25 to 50~~ horsepower or less. ~~Use endorsement HE 32 20 or HE 32 21;~~
  - (7) Damage to Property of Others – Up to ~~\$1,500~~\$5,500 is available ~~Use endorsement HE 32 20 or HE 32 21;~~
  - (8) Loss Assessment Coverage – Up to ~~\$1,000~~\$2,500 is available in form **HE 00 07** and HE 32 20. ~~Up to \$5,000 is available in endorsement HE 32 21;~~
  - (9) Reasonable Expenses incurred by insured to assist insurer to investigate or defend a liability claim. The most we will pay for such expense is \$250.

R  
E  
V  
I  
S  
E  
D

**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM (Cont.)**

**G. Optional Coverages**

**1. Specified Additional Amount of Insurance for Coverage A - Dwelling**

**a. Coverage**

The enhancement policy may be endorsed to provide a limitation on the replacement cost loss settlement provision. This endorsement is designed to provide a replacement cost limit of 125% or 150% of Coverage A – Dwelling including the increased costs incurred due to the enforcement of any ordinance or law.

**b. Endorsement**

Specified Additional Amount of Insurance for Coverage A – Dwelling **HE 32 22.**

**c. Premium**

The premium for this option is computed by multiplying the base premium by the appropriate factor selected from the following table:

Additional Amount of Insurance Options	Factor
125%	.96
150%	.97

**Table 3.G.1.c. Additional Amount of Insurance Options**

**2. Debris Removal–Broadened Tree Removal**

**a. Coverage**

The enhancement policy may be endorsed to provide up to ~~\$2,000~~**5,000** to remove trees from the residence premises that are felled by a covered peril.

The fallen tree does not have to damage a covered structure on the residence premises.

~~The most paid for removal of any one tree is \$1,000.~~

**b. Endorsement**

Debris Removal Broadened Tree Removal Endorsement **HE 32 30.**

**c. Premium – \$30.**

**3. Property Coverage Enhancement**

**a. Coverage**

The following enhanced coverages are included in **HE 32 45:**

**(1) Witness Reimbursement** - Pays up to \$100 per day for lost earnings and \$50 for reimbursement of expenses as a result of appearing as a witness in a claim under the policy. Maximum aggregate limit is \$600.

**(2) Accidental Death Benefit** - \$1,000.

**(3) Personal Records** - \$250 available to reproduce, restore, or replace personal records damaged as a result of a covered peril.

**(4) Cost of Preparing Proof of Loss** - \$250 available for reasonable expenses incurred for an outside service to prepare a proof of loss or other exhibits required by the policy.

**b. Endorsement**

Use Property Coverage Enhancement Endorsement **HE 32 45.**

**c. Premium – \$20.**

**4. Blanket Property Limit Coverage**

**a. Coverage**

The enhancement policy may be endorsed to be written on a Blanket Property Limit Basis.

**b. Endorsement**

Blanket Property Limit Coverage Endorsement **HE 32 40.**

**c. Premium – To develop the premium for this option, refer to Paragraph H. Base Premium Computation below.**

R  
E  
V  
I  
S  
E  
D

**RULE 3.  
HOMEOWNERS ENHANCEMENT PROGRAM (Cont.)**

**5. Broadened Home-sharing Host Activities Coverage**

**a. Coverage**

The enhancement policy may be endorsed to provide coverage for Home-sharing Host Activities.

**b. Endorsement**

Broadened Home-sharing Host Activities Coverage Endorsement **HE 32 74**.

**c. Premium –** To develop the premium for this option, refer to Rule **519. A40** of the Standard Homeowners Manual.

**6. Other Optional Coverages**

Optional Section I and II coverages available for the standard Homeowners policy are available for an enhancement policy.

Compare the desired standard Homeowners options with the coverages and limits in the Homeowners Enhancement form and endorsements to avoid duplication.

**H. Base Premium Computation**

1. Develop the 1, 2, 3, or 4 family Base Premium for Form **HO 00 03** in accordance with Rule **301**. Base Premium Computation in the standard Homeowners manual; and
2. Multiply the **HO 00 03** Base Premium developed in Paragraph H.1. above by the factor for the desired level of coverage:

Level Of Enhancement	Factor
<b>HE 00 07</b>	1.25
<b>HE 00 07 with HE 32 20</b>	1.30
<b>HE 00 07 with HE 32 21</b>	1.37
<b>HE 00 07 with HE 32 20 &amp; HE 32 40</b>	1.35
<b>HE 00 07 with HE 32 21 &amp; HE 32 40</b>	1.42

**Table 3.-H.2. Enhancement Coverage Rating Factors**

R  
E  
V  
I  
S  
E  
D

**RULE 4.  
BLANKET PROPERTY LIMIT COVERAGE**

The following rules are, in addition to, modify, or replace the rules in the standard Homeowners manual and apply only to this Blanket Property Limit coverage.

For rules not accommodated below, refer to the standard Homeowners manual.

**A. Introduction**

A Homeowners Policy may be written on a Blanket Property Limit basis. The Blanket Property Limit provides for a single amount of coverage for covered losses under Coverages **A**, **B**, **C**, and **D**.

**B. Eligibility**

A Blanket Property Limit policy may be issued for:

1. An owner-occupied one or two family dwelling;
2. A person who occupies an apartment in a one through four family dwelling or other residential building; and
3. A person who owns a residential unit in a building owned by a condominium association.

**C. Basic Coverage Forms And Endorsements**

**1. Special Provisions Endorsement HB 32 32**

Use this endorsement instead of **HO 32 32**.

**2. Special Form HO 00 03 And Blanket Property Limit Endorsement HB 00 03**

Use this form and endorsement for a one or two family dwelling occupancy.

**3. Contents Broad Form HO 00 04 and Blanket Property Limit Endorsement HB 00 04**

Use this form and endorsement for apartment occupancy.

**4. Condominiums Unit Owners Form HO 00 06 And Blanket Property Limit Endorsement HB 00 06**

Use this form and endorsement for an owner occupied unit in a building owned by a condominium association.

**5. Comprehensive Form HO 00 05 And Blanket Property Limit Endorsement HB 00 05**

Use this form and endorsement for a one or two family dwelling occupancy.

**6. Personal Property Replacement Cost Endorsement HO 04 90**

Use this endorsement on all policies.

The Coverage **C** limit shall be 100% of replacement value. An additional 'endorsement' charge that varies by form applies but no additional charge is made for increasing the Coverage **C** limit.

The Coverage **C** limit may not be reduced.

**D. Optional Coverages**

**1. Ordinance or Law Coverage**

**a. Basic Amount Of Coverage**

The policy automatically provides coverage to pay for the increased costs necessary to comply with the enforcement of an ordinance or law up to the following amounts:

Form	Amount Of Coverage
<b>HO 00 03 or HO 00 05</b>	5% Of The Blanket Property Limit
<b>HO 00 04</b>	1% Of The Blanket Property Limit
<b>HO 00 06</b>	2% Of The Blanket Property Limit

**Table 4.D.1.a. Ordinance Or Law Basic Limits**

**b. Increased Amount of Coverage**

**(1) Coverage**

The policy may be endorsed to increase the basic amount of coverage to accommodate increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property; demolish the undamaged portion of damaged property; and clear the site of resulting debris to comply with an ordinance or law.

R  
E  
V  
I  
S  
E  
D

**RULE 4.  
BLANKET PROPERTY LIMIT COVERAGE (Cont.)**

(2) Premium

Refer to [Rule Paragraph F.2.](#) below.

**2. Other Optional Coverages**

If any of the following optional coverages are selected, use the endorsements specified below:

<b>HB 03 12</b>	Windstorm or Hail Percentage Deductible
<b>HB 04 46</b>	Inflation <a href="#">Protection Guard</a> (HO 00 03 or HO 00 05 Only)
<b>HB 32 54</b>	Earthquake Coverage (apply the earthquake rates to the Blanket Property rating limit to determine the premium.)
<b>HB 04 77</b>	Ordinance or Law Coverage
<b>HB 04 98</b>	Refrigerated Property Coverage
<b>HB 05 46</b>	Landlord’s Furnishings (HO 00 03 or HO 00 05 Only)
<b>HB 32 11</b>	Additional Blanket Property Limit Coverage (HO 00 03 or HO 00 05 Only)
<b>HB 32 20</b>	Specified Additional Blanket Property Limit Coverage (HO 00 03 or HO 00 05 Only)

**Table 4.D.2. Optional Coverage Endorsements**

**E. Developing The Blanket Policy Limit**

Establish the appropriate limit for **each** of the principal coverage components included in the form, taking into account any coverage increases the insured may need.

**1. Form HO 00 03 And Endorsement HB 00 03 or Form HO 00 05 And Endorsement HB 00 05**

Add together the limits for Coverages **A**, **B**, **C**, and **D** to determine the Blanket Property Limit.

The Blanket Property Limit must be at least **200%** of the dwelling replacement cost for a Primary Residence or **170%** of the dwelling replacement cost for a Secondary Residence.

Since any increase in Coverage **B**, **C**, or **D** limits must be factored into Blanket Property Limit, the rules in the standard Homeowners manual for the following coverage increases do not apply:

- a. Coverage **B** – Other Structures, Increased Limits Endorsement **HO 04 48**;
- b. Coverage **C** – Personal Property, Increased Limits; and
- c. Coverage **D** – Loss of Use.

**2. Form HO 00 04 And Endorsement HB 00 04**

Add together the limits for Coverages **C** and **D** to determine the Blanket Property Limit.

The Blanket Property Limit must be at least **120%** of the replacement cost value of the personal property.

Since any increases in Coverage **D** must be factored into the Blanket Property Limit, the rule in the standard Homeowners manual for Coverage **D** – Loss of Use Increased Limit does not apply.

**3. Form HO 00 06 And Endorsement HB 00 06**

Add together the limits for Coverages **A**, **C**, and **D** to determine the Blanket Property Limit.

The Blanket Property Limit must be at least **160%** of the replacement cost value of the personal property.

Coverage **A** named perils coverage may be broadened to cover additional risks of loss (Special Coverage) for an additional premium.

Since any increases in Coverage **A** or **D** must be factored into the Blanket Property Limit, the rule regarding Coverage **D** – Loss of Use Increased Limit does not apply.

R  
E  
V  
I  
S  
E  
D

**RULE 4.  
BLANKET PROPERTY LIMIT COVERAGE (Cont.)**

**F. Premium Development**

**1. Basic Coverage Premium Computation**

- a. Divide the Blanket Property Limit by the appropriate factor ~~from~~ in the following table ~~below~~ and round to the nearest \$100. The result is the rating amount.

Form	Rating Amount Factors
HO 00 03 or HO 00 05	2.00 Primary Residence
	1.70 Secondary Residence
HO 00 04	1.20
HO 00 06	1.60

Table 4.F.1.a. Rating Amount Factors

- b. Using the rating amount developed in Paragraph F.1.a. above, compute the Base Premium in accordance with Rule 301. in the standard Homeowners manual.
- c. To account for the personal property replacement cost coverage automatically included in the policy, multiply the Blanket Property Limit Base Premium computed in Paragraph F.1.b. above by the appropriate factor selected from the following table below:

Form	Rating Factors
HO 00 03 & HO 00 05	.05
HO 00 04 & HO 00 06	.40

Table 4.F.1.c. Personal Property Replacement Cost Rating Factors

**2. Optional Coverage Premium Computation**

**a. Ordinance Or Law Increased Limit**

When the limit for Ordinance or Law Coverage is increased, develop the adjusted base premium or additional premium as follows:

**(1) Form HO 00 03 And HO 00 05 – Adjusted Base Premium**

Multiply the Blanket Property Limit Base Premium computed in Paragraph F.1.b. above by the appropriate factor selected from the following table below:

Ordinance Or Law		Blanket Property Limit Rating Factors	
Increase In % Amount	Total % Amount	\$120,000 to \$280,000	All Other
7.5%	12.5%	1.13	1.05
20.0%	25.0%	1.35	1.14
32.5%	37.5%	1.51	1.20
45.0%	50.0%	1.67	1.27

Table 4.F.2.a.(1) Ordinance Or Law Rating Factors

**(2) Forms HO 00 04 And HO 00 06 – Additional Premium**

- (a) From the Key Amount of Insurance Factor and Key Premium Amount of Insurance Factors Table used to develop the Blanket Property Limit Base Premium for Form HO 00 04 or HO 00 06, multiply the Key Amount of Insurance Factor for "Each Add'l \$1,000 Of Insurance" by the Key All Perils Premium.

The result is the premium per \$1,000 of insurance.

- (b) Multiply the amount of increase by the premium per \$1,000 of insurance developed in Paragraph F.2.a.(2)(a) above.

**b. Building Additions and Alterations Increased Limit - Form HO 00 04 Only**

The limit of liability of 8.5% may be increased.

To develop the additional premium, follow the instructions in Paragraph F.2.a.(2) above.

**c. Special Coverage - Coverage A Form HO 00 06 Only**

Multiply the amount of increase by the following premium per \$1,000 of insurance: \$7.00.

R  
E  
V  
I  
S  
E  
D

**RULE 4.  
BLANKET PROPERTY LIMIT COVERAGE (Cont.)**

**G. Windstorm Or Hail Percentage Deductibles**

In Territories 110, 120, 130, 140, 150, and 160, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed.

These calculations ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

**1. Property NOT Located in Area Serviced by the NCIUA**

To compute the premium for this provision, multiply the Base Premium by the factor selected for the desired windstorm or hail deductible option for the deductible amounts desired.

**2. Property IS located in Area Serviced by the NCIUA**

To determine if an adjusted deductible credit or the calculated deductible credit applies, complete each of the following steps:

- Step 1. ~~Select the Windstorm Or Hail Exclusion Factor shown in Rule A3. Multiply the windstorm or hail exclusion credit shown in the standard Homeowners Manual for the applicable territory and subtract that factor from unity (1.00). state rate pages, under Additional Rule A3. Windstorm Or Hail Exclusion—Territories 110, 120, 130, 140, 150, and 160 Only Base Credit, by the Key Amount of Insurance Factor, for the same amount of insurance used to determine the Base Premium.~~
- Step 2. Multiply the factor determined in Step 1. by the Base Premium.
- Step 23. Multiply the result determined in Step 24. by .9 to determine the "adjusted deductible credit".
- Step 34. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 45. Multiply the factor determined in Step 34. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 56. Compare the results in Steps 23. and 45. If the result in:
  - Step 23. is **less** than the result in Step 45., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
  - Step 23. is **greater than or equal to** the result in Step 45., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

**3. Windstorm or Hail Percentage Deductible Rating Factor Tables**

0.5% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
	<b>Factors</b>				
<b>All Other Perils Deductible-Amount-</b>	\$ 100	1.33	1.32	1.32	1.32
	250	1.22	1.22	1.22	1.22
	500	1.13	1.13	1.13	1.13
	1,000	–	–	.99	1.11
	2,500	–	–	–	.94

Table 4.G.3.#1 0.5% Windstorm or Hail Deductible

1% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
	<b>Factors</b>				
<b>All Other Perils Deductible-Amount-</b>	\$ 100	1.29	1.29	1.29	1.29
	250	1.18	1.18	1.19	1.20
	500	1.09	1.09	1.10	1.15
	1,000	.96	.96	.96	1.08
	2,500	–	–	.76	.91

Table 4.G.3.#2 1% Windstorm or Hail Deductible

R  
E  
V  
I  
S  
E  
D

**RULE 4.  
BLANKET PROPERTY LIMIT COVERAGE (Cont.)**

2.5% Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
	<b>Factors</b>				
<b>All Other Perils Deductible- Amount</b>	\$ 100	1.23	1.23	1.25	1.27
	250	1.13	1.13	1.15	1.18
	500	1.04	1.094	1.06	1.13
	1,000	.91	.91	.92	1.05
	2,500	.75	.75	.75	.89

Table 4.G.3.#3 2.5% Windstorm or Hail Deductible

**H. Windstorm Or Hail Higher Fixed-Dollar Deductibles**

In Territories 110, 120, 130, 140, 150, and 160, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed.

These calculations ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

**1. Property NOT Located in Area Serviced by the NCIUA**

To compute the premium for this provision, multiply the Base Premium by the factor selected for the desired windstorm or hail deductible option for the deductible amounts desired.

**2. Property IS located in Area Serviced by the NCIUA**

To determine if an adjusted deductible credit or the calculated deductible credit applies, complete each of the following steps:

- Step 1. ~~Select the Windstorm Or Hail Exclusion Factor shown in Rule A3. Multiply the windstorm or hail exclusion credit shown in the standard Homeowners Manual for the applicable territory and subtract that factor from unity (1.00), state rate pages, under Additional Rule A3. Windstorm Or Hail Exclusion—Territories 110, 120, 130, 140, 150, and 160 Only Base Credit, by the Key Amount of Insurance Factor, for the same amount of insurance used to determine the Base Premium.~~
- Step 2. ~~Multiply the factor determined in Step 1. by the Base Premium.~~
- Step 23. Multiply the result determined in Step 24. by .9 to determine the "adjusted deductible credit".
- Step 34. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 45. Multiply the factor determined in Step 34. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 56. Compare the results in Steps 23. and 45. If the result in:
  - Step 23. is **less** than the result in Step 45., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
  - Step 23. is **greater than or equal to** the result in Step 45., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

**3. Windstorm or Hail Higher Fixed Dollar Deductible Rating Factor Tables**

\$1,000 Windstorm or Hail Deductible					
Blanket Property Limit	Up To \$119,999	\$120,000 To \$199,999	\$200,000 To \$400,000	\$400,000 And Over	
	<b>Factors</b>				
<b>All Other Perils Deductible- Amount</b>	\$ 100	1.29	1.30	1.33	1.34
	250	1.20	1.20	1.23	1.24
	500	1.11	1.11	1.14	1.20
	1,000	–	–	–	–
	2,500	–	–	–	–

Table 4.H.3.#1 1,000 Windstorm or Hail Deductible

R  
E  
V  
I  
S  
E  
D

**RULE 4.**  
**BLANKET PROPERTY LIMIT COVERAGE (Cont.)**

<b>\$2,000 Windstorm or Hail Deductible</b>					
<b>Blanket Property Limit</b>	<b>Up To \$119,999</b>	<b>\$120,000 To \$199,999</b>	<b>\$200,000 To \$400,000</b>	<b>\$400,000 And Over</b>	
	<b>Factors</b>				
<b>All Other Perils Deductible-Amount</b>	\$ 100	1.24	1.27	1.30	1.32
	250	1.15	1.16	1.20	1.22
	500	1.08	1.08	1.11	1.18
	1,000	.95	.95	.97	1.11
	1,500	.89	.89	.91	1.06

Table 4.H.3.#2 \$2,000 Windstorm or Hail Deductible

<b>\$5,000 Windstorm or Hail Deductible</b>					
<b>Blanket Property Limit</b>	<b>Up To \$119,999</b>	<b>\$120,000 To \$199,999</b>	<b>\$200,000 To \$400,000</b>	<b>\$400,000 And Over</b>	
	<b>Factors</b>				
<b>All Other Perils Deductible-Amount</b>	\$ 100	1.22	1.23	1.28	1.29
	250	1.11	1.13	1.16	1.19
	500	1.04	1.04	1.08	1.15
	1,000	.91	.91	.95	1.09
	1,500	.85	.85	.89	1.04
	2,500	.73	.75	.76	.94

Table 4.H.3.#3 \$5,000 Windstorm or Hail Deductible

R  
E  
V  
I  
S  
E  
D