



April 22, 2026

CIRCULAR LETTER TO ALL MEMBER COMPANIES

RE: Implementation of the North Carolina 2027 Windstorm And Hail Policy Program

Summary

- The Commissioner of Insurance has approved revisions to the **North Carolina Windstorm And Hail Policy Program**.
- As revised, this program will be referred to as part of the North Carolina 2027 Homeowners Supplemental Policy Programs.
- This revised program aligns with the North Carolina 2027 Homeowners Policy Program and applies to all new and renewal policies becoming **effective on or after June 1, 2027**.

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

Purpose of This Circular

This circular provides notice that the Commissioner of Insurance has approved the North Carolina 2027 Windstorm And Hail Policy Program. This program applies to all new and renewal policies becoming effective on or after June 1, 2027, and it replaces the current Windstorm And Hail Policy Program at that time. This program will continue to be optional and available only in territories 110, 120, 130, 140, 150, and 160.

Background

In Circular Letters [P-25-3](#) and [P-26-2](#), 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 the P-25-3 circular, the Rate Bureau advised that corresponding revisions to the Homeowners Supplemental Policy Programs, including the Windstorm And Hail program, would be filed.

Overview of Approved Changes

The revised Windstorm And Hail Policy Program aligns with updates in the North Carolina 2027 Homeowners Policy Program. Key changes include:

- Revised policy language
- Formatting updates
- Editorial revisions

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

Effective Date and Rule of Application

The Rule of Application for this North Carolina 2027 Windstorm And Hail Policy Program 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

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

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- **Combined Rate Bureau and ISO material (ex. HS 32 32):**

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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 Windstorm and Hail Policy Program.
 - 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 1** – List of revised, new, and withdrawn forms
- **Exhibit 2** – Redlined 2027 Windstorm And Hail Policy Program forms
- **Exhibit 3** – Redlined 2027 Windstorm And Hail Policy Program manual

Revised manual pages will be distributed in the usual manner. Final (clean) program materials will be posted to the Rate Bureau's Web Portal at a later date.

Company Responsibilities

This program is optional. To the extent that a company intends to use this program, 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 Windstorm And Hail Policy Program 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

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P-26-4
Attachments

North Carolina 2027 Homeowners Supplemental Windstorm and Hail Policy Forms Index

Form Number	Status	Form Name
HS 00 02 06 27	Revised	Homeowners 2 - Windstorm and Hail Form
HS 00 03 06 27	Revised	Homeowners 3 - Windstorm and Hail Form
HS 00 04 06 27	Revised	Homeowners 4 - Contents Windstorm and Hail Form
HS 00 06 06 27	Revised	Homeowners 6 - Unit - Owners Windstorm and Hail Form
HS 00 08 06 27	Revised	Homeowners 8 - Windstorm and Hail Form
HS 04 12 06 27	Revised	Increased Limits on Business Property
HS 04 40 06 27	Revised	Structures Rented to Others - Residence Premises
HS 04 41 06 27	Revised	Additional Insured - Residence Premises
HS 04 42 06 27	Revised	Permitted Incidental Occupancies - Residence Premises
HS 04 51 06 27	Revised	Building Additional and Alterations - Increased Limit
HS 04 58 06 27	Revised	Additional Insured - Household Resident
HS 04 77 06 27	Revised	Ordinance or Law Increased Amount of Coverage
HS 04 93 02 15	Withdrawn	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing
HS 05 27 06 27	Revised	Additional Insured - Student Living Away From the Residence Premises
HS 06 21 06 27	New	Specified Other Structure(s) Exclusion
HS 06 31 06 27	New	Green Upgrades Coverage
HS 06 48 06 27	New	Residence Premises Definition
HS 06 49 06 27	New	Broadended Residence Premises Definition
HS 17 47 06 27	New	Broadended Residence Premises Definition - Unit-Owners
HS 17 48 06 27	New	Residence Premises Definition - Unit-Owners
HS 32 12 06 27	Revised	Trust Coverage - North Carolina
HS 32 13 06 27	New	Actual Cash Value Loss Settlement for Windstorm or Hail Losses to Roof Surfacing - North Carolina
HS 32 21 06 27	Revised	Rented Personal Property - North Carolina
HS 32 31 06 27	New	Roof Payment Schedule for Windstorm or Hail Losses to Roof Surfacing - North Carolina
HS 32 32 06 27	Revised	Special Provisions - North Carolina
HS 32 56 06 27	Revised	Special Loss Settlement - North Carolina

HOMEOWNERS 2 – WINDSTORM AND HAIL FORM

AGREEMENT

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

DEFINITIONS

- A.** In this pPolicy, "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 cCompany providing this insurance.
- B.** In addition, certain words and phrases are defined as follows:
1. "Business" means:
 - a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; ~~or~~
 - b. "Home-sharing host activities";
 - c. The leasing of the mineral rights of an "insured location"; or
 - bd. Any other activity engaged in for money or other compensation, except the following:
 - (1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,0005,000 in total compensation for the 12 months before the beginning of the policy period;
 - (2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (4) The rendering of home day care services to a relative of an "insured".
 2. "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 2.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 2.b.(1) above.
 - c. Paragraph 2.a. above includes, but is not limited to, marijuana.
 23. "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".
 4. "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

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(2) Mutual exchange of services;

except those property or services provided by another party.

5. "Home-sharing network platform" means an online-enabled application, web site 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, web site or digital network.

6. "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 6.a. above under such "home-sharing host activities".

37. "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.

Under Section I, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

48. "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.

59. "Motor vehicle" means:

a. A land or amphibious vehicle that is self-propelled ~~land or amphibious vehicle~~ 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 9.a. above.

610. "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".

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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.

711. "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.

C. In this Policy, the terms:

1. Roomer;

2. Boarder;

3. Tenant; or

4. Guest;

do not include a "home-sharing occupant".

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
- b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

2. We do not cover:

- a. Land, including land on which the other structures are located;
- b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Other structures from which any "business" is conducted; or
- d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C – Personal Property

1. Covered Property

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

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

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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~~1,500, 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) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility is 10% of the limit of liability for Coverage C, or \$~~4,000~~1,500, 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

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. ~~\$200~~\$300 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. ~~\$4,500~~\$2,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. ~~\$4,500~~\$2,000 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. ~~\$4,500~~\$2,000 on trailers or semitrailers not used with watercraft of all types.
- e. ~~\$2,500~~\$3,000 on property, on the "residence premises", used primarily for "business" purposes.
- f. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- g. ~~\$4,500~~\$2,000 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".
- h. ~~\$250~~\$300 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".

i. \$2,000 on model or hobby aircraft not used or designed to carry people or cargo.

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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 solely to service a residence; or
 - (b) Designed to assist the handicapped;

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

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

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

- f. Property of:

(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 g.(1), an apartment regularly rented or held for rental to others by an "insured", except as provided under E.6. Landlord's Furnishings under Section I – Property Coverages;

- h. Property used primarily for "home-sharing host activities";

- h*j*. 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. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds; ~~or~~

- kl. Water or steam.

- 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.A. Sections 811 and 812; and

(2) "Cannabis" regardless of whether such "cannabis" is considered a Controlled Substance.

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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 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 your household permanently relocates, 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 such premises the damaged property.

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

E. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss.

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.

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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
- (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.

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 pPolicy and the damage is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, described in C.2. under Section I – Conditions.

3. Property Removed

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

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

4. Loss Assessment

- a. We will pay up to \$~~1,000~~2,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this pPolicy if owned by you, caused by a Peril Insured Against under Coverage A.

The limit of \$~~1,000~~2,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

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

This coverage is additional insurance.

5. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- c. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or

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- (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 the Perils Insured Against.
- 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 included.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

6. Landlord's Furnishings

We will pay up to \$2,500,000 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against.

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

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

7. Ordinance Or Law

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

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

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

c. We do not cover:

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

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

8. 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 limits of liability that apply to the damaged covered property.

SECTION I – PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverages A, B and C caused by the following peril unless the loss is excluded under Section I – Exclusions.

Windstorm Or Hail

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

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

SECTION I – EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion 1.a. does not apply to the amount of coverage that may be provided for in E.7. Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

2. Earth Movement

Earth Movement means:

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

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

3. Water

This means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- c. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in 3.a. through 3.c. of this exclusion.

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

This Exclusion 3. applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

4. Power Failure

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

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5. Neglect

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

6. Intentional Loss

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

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

7. 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](#).

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:

With respect to any one loss:

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

C. Duties After Loss

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

1. Give prompt notice to us or your agent;
2. 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;
3. Cooperate with us in the investigation of a claim;
4. 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;
5. 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;
6. 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](#);

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- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in 4. above; [and](#)
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

D. Loss Settlement

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.7. Ordinance Or Law** under Section **I – Property Coverages**. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;

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

2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:

- a. If, at the time of loss, the amount of insurance in this [pPolicy](#) on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, [after application of any deductible and](#) without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this [pPolicy](#) that applies to the building;
- (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
- (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.

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

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

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

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

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

However, if the cost to repair or replace the damaged [property](#) is both:

- (1) Less than 5% of the amount of insurance in this [pPolicy](#) on the building; and
- (2) Less than [\\$2,5005,000](#);

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

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- e. You may disregard the replacement cost loss settlement provisions and make claim under this pPolicy 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 of your intent to do so within 180 days after the date of loss.

E. Loss To A Pair Or Set

In case of loss to a pair or set, we may elect to:

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

F. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

G. Other Insurance And Service Agreement

If a loss covered by this pPolicy 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 pPolicy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

H. Suit Against Us

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

I. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the pPolicy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

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

K. Abandonment Of Property

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

L. Mortgage Clause

1. If a mortgagee is named in this 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

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c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs F. Appraisal, H. Suit Against Us and J. Loss Payment under Section I – Conditions also apply to the mortgagee.

3. If we decide to cancel or not to renew this 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.

M. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this pPolicy.

N. Recovered Property

If you or we recover any property for which we have made payment under this pPolicy, 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.

O. Policy Period

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

P. Concealment Or Fraud

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

Q. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this pPolicy, that loss payee will be notified in writing.

R. Liberalization Clause

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

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

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

S. Waiver Or Change Of Policy Provisions

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

T. Cancellation

- 1. You may cancel this pPolicy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.

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2. We may cancel this pPolicy 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 pPolicy 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 pPolicy 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 pPolicy; or
 - (2) If the risk has changed substantially since the pPolicy was issued.
This can be done by letting you know at least 30 days before the date cancellation takes effect.
 - d. When this pPolicy 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 pPolicy 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 pPolicy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

U. Nonrenewal

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

V. Assignment

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

W. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person or organization. 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.

X. 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 pPolicy 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.

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HOMEOWNERS 3 – WINDSTORM AND HAIL FORM

AGREEMENT

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

DEFINITIONS

A. In this pPolicy, "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 cCompany providing this insurance.

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

1. "Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or

b. The leasing of the mineral rights of an "insured location";

c. "Home-sharing host activities"; or

d. Any other activity engaged in for money or other compensation, except the following:

(1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than ~~\$2,000~~\$5,000 in total compensation for the 12 months before the beginning of the policy period;

(2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

(3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

(4) The rendering of home day care services to a relative of an "insured".

2. "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 2.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 2.b.(1) above.

c. Paragraph 2.a. above includes, but is not limited to, marijuana.

23. "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".

4. "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

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b. Any other related property or services made available by an "insured" for use during such:

(1) Rental; or

(2) Mutual exchange of services;

except those property or services provided by another party.

5. "Home-sharing network platform" means an online-enabled application, web site 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, web site or digital network.

6. "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 6.a. above under such "home-sharing host activities".

37. "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) Other persons under the age of 21 and in your care or the care of a resident of your household who is your relative.

Under Section I, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

48. "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.

59. "Motor vehicle" means:

a. A land or amphibious vehicle that is self-propelled ~~land or amphibious vehicle~~ 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 9.a. above.

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610. "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.

711. "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.

C. In this Policy, the terms:

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

do not include a "home-sharing occupant".

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
- b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

2. We do not cover:

- a. Land, including land on which the other structures are located;
- b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Other structures from which any "business" is conducted; or
- d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C – Personal Property

1. Covered Property

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

- a. Others while the property is on the part of the "residence premises" occupied by an "insured"; or

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- b. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

2. Limit For Property At Other Locations

a. Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage C, or ~~\$1,000~~\$1,500, 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) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility is 10% of the limit of liability for Coverage C, or ~~\$1,000~~\$1,500, 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

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. ~~\$200~~\$300 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. ~~\$1,500~~\$2,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. ~~\$1,500~~\$2,000 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. ~~\$1,500~~\$2,000 on trailers or semitrailers not used with watercraft of all types.
- e. ~~\$2,500~~\$3,000 on property, on the "residence premises", used primarily for "business" purposes.
- f. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- g. ~~\$1,500~~\$2,000 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".
- h. ~~\$250~~\$300 ~~for~~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

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

i. \$2,000 on model or hobby aircraft not used or 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 solely to service a residence; or
 - (b) Designed to assist the handicapped;
- d. Aircraft meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.

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

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

f. Property of:

(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 g.(1), an apartment regularly rented or held for rental to others by an "insured", except as provided in E.6. Landlord's Furnishings under Section I – Property Coverages;

h. Property used primarily for "home-sharing host activities";

hi. 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. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds; ~~or~~

kl. Water or steam;

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

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n. Any:

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

(2) "Cannabis" regardless of whether such "cannabis" is considered a Controlled Substance.

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 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 your household permanently relocates, 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 ~~such premises~~ the damaged property.

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

E. Additional Coverages

1. Debris Removal

- a. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss.

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

- b. We will also pay your reasonable expense, up to ~~\$1,000~~\$3,000, for the removal from the "residence premises" of:

(1) Your trees felled by the peril of Windstorm or Hail; 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.

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 pPolicy and the damage is caused by a Peril Insured Against. This coverage does not:

(1) Increase the limit of liability that applies to the covered property; or

(2) Relieve you of your duties, in case of a loss to covered property, described in C.2. under Section I – Conditions.

3. Property Removed

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

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

4. Loss Assessment

- a. We will pay up to ~~\$1,000~~\$2,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this pPolicy if owned by you, caused by a Peril Insured Against under Coverage A.

The limit of ~~\$1,000~~\$2,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

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

- c. Paragraph O. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

5. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- c. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by the Perils Insured Against named under Coverage C.
- 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 included.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

6. Landlord's Furnishings

We will pay up to ~~\$2,500~~\$3,000 for your appliances, carpeting and other household furnishings, in each apartment on the "residence premises" regularly rented or held for rental to others by an "insured", for loss caused by a Peril Insured Against in Coverage C.

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

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

7. Ordinance Or Law

- a. ~~You may use~~We will pay up to 10% of the limit of liability that applies to Coverage A for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

8. Grave Markers

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

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

SECTION I – PERILS INSURED AGAINST

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

We insure against risk of direct physical loss to property described in Coverages A and B caused by a Peril listed below:

Windstorm Or Hail Including Wind Or Hail-Driven Rain

This peril includes loss to the inside of a building even if the direct force of the wind or hail does not damage the building and cause an opening in a roof or wall. This peril does not include loss caused by any of the following regardless of any other cause or event contributing concurrently or in any sequence to the loss:

- 1. Wear and tear, marring, deterioration;
- 2. Inherent vice, latent defect, mechanical breakdown; or
- 3. Smog, rust or other corrosion, or dry rot.

B. Coverage C – Personal Property

We insured for the direct physical loss to the property described in the Coverage C caused by:

Windstorm Or Hail

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

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

SECTION I – EXCLUSIONS

A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion A.1.a. does not apply to the amount of coverage that may be provided for in E.7. Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

2. Earth Movement

Earth Movement means:

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

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

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3. Water

This means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind, 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 or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in **A.3.a.** through **A.3.c.** of this exclusion.

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

This Exclusion **A.3.** applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

4. Power Failure

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

5. Neglect

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

6. Intentional Loss

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

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

7. Governmental Action

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

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

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

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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:

With respect to any one loss:

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

C. Duties After Loss

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

1. Give prompt notice to us or your agent;
2. 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;
3. Cooperate with us in the investigation of a claim;
4. 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;
5. 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;
6. 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 4. above; and
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

D. Loss Settlement

In this Condition D., the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in E.7. Ordinance Or Law under Section I – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;

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- b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
- c. Structures that are not buildings; and
- d. Grave markers, including mausoleums;

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

2. Buildings covered under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

- a. If, at the time of loss, the amount of insurance in this pPolicy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (1) The limit of liability under this pPolicy that applies to the building;
- (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
- (3) The necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.

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

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

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

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

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

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

- (1) Less than 5% of the amount of insurance in this pPolicy on the building; and
- (2) Less than ~~\$2,500~~\$5,000;

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

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

E. Loss To A Pair Or Set

In case of loss to a pair or set, we may elect to:

- 1. Repair or replace any part to restore the pair or set to its value before the loss; or
- 2. Pay the difference between actual cash value of the property before and after the loss.

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F. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

G. Other Insurance And Service Agreement

If a loss covered by this pPolicy 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 pPolicy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

H. Suit Against Us

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

I. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the pPolicy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

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

K. Abandonment Of Property

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

L. Mortgage Clause

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

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- b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

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

M. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this pPolicy.

N. Recovered Property

If you or we recover any property for which we have made payment under this pPolicy, 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.

O. Policy Period

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

P. Concealment Or Fraud

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

Q. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this pPolicy, that loss payee will be notified in writing.

R. Liberalization Clause

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

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

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

S. Waiver Or Change Of Policy Provisions

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

T. Cancellation

1. You may cancel this pPolicy 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 pPolicy 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 pPolicy 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.

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- c. When this pPolicy 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 pPolicy; or
 - (2) If the risk has changed substantially since the pPolicy was issued.

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

U. Nonrenewal

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

V. Assignment

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

W. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person or organization. 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.

X. 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 pPolicy 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.

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HOMEOWNERS 4 – CONTENTS WINDSTORM AND HAIL FORM

AGREEMENT

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

DEFINITIONS

A. In this pPolicy, "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 cCompany providing this insurance.

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

1. "Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; ~~or~~

b. "Home-sharing host activities";

c. The leasing of the mineral rights of an "insured location"; or

bd. Any other activity engaged in for money or other compensation, except the following:

(1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,0005,000 in total compensation for the 12 months before the beginning of the policy period;

(2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

(3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

(4) The rendering of home day care services to a relative of an "insured".

2. "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 2.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 2.b.(1) above.

c. Paragraph 2.a. above includes, but is not limited to, marijuana.

23. "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".

4. "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

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b. Any other related property or services made available by an "insured" for use during such:

(1) Rental; or

(2) Mutual exchange of services;

except those property or services provided by another party.

5. "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.

6. "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 8.a. above under such "home-sharing host activities".

37. "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.

Under Section I, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

48. "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.

59. "Motor vehicle" means:

a. A ~~land or amphibious vehicle that is~~ self-propelled ~~land or amphibious vehicle~~ 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 9.a. above.

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610. "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.

711. "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.

C. In this Policy, the terms:

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

do not include a "home-sharing occupant".

SECTION I – PROPERTY COVERAGES

A. Coverage C – Personal Property

1. Covered Property

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

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

2. Limit For Property At Other Locations

a. Other Residences

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises", is 10% of the limit of liability for Coverage C, or \$1,0001,500, 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) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility is 10% of the limit of liability for Coverage C, or \$1,0001,500, 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".

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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. \$200300 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,5002,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. \$1,5002,000 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,5002,000 on trailers or semitrailers not used with watercraft of all types.
- e. \$2,5003,000 on property, on the "residence premises", used primarily for "business" purposes.
- f. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- g. \$1,5002,000 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".
- h. \$250300 ~~for~~ antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- i. \$2,000 on model or hobby aircraft not used or 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 solely to service a residence; or
 - (b) Designed to assist the handicapped;
- d. Aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.

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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 g.(1), an apartment regularly rented or held for rental to others by an "insured";

h. Property used primarily for "home-sharing host activities";

hi. 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. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds; ~~or~~

kl. Water or steam;

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

B. 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.

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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 your household permanently relocates, 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 such premises the damaged property.

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

C. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss.

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

b. We will also pay your reasonable expense, up to \$1,0003,000, for the removal from the "residence premises" of:

(1) Your trees felled by the peril of Windstorm; 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 \$1,0003,000 limit is the most we will pay in any one loss, regardless of the number of fallen trees. No more than \$5001,500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

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2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this Policy and the damage is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, described in **C.2.** under Section I – Conditions.

3. Property Removed

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

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

4. Loss Assessment

- a. We will pay up to ~~\$1,000~~2,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this Policy if owned by you, caused by a Peril Insured Against under Coverage **CA**.

The limit of ~~\$1,000~~2,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph **NO. Policy Period** under **Section I – Conditions** does not apply to this coverage.

This coverage is additional insurance.

5. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- c. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by the Perils Insured Against.
- 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 included.
- f. This coverage does not increase the limit of liability that applies to the damaged covered property.

6. Building Additions And Alterations

We cover under Coverage **C** the building improvements or installations, made or acquired at your expense, to that part of the "residence premises" used exclusively by you. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage **C**.

This coverage is additional insurance.

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7. Ordinance Or Law

- a. ~~You may use~~We will pay up to 10% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (1) The construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
- c. We do not cover:
 - (1) The loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any "insured" or others, to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

8. 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 limits of liability that apply to the damaged covered property.

SECTION I – PERILS INSURED AGAINST

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

Windstorm Or Hail

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

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

SECTION I – EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **1.a.** does not apply to the amount of coverage that may be provided for in **C.7.** Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

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Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

2. Earth Movement

Earth Movement means:

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

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

3. Water

This means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- c. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in 3.a. through 3.c. of this exclusion.

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

This Exclusion 3. applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

4. Power Failure

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

5. Neglect

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

6. Intentional Loss

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

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

7. Governmental Action

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

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

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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:

With respect to any one loss:

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

C. Duties After Loss

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

1. Give prompt notice to us or your agent;
2. 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;
3. Cooperate with us in the investigation of a claim;
4. 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;
5. 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;
6. 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 4. above; and
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

D. Loss Settlement

Covered property losses are settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

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.

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F. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

G. Other Insurance And Service Agreement

If a loss covered by this pPolicy 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 pPolicy bears to the total amount of insurance covering the loss; or
- 2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

H. Suit Against Us

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

I. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the pPolicy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

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

K. Abandonment Of Property

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

L. 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.

M. Recovered Property

If you or we recover any property for which we have made payment under this pPolicy, 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.

N. Policy Period

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

O. Concealment Or Fraud

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

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P. 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 pPolicy, that loss payee will be notified in writing.

Q. Liberalization Clause

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

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

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

R. Waiver Or Change Of Policy Provisions

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

S. Cancellation

- 1. You may cancel this pPolicy 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 pPolicy 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 pPolicy 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 pPolicy 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 pPolicy; or
 - (2) If the risk has changed substantially since the pPolicy was issued.

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

T. Nonrenewal

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

U. Assignment

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

V. Subrogation

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

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

W. 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 [pE](#)olicy 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.

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HOMEOWNERS 6 – UNIT-OWNERS WINDSTORM AND HAIL FORM

AGREEMENT

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

DEFINITIONS

A. In this pPolicy, "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 Ccompany providing this insurance.

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

1. "Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; ~~or~~

b. "Home-sharing host activities";

c. The leasing of the mineral rights of an "insured location"; or

bd. Any other activity engaged in for money or other compensation, except the following:

(1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,0005,000 in total compensation for the 12 months before the beginning of the policy period;

(2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

(3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

(4) The rendering of home day care services to a relative of an "insured".

2. "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 2.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 2.b.(1) above.

c. Paragraph 2.a. above includes, but is not limited to, marijuana.

23. "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".

4. "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

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b. Any other related property or services made available by an "insured" for use during such:

(1) Rental; or

(2) Mutual exchange of services;

except those property or services provided by another party.

5. "Home-sharing network platform" means an online-enabled application, web site 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, web site or digital network.

6. "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 6.a. above under such "home-sharing host activities".

37. "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.

Under Section I, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

48. "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.

59. "Motor vehicle" means:

a. A ~~land or amphibious vehicle that is~~ self-propelled ~~land or amphibious vehicle~~ 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 9.a. above.

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610. "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.

711. Residence premises" means the unit where you reside shown as the "residence premises" in the Declarations.

C. In this Policy, the terms:

1. Roomer;

2. Boarder;

3. Tenant; or

4. Guest;

do not include a "home-sharing occupant".

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:

- a. The alterations, appliances, fixtures and improvements which are part of the building contained within the "residence premises";
- b. Items of real property which pertain exclusively to the "residence premises";
- c. Property which is your insurance responsibility under a corporation or association of property owners agreement; or
- d. Structures owned solely by you, other than the "residence premises", at the location of the "residence premises".

2. We do not cover:

- a. Land, including land on which the "residence premises", real property or structures are located;
- b. Structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Structures from which any "business" is conducted; or
- d. Structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

B. 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".

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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~~1,500, 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) In a newly acquired principal residence for 30 days from the time you begin to move the property there.

b. Self-storage Facilities

Our limit of liability for personal property owned or used by an "insured" and located in a self-storage facility is 10% of the limit of liability for Coverage C, or \$~~4,000~~1,500, 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

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. ~~\$200~~300 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. ~~\$4,500~~2,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. ~~\$4,500~~2,000 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. ~~\$4,500~~2,000 on trailers or semitrailers not used with watercraft of all types.
- e. ~~\$2,500~~3,000 on property, on the "residence premises", used primarily for "business" purposes.
- f. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- g. ~~\$4,500~~2,000 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".
- h. ~~\$250~~300 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".

i. \$2,000 on model or hobby aircraft not used or designed to carry people or cargo.

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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 solely to service a residence; or
 - (b) Designed to assist the handicapped;
- d. Aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.

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

- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of:
 - (1) A "home-sharing occupant";
 - (2) Any other person occupying the "residence premises" as a result of any "home-sharing host activities";
 - (3) ~~r~~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 g.(1), an apartment regularly rented or held for rental to others by an "insured";

h. Property used primarily for "home-sharing host activities";

hi. 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. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds; ~~or~~

kl. Water or steam;

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.A. Sections 811 and 812; and
- (2) "Cannabis" regardless of whether such "cannabis" is considered a Controlled Substance.

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

C. 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 by a Peril Insured Against under this pPolicy to covered property or the building containing the property makes the "residence premises" 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 your household permanently relocates, 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 such premises the damaged property.

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

DE. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss.

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.

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b. We will also pay your reasonable expense, up to \$~~1,000~~3,000, for the removal from the "residence premises" of:

- (1) Trees you solely own felled by the peril of Windstorm or Hail; or
- (2) A neighbor's trees felled by a Peril Insured Against under Coverage C; provided the trees damage a covered structure.

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.

2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this Policy and the damage is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, described in C.2. under Section I – Conditions.

3. Property Removed

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

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

4. Loss Assessment

- a. We will pay up to \$~~1,000~~2,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this Policy if owned by you, caused by a Peril Insured Against under Coverage A.

The limit of \$~~1,000~~2,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.
- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.
- c. Paragraph O. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

5. Collapse

- a. The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse.
- b. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- c. This Additional Coverage – Collapse does not apply to:
 - (1) A building or any part of a building that is in danger of falling down or caving in;
 - (2) A part of a building that is standing, even if it has separated from another part of the building; or
 - (3) A building or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- d. We insure for direct physical loss to covered property involving abrupt collapse of a building or any part of a building if such collapse was caused by the Perils Insured Against.
- 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 included.

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f. This coverage does not increase the limit of liability that applies to the damaged covered property.

6. Ordinance Or Law

- a. ~~You may use~~ We will pay up to 10% of the limit of liability that applies to Coverage **A** for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
- (1) The construction, demolition, remodeling, renovation or repair of that part of property covered under Coverage **A** damaged by a Peril Insured Against;
 - (2) The demolition and reconstruction of the undamaged part of property covered under Coverage **A**, when that property must be totally demolished because of damage by a Peril Insured Against to another part of that property covered under Coverage **A**; or
 - (3) The remodeling, removal or replacement of the portion of the undamaged part of property covered under Coverage **A** necessary to complete the remodeling, repair or replacement of that part of the property covered under Coverage **A** damaged by a Peril Insured Against.
- b. You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
- c. We do not cover:
- (1) The loss in value to any property covered under Coverage **A** due to the requirements of any ordinance or law; or
 - (2) The costs to comply with any ordinance or law which requires any "insured" or others, to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on any property covered under Coverage **A**.
Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

7. Grave Markers

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

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

SECTION I – PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverages **A** and **C** caused by the following peril unless the loss is excluded under Section I – Exclusions.

Windstorm Or Hail

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

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

SECTION I – EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This Exclusion **1.a.** does not apply to the amount of coverage that may be provided for in **D.6.** Ordinance Or Law under Section I – Property Coverages;
- b. The requirements of which result in a loss in value to property; or

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

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

2. Earth Movement

Earth Movement means:

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

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

3. Water

This means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- c. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in 3.a. through 3.c. of this exclusion.

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

This Exclusion 3. applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

4. Power Failure

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

5. Neglect

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

6. Intentional Loss

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

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

7. Governmental Action

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

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

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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:

With respect to any one loss:

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

C. Duties After Loss

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

1. Give prompt notice to us or [your agent](#);
2. 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;
3. Cooperate with us in the investigation of a claim;
4. 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;
5. 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;
6. 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 **4.** above; [and](#)
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

D. Loss Settlement

Covered property losses are settled as follows:

1. Personal property and grave markers, including mausoleums, at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Coverage **A** – Dwelling:
 - a. If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
 - b. If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

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In this provision, the terms "repaired" or "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.6. Ordinance Or Law** under Section **I** – Property Coverages.

E. Loss To A Pair Or Set

In case of loss to a pair or set, we may elect to:

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

F. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

G. Other Insurance And Service Agreement

1. If a loss covered by this pPolicy is also covered by:
 - a. Other insurance, except insurance in the name of a corporation or association of property owners, we will pay only the proportion of the loss that the limit of liability that applies under this pPolicy bears to the total amount of insurance covering the loss; or
 - b. A service agreement, except a service agreement in the name of a corporation or association of property owners, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.
2. If, at the time of loss, there is other insurance or a service agreement in the name of a corporation or association of property owners covering the same property covered by this pPolicy, this insurance will be excess over the amount recoverable under such other insurance or service agreement.

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 pPolicy and the action is started within two years after the date of loss.

I. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the pPolicy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

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

K. Abandonment Of Property

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

L. Mortgage Clause

1. If a mortgagee is named in this pPolicy, any loss payable under Coverage **A** will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.

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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 F. Appraisal, H. Suit Against Us and J. Loss Payment under Section I – Conditions also apply to the mortgagee.
3. If we decide to cancel or not to renew this 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.

M. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this pPolicy.

N. Recovered Property

If you or we recover any property for which we have made payment under this pPolicy, 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.

O. Policy Period

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

P. Concealment Or Fraud

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

Q. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this pPolicy, that loss payee will be notified in writing.

R. Liberalization Clause

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

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

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

S. Waiver Or Change Of Policy Provisions

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

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T. Cancellation

1. You may cancel this [pPolicy](#) 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 [pPolicy](#) 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 [pPolicy](#) 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 [pPolicy](#) 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 [pPolicy](#); or
 - (2) If the risk has changed substantially since the [pPolicy](#) was issued.

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

U. Nonrenewal

We may elect not to renew this [pPolicy](#). 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 [pPolicy](#). Proof of mailing will be sufficient proof of notice.

V. Assignment

Assignment of this [pPolicy](#) will not be valid unless we give our written consent.

W. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person [or organization](#). 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.

X. 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 [pPolicy](#) 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.

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HOMEOWNERS 8 – WINDSTORM AND HAIL FORM

AGREEMENT

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

DEFINITIONS

A. In this pPolicy, "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 Ccompany providing this insurance.

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

1. "Business" means:

a. A trade, profession or occupation engaged in on a full-time, part-time or occasional basis;~~or~~

b. "Home-sharing host activities";

c. The leasing of the mineral rights of an "insured location"; or

d. Any other activity engaged in for money or other compensation, except the following:

(1) One or more activities, not described in (2) through (4) below, for which no "insured" receives more than \$2,0005,000 in total compensation for the 12 months before the beginning of the policy period;

(2) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;

(3) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

(4) The rendering of home day care services to a relative of an "insured".

2. "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 2.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 2.b.(1) above.

c. Paragraph 2.a. above includes, but is not limited to, marijuana.

23. "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".

4. "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

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b. Any other related property or services made available by an "insured" for use during such:

(1) Rental; or

(2) Mutual exchange of services;

except those property or services provided by another party.

5. "Home-sharing network platform" means an online-enabled application, web site 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, web site or digital network.

6. "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 6.a. above under such "home-sharing host activities".

37. "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.

Under Section I, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

48. "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.

59. "Motor vehicle" means:

a. A ~~land or amphibious vehicle that is~~ self-propelled ~~land or amphibious vehicle~~ 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 9.a. above.

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610. "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.

711. "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.

C. In this Policy, the terms:

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

do not include a "home-sharing occupant".

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

1. We cover:

- a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
- b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".

2. We do not cover land, including land on which the dwelling is located.

B. Coverage B – Other Structures

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

2. We do not cover:

- a. Land, including land on which the other structures are located;
- b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
- c. Other structures from which any "business" is conducted; or
- d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling, provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.

3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

C. Coverage C – Personal Property

1. Covered Property

We cover personal property owned or used by an "insured" while on the "residence premises". After a loss and at your request, we will cover personal property owned by others while the property is on the part of the "residence premises" occupied by an "insured".

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2. Limit For Property At Other Locations

We also cover personal property owned or used by an "insured" while it is anywhere in the world but our limit of liability will not be more than 10% of the limit of liability for Coverage C, or \$~~1,000~~1,500, whichever is greater. However, this limitation does not apply to personal property:

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

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. \$200300 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,5002,000 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

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

- c. \$1,5002,000 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,5002,000 on trailers or semitrailers not used with watercraft of all types.
- e. \$2,5003,000 on property, on the "residence premises", used primarily for "business" purposes.
- f. \$1,500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:
 - (1) Used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
 - (2) In or upon a "motor vehicle".
- g. \$1,5002,000 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".
- h. \$250300 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".
- i. \$2,000 on model or hobby aircraft not used or 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".

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However, this Paragraph 4.c. does not apply to:

- (1) Portable electronic equipment that:
 - (a) Reproduces, receives or transmits audio, visual or data signals; and
 - (b) Is designed so that it may be operated from a power source other than a "motor vehicle's" electrical system.
- (2) "Motor vehicles" not required to be registered for use on public roads or property which are:
 - (a) Used solely to service a residence; or
 - (b) Designed to assist the handicapped;
- d. Aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.
We do cover model or hobby aircraft not used or designed to carry people or cargo;
- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of:
 - (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 g.(1), an apartment regularly rented or held for rental to others by an "insured";
- h. Property used primarily for "home-sharing host activities";
- hi. 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. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds; ~~or~~
- kl. Water or steam; ~~or~~
- 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.A. 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;

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(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 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 your household permanently relocates, 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 ~~such premises~~ the damaged property.

3. Civil Authority Prohibits Use

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

4. Loss Or Expense Not Covered

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

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

E. Additional Coverages

1. Debris Removal

a. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss.

This expense is included in the limit of liability that applies to the damaged property.

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

(1) Your trees felled by the peril of Windstorm or Hail; or

(2) A neighbor's trees felled by a Peril Insured Against under Coverage **C**;
provided the trees:

(3) Damage a covered structure; or

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(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.

2. Reasonable Repairs

- a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.
- b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this Policy and the damage is caused by a Peril Insured Against. This coverage does not:
 - (1) Increase the limit of liability that applies to the covered property; or
 - (2) Relieve you of your duties, in case of a loss to covered property, described in C.2. under Section I – Conditions.

3. Property Removed

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

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

4. Loss Assessment

- a. We will pay up to \$~~1,000~~2,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this Policy if owned by you, caused by a Peril Insured Against under Coverage A.

The limit of \$~~1,000~~2,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

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

This coverage is additional insurance.

SECTION I – PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverages A, B and C caused by the following peril unless the loss is excluded in Section I – Exclusions.

Windstorm Or Hail

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

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

SECTION I – EXCLUSIONS

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.

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1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

2. Earth Movement

Earth Movement means:

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

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

3. Water

This means:

- a. Flood, surface water, waves, including tidal wave and tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind, including storm surge;
- b. Water which:
 - (1) Backs up through sewers or drains; or
 - (2) Overflows or is otherwise discharged from a sump, sump pump or related equipment;
- c. Water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or other structure; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in 3.a. through 3.c. of this exclusion.

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

This Exclusion 3. applies to, but is not limited to, escape, overflow or discharge, for any reason, of water or waterborne material from a dam, levee, seawall or any other boundary or containment system.

4. Power Failure

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

5. Neglect

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

6. Intentional Loss

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

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

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7. Governmental Action

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

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

SECTION I – CONDITIONS

A. Insurable Interest And Limit Of Liability

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

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

B. Deductible

Unless otherwise noted in this [Policy](#), the following deductible provision applies:

With respect to any one loss:

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

C. Duties After Loss

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

- 1. Give prompt notice to us or our agent;
- 2. 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;
- 3. Cooperate with us in the investigation of a claim;
- 4. 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;
- 5. 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;
- 6. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
 - a. The time and cause of loss;
 - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
 - c. Other insurance which may cover the loss;
 - d. Changes in title or occupancy of the property during the term of the [Policy](#);
 - e. Specifications of damaged buildings and detailed repair estimates;
 - f. The inventory of damaged personal property described in 4. above; [and](#)
 - g. Receipts for additional living expenses incurred and records that support the fair rental value loss.

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D. Loss Settlement

Covered property losses are settled as follows:

1. Property of the following types:

- a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
 - c. Structures that are not buildings;
- at actual cash value at the time of loss but not more than the amount required to repair or replace.

2. Buildings under Coverage **A** or **B**:

- a. If you repair or replace the loss to restore the building structure for the same occupancy and use at the same site within 180 days of the date of loss, we will pay the lesser of the following amounts:
 - (1) The limit of liability that applies to the damaged or destroyed building structure; or
 - (2) The necessary amount actually spent to repair or replace the loss to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.
- b. If you do not make claim under Paragraph **a.** above, we will pay the least of the following amounts:
 - (1) The limit of liability that applies to the damaged or destroyed building structure;
 - (2) The market value at the time of loss of the damaged or destroyed building structure exclusive of land value; or
 - (3) The amount which it would cost to repair or replace that part of the building structure damaged or destroyed with material of like kind and quality less allowance for physical deterioration and depreciation.

In this provision, the terms "repair" and "replace" do not include the increased costs incurred to comply with the enforcement of any ordinance or law.

E. Loss To A Pair Or Set

In case of loss to a pair or set, we may elect to:

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

F. Appraisal

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

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

G. Other Insurance And Service Agreement

If a loss covered by this [pPolicy](#) 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 [pPolicy](#) bears to the total amount of insurance covering the loss; or

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2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

H. Suit Against Us

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

I. Our Option

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

J. Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the pPolicy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

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

K. Abandonment Of Property

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

L. Mortgage Clause

1. If a mortgagee is named in this 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 F. Appraisal, H. Suit Against Us and J. Loss Payment under Section I – Conditions above 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.

M. No Benefit To Bailee

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this pPolicy.

N. Recovered Property

If you or we recover any property for which we have made payment under this pPolicy, 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.

O. Policy Period

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

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P. Concealment Or Fraud

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

Q. Loss Payable Clause

If the Declarations shows a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this pPolicy, that loss payee will be notified in writing.

R. Liberalization Clause

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

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

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

S. Waiver Or Change Of Policy Provisions

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

T. Cancellation

- 1. You may cancel this pPolicy 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 pPolicy 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 pPolicy 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 pPolicy 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 pPolicy; or
 - (2) If the risk has changed substantially since the pPolicy was issued.

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

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U. Nonrenewal

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

V. Assignment

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

W. Subrogation

An "insured" may waive in writing before a loss all rights of recovery against any person or organization. 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.

X. 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 pPolicy 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCREASED LIMITS ON BUSINESS PROPERTY

SCHEDULE

Increase In Limit Of Liability	Total Limit Of Liability
\$	\$
\$	\$
\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

SECTION I – PROPERTY COVERAGES

Coverage COVERAGE C – PERSONAL PROPERTY

3. Special Limits Of Liability

- a. The Special Limit Of Liability in Category **3.e.** that applies to "business" property on the "residence premises" is increased by the Increase In Limit Of Liability shown in the Schedule above.

This Increase In Limit Of Liability does not apply to "business" property:

- (1) In storage or held:

- (a) As a sample; or
- (b) For sale or delivery after sale; or

- (2) That pertains to a "business" actually conducted on the "residence premises".

- b. The Special Limit Of Liability in Category **3.f.** that applies to "business" property away from the "residence premises" is increased to an amount that is 6050 percent of the Total Limit Of Liability shown in the Schedule.

This endorsement does not increase the limit of liability for Coverage **C.**

All other provisions of this pPolicy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**STRUCTURES RENTED TO OTHERS – RESIDENCE
PREMISES**

~~RESIDENCE PREMISES~~

SCHEDULE*

Description Of Structures And Limit Of Liability:

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

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DEFINITIONS

Definition ~~48.1~~, which defines an "insured location", is extended to include the structures shown in the Schedule above.

SECTION I – PROPERTY COVERAGES

We cover the structures described in the Schedule above which are:

1. On the "residence premises";
2. Rented or held for rental to any person not a tenant of the dwelling; and
3. Used as a private residence.

We insure for direct physical loss to these structures caused by a Peril Insured Against for the ~~Limit of Liability~~ shown in the Schedule that applies to the structure sustaining the loss.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – RESIDENCE PREMISES

RESIDENCE PREMISES

SCHEDULE*

Name And Address Of Person Or Organization:
Interest:
*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.

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DEFINITIONS

Definition 37.1 which defines "insured" is extended to include the person or organization named in the Schedule above, but only with respect to Coverage A – Dwelling and Coverage B – Other Structures.

CANCELLATION AND NONRENEWAL NOTIFICATION

If we decide to cancel or not to renew this Policy, the person or organization named in the Schedule will be notified in writing.

All other provisions of this Policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES RESIDENCE PREMISES

SCHEDULE*

We cover your "business" described in this Schedule, conducted at or from the "residence premises", subject to the provisions of this endorsement.

Description Of Business:

Business Location (Check 1. and/or 2. that follows):

- 1. In the dwelling building or unit in which the "insured" resides and shown as the "residence premises"
- 2. In an other structure on or at the location of the "residence premises"
(Enter the Limit of Liability and Description of the Other Structure(s) below.)

Limit Of Liability

Description Of Other Structure(s)

*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.

SECTION I – PROPERTY COVERAGES

- 1. Coverage **B** – Other Structures (or coverage for other structures under Form **HS 00 06**) does not apply to the other structure described in the Schedule above.

We cover the other structure described in the Schedule for direct physical loss by a Peril Insured Against for not more than the limit shown in the Schedule.

- 2. Coverage **C** – Personal Property, Special Limit of Liability **3.e.** is ~~deleted and~~ replaced by the following:
 - e. ~~\$2,500~~\$3,000 on property, on the "residence premises", used primarily for "business" purposes, other than furnishings, supplies and equipment of the "business" described in the Schedule.

The Coverage **C** limit of liability applies to property of the "business" described in the Schedule.

All other provisions of this pPolicy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUILDING ADDITIONS AND ALTERATIONS – INCREASED
LIMIT
~~INCREASED LIMIT~~
~~FORM HS 00 04~~**

SCHEDULE*

SECTION I – PROPERTY COVERAGES

C. Additional Coverages

9. Building Additions And Alterations

The limit of liability for this Building Additions And Alterations coverage is increased as noted below.

Increase In Limit Of Liability

Total Limit Of Liability

All other provisions of this [Policy](#) apply.

[*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.](#)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

~~OTHER MEMBERS OF YOUR ADDITIONAL INSURED –~~
HOUSEHOLD RESIDENT

SCHEDULE

Name Of Person Covered By This Endorsement
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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A. Agreement

1. We insure the person named in the Schedule above who lives with you and is a member of your household and who is not an "insured", guest, "residence employee", tenant, roomer or boarder. We also insure a person under the age of 21 who lives with and is in the legal custody of the person named in the Schedule. Such persons are insured for the coverages described in **B. Section I – Property Coverages** of this endorsement.
2. It is agreed that this endorsement is issued in reliance on information you provided concerning the residency of the person described in the Schedule.
3. You agree to notify us in writing within 30 days of a change in the:
 - a. Residency; or
 - b. Status as a household member; of the person described in the Schedule.
4. You will be solely responsible for the payment of any premium pertaining to this endorsement.
5. It is further agreed that you are the representative of the person described in the Schedule and will act in all matters pertaining to the provisions of this endorsement.

B. Section I – Property Coverages

Under Coverage **C**, the first paragraph is replaced by the following:

We cover personal property owned or used by an "insured" or a person described in **A.1.** of this endorsement while it is anywhere in the world. After a loss and at your request, we will cover personal property owned by:

1. Others, not including a person described in **A.1.** of this endorsement, while the property is on the part of the "residence premises" occupied by an "insured"; or
2. A guest or a "residence employee", while the property is in any residence occupied by an "insured".

This coverage does not increase the Coverage **C** limit of liability.

C. General Condition

All other provisions under Section **I – Property Coverages** of this pPolicy that apply to you also apply to the persons described in **A.1.** of this endorsement, except Coverages **A** and **B** and Fair Rental Value under Coverage **D**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE

SCHEDULE*

New Total Percentage Amount:	<u> </u> %
*Entry 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.	

SECTION I – PROPERTY COVERAGES

ADDITIONAL COVERAGES

7. Ordinance Or Law

The total limit of liability that applies:

- a. To Coverage **A.1**; or
 - b. For Form **HS 00 04**, to Building Additions And Alterations;
- is increased from 10% to the percentage amount shown in the Schedule above.

This is Additional Coverage **6**. in Form **HS 00 06**.

All other provisions of this [pP](#)olicy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING

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SECTION I – CONDITIONS

This endorsement modifies the Section I – Loss Settlement Condition in the policy form with respect to a covered loss for roof surfacing caused by the peril of windstorm or hail. Such loss will be subject to actual cash value loss settlement. Therefore, the loss settlement conditions that pertain to "repair or replacement cost without deduction for depreciation" are changed as noted below:

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D. Loss Settlement

1. In all forms except **HS 00 06** and **HS 00 08** and the Special Loss Settlement endorsement:
 - a. Paragraph **1.c.** is replaced by the following:
 - c. Structures that are not buildings, including their roof surfacing;
 - b. The following is added to Paragraph **1.**:
 - e. Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of windstorm or hail.
 - c. In Paragraph **2.**, the introductory statement "Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:" is replaced by the following:
 2. Buildings covered under Coverage **A** or **B**, except for their roof surfacing if the loss to the roof surfacing is caused by the peril of windstorm or hail, at replacement cost without deduction for depreciation, subject to the following:

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2. In Form **HS 00 06**, Condition **D. Loss Settlement** is replaced by the following:

D. Loss Settlement

Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property and grave markers, including mausoleums; and
 - b. Roof surfacing if the loss is caused by the peril of windstorm or hail;
at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Coverage **A**, except for roof surfacing if loss is caused by the peril of windstorm or hail:
 - a. If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
 - b. If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

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In this provision, the terms "repaired" or "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.7. Ordinance Or Law** under Section **I – Property Coverages**.

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3. In Form **HS 00 08**:

- a. Paragraph **1.c.** is replaced by the following:
 - c. Structures that are not buildings, including their roof surfacing;
- b. The following paragraph is added to Paragraph **1.**:
 - d. Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of windstorm or hail.
- c. In Paragraph **2.**, the introductory statement "Buildings under Coverage **A** or **B**:" is replaced by the following:

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2. Buildings under Coverage **A** or **B**, except for their roof surfacing if the loss to the roof surfacing is caused by the peril of windstorm or hail:

The provisions of this endorsement do not apply to structures insured under either the Coverage **B** – Other Structures Away From The Residence Premises endorsement or the Specific Structures Away From The Residence Premises endorsement, if made a part of the policy.

All other provisions of this policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – STUDENT LIVING AWAY FROM THE RESIDENCE PREMISES

SCHEDULE

Name And Address Of Student	Name Of School
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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DEFINITIONS

Definition 37., which defines "insured", is extended to include the person named in the Schedule above, but only if that person:

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1. Was a resident of your household before moving out to attend the school named in the Schedule; and
2. Resides at the address shown in the Schedule; and
 - a. Is your relative; or
 - b. Is an other person under the age of 21 and in your care or the care of a relative who is a resident of your household.

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SECTIONS I – CONDITIONS

The coverage provided to the person named in the Schedule only applies while that person is enrolled at the school and is residing at the address shown in the Schedule.

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All other provisions of this pPolicy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GREEN UPGRADES COVERAGE

SCHEDULE

<p>1. Green Upgrades Property Coverage Increased Cost Of Loss: _____ % Subject To A Maximum Amount Of: \$ _____ <input type="checkbox"/> Check here if coverage for an upgrade to a vegetated roof applies.</p>
<p>2. Green Upgrades Related Expense Coverage <input type="checkbox"/> Check here if Green Upgrades Related Expense Coverage applies. Green Upgrades Related Expense Amount Of Insurance: _____ \$</p>
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

DEFINITIONS

With respect to the coverage provided by this endorsement, the following definitions apply:

- A. "Green standards-setter" means an accredited organization or governmental agency, recognized by us, which produces, maintains guidelines and certifies or rates "green" products and practices. "Green standards-setters" recognized by us may include, but are not limited to:
 1. The Leadership in Energy and Environmental Design (LEED®) program of the U.S. Green Building Council;
 2. ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
 3. Green Globes™, a program of the Green Building Initiative.
- B. "Green" means enhanced energy efficiency or use of:
 1. Environmentally preferable materials;
 2. Sustainable materials; or
 3. Products or methods in design, construction, manufacture or operation; as recognized by a "green standards-setter".

SECTION I – PROPERTY COVERAGES

A. Coverage A – Dwelling

If the Schedule indicates that Green Upgrades Property Coverage applies to the upgrade to a vegetated roof, Paragraph **A.2.** is replaced by the following:

- 2. We do not cover land, including land on which the dwelling is located, other than land which is part of a vegetated roof.

(This is Paragraph **A.2.a.** in Form **HS 00 06.**)

B. Coverage B – Other Structures

If the Schedule indicates that Green Upgrades Property Coverage applies to the upgrade to a vegetated roof, Paragraph **B.2.a.** is replaced by the following:

- a. Land, including land on which the other structures are located, other than land which is part of a vegetated roof;

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(This Paragraph **B.2.a.** does not apply to Form **HS 00 06.**)

E. Additional Coverages

The following coverages are added (This is Paragraph **D.** Additional Coverages in Form **HS 00 06**):

1. Green Upgrades Property Coverage

a. We will pay up to the selected increased cost of loss percentage, subject to the maximum dollar amount for Green Upgrades Property Coverage shown in the Schedule, for "green" upgrades as a result of damages caused by a Peril Insured Against and to property covered under:

- (1) Coverage **A** – Dwelling;
- (2) Coverage **B** – Other Structures; and
- (3) Coverage **C** – Personal Property.

"Green" upgrades for Coverages **A**, **B** and **C** are limited to the repair or replacement of the damaged property with products and practices, as recognized by a "green standards-setter", which serve the same primary function as the damaged property.

b. This coverage does not extend to:

- (1) The upgrade to a vegetated roof, unless indicated in the Schedule that coverage applies to the upgrade to a vegetated roof; and
- (2) Modification or replacement of any other property.

c. This coverage does not apply to personal property of others used by an "insured" or on the "residence premises" occupied by an "insured".

d. We will not pay under this coverage any additional cost, above the cost of a "green" upgrade, solely for the purpose of satisfying the:

- (1) Minimum requirements;
 - (2) Recommended actions; or
 - (3) Standards;
- of an ordinance or law that regulates the:
- (4) Repair;
 - (5) Use; or
 - (6) Construction;
- of a building or other structure.

However, we will not disallow the cost of a "green" upgrade on the sole basis that such upgrade also falls under the provisions of the ordinance or law.

e. We will not pay under this coverage any cost that is actually paid in loss settlement under another coverage including, but not limited to, Ordinance Or Law Coverage.

f. We will not pay under this coverage any additional cost to repair or replace damaged property solely for the purpose of achieving points toward:

- (1) Certification; or
 - (2) Recertification;
- of the property by a "green standards-setter".

2. Green Upgrades Related Expense Coverage

If the Schedule indicates that Green Upgrades Related Expense Coverage applies, and provided the loss is covered under Paragraph **E.1.**, we will pay up to the amount shown in the Schedule for the total of all related expenses for "green" upgrades, as described in Paragraphs **a.** through **d.** below, for damage to property covered under Paragraph **E.1.**

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However, if any expenses for "green" upgrades are otherwise covered, the amount provided under this coverage will apply in excess of such other coverage.

a. Waste Reduction And Recycling

We will pay reasonable expenses to:

- (1) Reuse or salvage building materials and contents; and
 - (2) Extract and transport recyclable construction waste to appropriate sites;
- but any income received as a result of such:
- (3) Waste reduction; and
 - (4) Recycling;

reduces the amount of loss that otherwise would have been payable under this coverage.

b. Design And Engineering Professional Fees

We will pay reasonable and customary fees for the services of an accredited:

- (1) Architect; or
- (2) Engineer;

with respect to the:

- (3) Design; and
- (4) Engineering;

recommendations in the course of repair or replacement of damaged portions of the building.

c. Certification Fees And Related Equipment Testing

- (1) We will pay reasonable fees imposed by the "green standards-setter" in order to determine if:

- (a) Certification; or
- (b) Recertification;

is appropriate according to the organization's standard.

- (2) We will pay reasonable expenses to test building systems and equipment following their repair or replacement, when such testing is undertaken in the course of submitting to the:

- (a) Certification; or
- (b) Recertification;

process.

- (3) We will not pay for any further modification if the building fails to obtain:

- (a) Certification;
- (b) Recertification; or
- (c) A specific level of certification.

d. Building Air-out And Related Air Testing

After repair or replacement is completed, we will pay reasonable expenses to:

- (1) Flush out; and/or
- (2) Conduct air quality testing of;

the renovated space, in accordance with the recommended procedures of a "green standards-setter" and for the purpose of mitigating indoor air quality deficiencies resulting from the:

- (3) Repair; or
- (4) Replacement.

This coverage is additional insurance.

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SECTION I – CONDITIONS

With respect to the coverage provided by this endorsement, the following paragraph is added to **D. Loss Settlement**:

For "green" upgrades to property covered under Coverages **A, B** and **C**, covered property losses are settled as follows:

- a. At the time of loss, we will determine the dollar amount payable for the total of all costs attributable to Green Upgrades Property Coverage as follows:
 - (1) The amount otherwise payable for the covered loss will be determined in accordance with the terms of this Policy, excluding any increased cost attributable to the coverage that would be provided under this endorsement;
 - (2) The deductible amount will be added to the amount determined in Paragraph (1) above; and
 - (3) The sum of the two amounts determined in Paragraphs (1) and (2) will be multiplied by the Increased Cost Of Loss percentage shown in the Schedule to determine a dollar amount of Green Upgrades Property Coverage.
- b. We will pay no more than the least of the following amounts for the total of all costs attributable to "green" upgrades:
 - (1) The actual cost of covered "green" upgrades as determined in accordance with all applicable provisions of this endorsement;
 - (2) The dollar amount determined in Paragraph a.(3); or
 - (3) The applicable amount shown in the Schedule for Green Upgrades Property Coverage.
- c. In the event of a loss for which we determine that it is necessary to replace a building component (such as a roof) or building system (such as a heating system), such replacement:
 - (1) Is limited to replacement of the damaged building component or system with a "green":
 - (a) Component; or
 - (b) System;
 - which serves the same primary function as the damaged property; and
 - (2) Does not extend to:
 - (a) Modification; or
 - (b) Replacement;
 - of any other building;
 - (c) Component; or
 - (d) System.
 - However, we may pay to repair or replace property that is necessarily damaged or destroyed in the course of replacing the damaged:
 - (e) Component; or
 - (f) System.
 - d. For forms other than **HS 00 06**, the terms "cost to repair or replace" or "replacement cost" are amended to include "green" upgrades. For Form **HS 00 06**, the terms "repaired" or "replaced" are amended to include "green" upgrades. This means the reasonable additional costs to:
 - (1) Repair; or
 - (2) Replace;
 - lost or damaged property, subject to the applicable limits as indicated in the Schedule, with materials and products that are recognized by a "green standards-setter" as "green". Repair or replacement of lost or damaged parts of the covered property are at our option.
 - With respect to property that qualified as "green" prior to loss or damage, nothing in this endorsement is intended to reduce the coverage otherwise applicable under this Policy for repair or replacement of such property with comparable materials and products.

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- e. If you elect not to make a "green" upgrade in the course of necessary repair or replacement of the damaged property, we will settle the loss to such property in accordance with the applicable terms and conditions of this Policy, excluding this endorsement.

With respect to the coverage provided by this endorsement, the following condition is added:

We will not pay under this endorsement for the costs you incur due to the enforcement of or conformance to any standard which:

- 1. Requires the:
 - a. Demolition;
 - b. Repair;
 - c. Replacement;
 - d. Reconstruction;
 - e. Remodeling; or
 - f. Remediation;of property due to contamination by pollutants.

- 2. Requires any "insured" or others to:

- a. Test for;
 - b. Monitor;
 - c. Clean up;
 - d. Remove;
 - e. Contain;
 - f. Treat;
 - g. Detoxify or neutralize; or
 - h. In any way respond to; or
 - i. Assess the effects of;
- pollutants.

However, this Paragraph 2. does not negate the coverage set forth in Building Air-out And Related Air Testing, provided such coverage applies; or

- 3. You were required to comply with before the loss (even if the property was undamaged) and you failed to comply.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESIDENCE PREMISES DEFINITION

DEFINITIONS

Definition **B.11.** is replaced by the following:

11. "Residence premises" means:

- a.** The one-family dwelling where you reside;
- b.** The two-, three- or four-family dwelling where you reside in at least one of the family units; or
- c.** That part of any other building where you reside;

on the inception date of the policy period shown in the Declarations and which is shown as the "residence premises" in the Declarations.

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

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROADENED RESIDENCE PREMISES DEFINITION

SCHEDULE

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

DEFINITIONS

Definition **B.11.** is replaced by the following:

11. "Residence premises" means:

a. With respect to the period shown in the above Schedule:

- (1)** The one-family dwelling;
- (2)** The two-, three- or four-family dwelling; or
- (3)** That part of any other building;

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

b. With respect to any portion of the policy period not shown in the above Schedule:

- (1)** The one-family dwelling;
- (2)** The two-, three- or four-family dwelling; or
- (3)** 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.

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BROADENED RESIDENCE PREMISES DEFINITION –
UNIT-OWNERS**

SCHEDULE

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

DEFINITIONS

Definition **B.11.** is replaced by the following:

11. "Residence premises" means:

- a.** With respect to the period shown in the above Schedule, the unit shown as the "residence premises" in the Declarations; and
- b.** With respect to any portion of the policy period not shown in the above Schedule, the unit where you reside and which is shown as the "residence premises" in the Declarations.

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESIDENCE PREMISES DEFINITION – UNIT-OWNERS

DEFINITIONS

Definition **B.11.** is replaced by the following:

- 11.** "Residence premises" means the unit where you reside on the inception date of the policy period shown in the Declarations and which is shown as the "residence premises" in the Declarations.

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRUST ~~ENDORSEMENT~~ COVERAGE – NORTH CAROLINA

SCHEDULE

1.	Trust Name	Trust Address
Insured(s)		
2.	Trustee Name(s)	Trustee Address(es)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The following provisions apply with respect to the Trust and Trustee(s) named in Items 1. and 2. in the Schedule of this endorsement:

DEFINITIONS

A. The following is added to Definition [37](#). "Insured":

[37](#). "Insured" means:

- c.** The Trustee(s) named in Item 2. in the Schedule as an Insured but only for Coverage **A** – Dwelling and Coverage **B** – Other Structures.

However, this Paragraph **A.37.c.** applies only with respect to the Trustee's duties as a Trustee of the Trust named in Item 1. in the Schedule.

B. The following definitions are replaced:

1. "Business" includes:

- a.** aAny 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, except activities performed as a Trustee in connection with administering the Trust named in Item 1. in the Schedule of this endorsement; and

b. "Home-sharing host activities".

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48. "Insured location" means:

- a. The following real property but only if legal title to such property is held in trust with respect to the Trust named in Item 1. in the Schedule:
 - (1) The "residence premises";
 - (2) The part of other premises, other structures and grounds used by you as a residence; and
 - (a) Which is shown in the Declarations; or
 - (b) Which is acquired during the policy period for your use as a residence;
 - (3) Any premises used by you in connection with a premises described in (1) and (2) above;
 - (4) Vacant land, other than farm land;
 - (5) Land on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured"; and
 - (6) Individual or family cemetery plots or burial vaults of an "insured";
- b. Any part of a premises:
 - (1) Not owned by an "insured"; and
 - (2) Where an "insured" is temporarily residing;
- c. Any part of a premises occasionally rented to an "insured" for other than "business" use;
- d. Vacant land, other than farm land, rented to an "insured"; and
- e. Land rented to an "insured" on which a one-, two-, three- or four-family dwelling is being built as a residence for an "insured".

~~This exclusion also applies to any claim made or suit brought against that "insured" to:~~

~~a. Repay; or~~

~~b. Share damages with;~~

~~another person who may be obligated to pay damages because of "bodily injury" to that "insured".~~

SECTIONS I – CONDITIONS

A. The following is added to the **Cancellation** provision:

If this pPolicy is cancelled, notice will also be mailed to the Trustee(s) named in Item 2. in the Schedule.

B. The following is added to the **Nonrenewal** provision:

If we elect not to renew this pPolicy, notice will also be mailed to the Trustee(s) named in Item 2. in the Schedule.

The following provisions are added:

Trust Documents

We must be provided, as often as we reasonably request, with copies of the trust documents for the Trust named in Item 1. in the Schedule.

Changes And Notification Requirements

We must be notified promptly of any of the following changes related to the Trust named in Item 1. in the Schedule that occur during the policy period:

A. Changes in:

- 1. The name and address of the Trust;
- 2. The Trustee(s) of the Trust, including the addition or removal of a trustee; or
- 3. The mailing address of any trustee of the Trust.

B. Termination of the Trust.

C. Death or disability of a trustee.

D. The grantor (or settlor) of the Trust discontinues residing at the "residence premises".

All other provisions of this pPolicy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE LOSS SETTLEMENT FOR WINDSTORM OR HAIL LOSSES TO ROOF SURFACING – NORTH CAROLINA

DEFINITIONS

With respect to the provisions of this endorsement, the following definition is added:

"Roof surfacing" means the:

- a. Shingles or tiles;
- b. Cladding;
- c. Metal or synthetic sheeting or similar materials covering the roof; and
- d. Roof flashing.

This includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection.

SECTION I – CONDITIONS

In Form **HS 00 06**, Paragraph **D. Loss Settlement** is replaced by the following:

D. Loss Settlement

Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property and grave markers, including mausoleums; and
 - b. That portion of "roof surfacing" which is your responsibility under a corporation or association of property owners agreement if the loss is caused by the peril of Windstorm or Hail;
at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Coverage **A**, except for "roof surfacing" if loss is caused by the peril of Windstorm or Hail:
 - a. If the damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace;
 - b. If the damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

In this provision, the terms "repaired" or "replaced" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **D.6. Ordinance Or Law** under Section **I – Property Coverages**.

ADDITIONAL PROVISION

The provisions of this endorsement do not apply to structures insured under the Specific Structures Away From The Residence Premises – Actual Cash Value Loss Settlement or Specific Structures Away From The Residence Premises – Replacement Cost Loss Settlement For Buildings endorsements if made a part of the Policy.

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RENTED PERSONAL PROPERTY – NORTH CAROLINA

SCHEDULE

Increase In Limit Of Liability	Total Limit Of Liability	Check If Theft Coverage Applies	Description Of Rented Unit
\$	\$	<input type="checkbox"/>	
\$	\$	<input type="checkbox"/>	
\$	\$	<input type="checkbox"/>	

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

Subject to the Coverage C limit of liability that applies at the time of loss, Section I, Additional Coverage E.6. Landlord's Furnishings, is extended as shown in the Schedule above.

~~When Theft Coverage is checked off in the box above, the peril of Theft is added, but only applies when it is probable that the property has been stolen from a known location within a building on the "residence premises" and there is also visible evidence of forcible entry to or forcible exit from that building. This peril does not include loss caused by theft:~~

- ~~1. Committed by an "insured" or renter;~~
- ~~2. Committed by an "home sharing occupant" if the Broadened Home sharing Host Activities Coverage Endorsement is not made a part of this policy; or~~
- ~~3. In or to a dwelling under construction, or of materials or supplies for use in the construction until the dwelling is finished and occupied.~~

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RENTED PERSONAL PROPERTY – NORTH CAROLINA

SCHEDULE

Increase In Limit Of Liability	Total Limit Of Liability	Check If Theft Coverage Applies	Description Of Rented Unit
\$	\$	<input type="checkbox"/>	
\$	\$	<input type="checkbox"/>	
\$	\$	<input type="checkbox"/>	

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

Subject to the Coverage C limit of liability that applies at the time of loss, Section I, Additional Coverage E.6. Landlord's Furnishings, is extended as shown in the Schedule above.

~~When Theft Coverage is checked off in the box above, the peril of Theft is added, but only applies when it is probable that the property has been stolen from a known location within a building on the "residence premises" and there is also visible evidence of forcible entry to or forcible exit from that building. This peril does not include loss caused by theft:~~

- ~~1. Committed by an "insured" or renter;~~
- ~~2. Committed by an "home sharing occupant" if the Broadened Home-sharing Host Activities Coverage Endorsement is not made a part of this policy; or~~
- ~~3. In or to a dwelling under construction, or of materials or supplies for use in the construction until the dwelling is finished and occupied.~~

All other provisions of this Policy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ROOF PAYMENT SCHEDULE FOR WINDSTORM OR HAIL LOSSES TO ROOF SURFACING – NORTH CAROLINA

SCHEDULE

Type Of Roof Surfacing Material	Year Of Installation
<input type="checkbox"/> All Other Types not listed below, including but not limited to Built Up/Roll	
<input type="checkbox"/> Asphalt Shingle	
<input type="checkbox"/> Metal	
<input type="checkbox"/> Shake/Wood Shingle	
<input type="checkbox"/> Tile	
<input type="checkbox"/> Slate	
<input type="checkbox"/> Composition Shingle	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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DEFINITIONS

With respect to the provisions of this endorsement, the following definition is added:

"Roof surfacing" means the:

- a. Shingles or tiles;
- b. Cladding;
- c. Metal or synthetic sheeting or similar materials covering the roof; and
- d. Roof flashing.

This includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection.

SECTION I – CONDITIONS

Paragraph **D. Loss Settlement** is replaced by the following:

D. Loss Settlement

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in **E.7. Ordinance Or Law** under Section I – Property Coverages. Covered property losses are settled as follows:

1. Property of the following types:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and

d. Grave markers, including mausoleums;

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

2. "Roof surfacing" on buildings covered under Coverage **A** or **B** if the loss is caused by the peril of Windstorm or Hail at the percentage of the replacement cost shown in the Roof Surfacing Loss Percentage Table found in this endorsement, based on the age and type of "roof surfacing" damaged, but not more than the least of the following amounts:
 - a. The limit of liability under this Policy that applies to the building;
 - b. The cost to repair or replace that portion of the "roof surfacing" damaged with material of like kind and quality and for like use, without deduction for depreciation; or
 - c. The necessary amount actually spent to repair or replace the damaged "roof surfacing".

The percentage of the replacement cost shown in the Roof Surfacing Loss Percentage Table includes the following related costs and expenses:

- d. Labor, permits and any applicable tax; and
 - e. Overhead and profit expenses.
3. Except to the extent that Paragraph **D.2.** applies, buildings, including "roof surfacing", covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this Policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this Policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building 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 amount of insurance in this Policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under this Policy that applies to the building:
 - (1) The actual cash value of that part of the building damaged; or
 - (2) That proportion of the cost to repair or replace, without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this Policy on the damaged building bears to 80% of the replacement cost of the building.
- c. To determine the amount of insurance required to equal 80% of the full replacement cost of the building immediately before the loss, do not include the value of:
 - (1) Excavations, footings, foundations, piers, or any other structures or devices that support all or part of the building, which are below the undersurface of the lowest basement floor;
 - (2) Those supports described in (1) above which are below the surface of the ground inside the foundation walls, if there is no basement; and
 - (3) Underground flues, pipes, wiring and drains.
- d. We will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, we will settle the loss as noted in **3.a.** and **b.** above.

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

 - (1) Less than 5% of the amount of insurance in this Policy on the building; and
 - (2) Less than \$5,000;we will settle the loss as noted in **3.a.** and **b.** above whether or not actual repair or replacement is complete.

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

ADDITIONAL PROVISION

The provisions of this endorsement do not apply to structures insured under either the:

1. Coverage **B – Other Structures Away From The Residence Premises** endorsement; or
2. Specific Structures Away From The Residence Premises endorsement;

if made a part of the Policy.

All other provisions of this Policy apply.

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Roof Surfacing Loss Percentage Table							
Age Of Roof* (In Years)	Type Of Roof Surfacing Material						
	Asphalt Shingle	Composition Shingle	Tile	Shake/Wood Shingle	Metal	Slate	All Other#
Less than 1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5	85.0%	85.0%	90.0%	90.0%	90.0%	90.0%	90.0%
6	82.5%	82.5%	88.5%	88.5%	88.5%	88.5%	88.5%
7	80.0%	80.0%	87.0%	87.0%	87.0%	87.0%	87.0%
8	77.5%	77.5%	85.5%	85.5%	85.5%	85.5%	85.5%
9	75.0%	75.0%	84.0%	84.0%	84.0%	84.0%	84.0%
10	72.5%	72.5%	82.5%	82.5%	82.5%	82.5%	82.5%
11	70.0%	70.0%	81.0%	81.0%	81.0%	81.0%	81.0%
12	67.5%	67.5%	79.5%	79.5%	79.5%	79.5%	79.5%
13	65.0%	65.0%	78.0%	78.0%	78.0%	78.0%	78.0%
14	62.5%	62.5%	76.5%	76.5%	76.5%	76.5%	76.5%
15	60.0%	60.0%	75.0%	75.0%	75.0%	75.0%	75.0%
16	57.5%	57.5%	73.5%	73.5%	73.5%	73.5%	73.5%
17	55.0%	55.0%	72.0%	72.0%	72.0%	72.0%	72.0%
18	52.5%	52.5%	70.5%	70.5%	70.5%	70.5%	70.5%
19	50.0%	50.0%	69.0%	69.0%	69.0%	69.0%	69.0%
20	47.5%	47.5%	67.5%	67.5%	67.5%	67.5%	67.5%
21	45.0%	45.0%	66.0%	66.0%	66.0%	66.0%	66.0%
22	42.5%	42.5%	64.5%	64.5%	64.5%	64.5%	64.5%
23	40.0%	40.0%	63.0%	63.0%	63.0%	63.0%	63.0%
24	37.5%	37.5%	61.5%	61.5%	61.5%	61.5%	61.5%
25	35.0%	35.0%	60.0%	60.0%	60.0%	60.0%	60.0%

*The Age of Roof is determined by subtracting the Year of Installation, as indicated in the Schedule, from the year of the current policy period effective date.
#Including but not limited to Built Up/Roll.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS – NORTH CAROLINA

DEFINITIONS

Definition **B.1.** is replaced by the following:

1. "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:

- 812.** "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.

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

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 except **HS 00 06** and **HS 00 08**:

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

1. Debris Removal

- a. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss.

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

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- b. We will also pay your reasonable expense, up to \$5003,000, for the removal from the "residence premises" of:
 - (1) Your trees felled by the peril of Windstorm or Hail; 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 \$5003,000 limit is the most we will pay in any one loss, regardless of the number of fallen trees. This coverage is additional insurance.

In Form **HS 00 06**:

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

1. Debris Removal

- a. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss. This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.
- b. We will also pay your reasonable expense, up to \$5003,000, 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 \$5003,000 limit is the most we will pay in any one loss, regardless of the number of fallen trees. This coverage is additional insurance.

In Form **HS 00 08**:

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

1. Debris Removal

- a. We will pay your reasonable expense for the removal of debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss. This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit of liability is available for debris removal expense.
- b. We will also pay your reasonable expense, up to \$5003,000, for the removal from the "residence premises" of:
 - (1) Your trees felled by the peril of Windstorm or Hail; 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

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

The \$5003,000 limit is the most we will pay in any one loss, regardless of the number of fallen trees.

This coverage is additional insurance.

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

9. "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.

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 8. in Form **HS 00 06** and Additional Coverage 5. in Form **HS 00 08**.)

SECTION I – PERILS INSURED AGAINST

Paragraph A.3. is replaced by the following:

- 3. Smog, rust or other corrosion;

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.

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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 Form **HS 00 03.**)

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;
- 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 **HS 00 03.**)

Paragraph **6. Intentional Loss** is replaced by the following:

6. 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.6.** in Form **HS 00 03.**)

The following exclusion is added:

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

(This is Exclusion **A.8.** in Form **HS 00 03.**)

SECTION I – CONDITIONS

C. Duties After Loss

The following is added to the end of Paragraph **6.**:

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

In Forms **HS 00 02** and **HS 00 03**, Subparagraph **2.a.** 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 amount of insurance in this **P**policy on the damaged building is 80% or more of the full replacement cost of the building immediately before the loss, we will pay the cost to repair or replace, after application of any deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this **P**policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building on the "residence premises" or some other premises within the State of North Carolina.

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 **P**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.

~~SECTIONS I AND II CONDITIONS~~

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

V. Assignment Oef Policy Oer 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.

(This is Paragraph **U.** in **HS 00 04.**)

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The following condition is added:

Choice Of Law

This pPolicy 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 pPolicy shall be governed by the laws of North Carolina.

All other provisions of this Ppolicy apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
SPECIAL LOSS SETTLEMENT – NORTH CAROLINA

SCHEDULE

Percentage Amount Of Full Replacement Cost:	%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

SECTION I – CONDITIONS

Paragraph **D. Loss Settlement** is replaced by the following:

D. Loss Settlement

In this Condition **D.**, the terms "cost to repair or replace" and "replacement cost" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in Additional Coverage **E.7. Ordinance Or Law**. Covered property losses are settled as follows:

1. Property of the following type:
 - a. Personal property;
 - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings;
 - c. Structures that are not buildings; and
 - d. Grave markers, including mausoleums;

at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings covered under Coverage **A** or **B** at replacement cost without deduction for depreciation, subject to the following:
 - a. If, at the time of loss, the amount of insurance in this **P**policy on the damaged building is equal to or more than the percentage amount of the full replacement cost of the building immediately before the loss, shown in the Schedule above, we will pay the cost to repair or replace, after application of any deductible without deduction for depreciation, but not more than the least of the following amounts:
 - (1) The limit of liability under this **P**policy that applies to the building;
 - (2) The replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
 - (3) The necessary amount actually spent to repair or replace the damaged building 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 amount of insurance in this **P**policy on the damaged building is less than the percentage amount of the full replacement cost of the building immediately before the loss, shown in the Schedule, we will pay the greater of the following amounts, but not more than the limit of liability under this **P**policy that applies to the building:
 - (1) The actual cash value of that part of the building damaged; or
 - (2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in this **P**policy on the damaged building bears to the percentage of the full replacement cost of the building shown in the Schedule.

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- c. To determine the amount of insurance required to equal the percentage amount of the full replacement cost of the building immediately before the loss, shown in the Schedule, 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; or
 - (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. 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 according to the provisions of **2.a.** and **b.** above.

However, if the cost to repair or replace the damaged [property](#) is both:

- (1) Less than 5% of the amount of insurance in this [Policy](#) on the building; and
- (2) Less than ~~\$2,500~~[\\$5,000](#);

we will settle the loss according to the provisions of **2.a.** and **b.** above whether or not actual repair or replacement is complete.

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

All other provisions of this [Policy](#) apply.

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A1. SPECIAL STATE REQUIREMENTS

A. Special Provisions – North Carolina Endorsement HS 32 32

Use this endorsement with all Homeowners Windstorm aAnd Hail Policies.

B. Residence Premises Definition Endorsement HS 06 48

Use this endorsement with all Homeowners Windstorm And Hail Policies except **HS 00 06**.

C. Residence Premises Definition – Unit-owners Endorsement HS 17 48

Use this endorsement with Homeowners Windstorm And Hail Policy **HS 00 06**.

BD. Windstorm Exterior Paint And Waterproofing Exclusion – North Carolina Endorsement HO 32 86

Use this endorsement with all Homeowners Windstorm aAnd Hail Policies in Territories 110 and 120.

E. Flood, Earthquake, Mudslide, Mudflow, Landslide, Or Windstorm Or Hail Insurance Notice

North Carolina law provides that an insurer selling property insurance that does not provide coverage for the perils of flood, earthquake, mudslide, mudflow, landslide, or windstorm or hail shall provide a specific notice (a "warning" set forth in the related statute) to the policyholder as to which of the listed perils are not covered under the policy.

The required notice must be:

1. Provided upon issuance and renewal of each policy;
2. In Times New Roman 16-point font or another equivalent font; and
3. Included in the policy on a separate page immediately before the Declarations.

The following warning, citing which peril is not covered, must be furnished with each new policy and upon each renewal:

"WARNING: THIS PROPERTY INSURANCE POLICY DOES NOT PROTECT YOU AGAINST LOSSES FROM [FLOODS], [EARTHQUAKES], [MUDSLIDES], [MUDFLOWS], [LANDSLIDES]. YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING COVERAGE FOR THESE LOSSES. THIS IS NOT A COMPLETE LISTING OF ALL OF THE CAUSES OF LOSSES NOT COVERED UNDER YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT COVERED."

CF. Company Rates/State Rate Pages

References in the manual to "state company rates" mean "state rate pages" in North Carolina.

DG. Insert – North Carolina Endorsement HO 32 46

Use this endorsement with all Homeowners Windstorm aAnd Hail Policies.

H. Roof Payment Schedule For Windstorm Or Hail Losses To Roof Surfacing – North Carolina Endorsement HO 32 31

1. Use this endorsement with the **HS 00 02** and **HS 00 03** Homeowners Windstorm And Hail Policies.

Identify in the endorsement Schedule the type of roof surfacing material and year of installation (which may be used to determine the age of roof). More than one type of roof surfacing material and corresponding year of installation may apply.

2. Do not use this endorsement if the Actual Cash Value Loss Settlement Endorsement, Special Loss Settlement Endorsement, or any other endorsement which modifies the required percentage of replacement value is attached to the policy.
3. To provide replacement cost coverage for losses to roof surfacing caused by the peril of Windstorm And Hail, refer to Rule 408.

I. Cosmetic Damage Exclusion – Windstorm Or Hail Endorsement HO 06 43

Use this endorsement with the **HS 00 02**, **HS 00 03** and **HS 00 08** Homeowners Windstorm And Hail Policies.

To provide coverage for cosmetic damage, remove Endorsement **HO 06 43** from the policy and refer to Rule 412.

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A6. INFLATION GUARD ENDORSEMENT

Subject to the provisions noted in Paragraphs **B.** and **C.**, the inflation guard endorsements referenced in ~~this r~~Rule **A6.** may be used instead of the endorsement noted in ~~General~~Rule **405.**

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.**:

1. Forms **HS 00 02** and **HS 00 03** – Coverages **A, B, C** and **D**; and
2. Forms **HS 00 04** and **HS 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 ~~i~~indexes have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsement listed in Paragraph **C.**

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

1. Marshall and Swift Boeckh 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 and Swift Boeckh Construction Cost Index published by Marshall and Swift Boeckh;
5. RSMMeans CostWorks Valuator published by RSMMeans; or
6. Xactware Inflation Index published by Xactware Solutions, Inc.

C. Endorsements

A company that elects to use one or both of the following endorsements 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 **HS 00 02** and **HS 00 03.**
2. **Inflation Guard – North Carolina Endorsement HO 32 19**
Use this endorsement with Forms **HS 00 04** and **HS 00 06.**

D. Premium

There is no additional charge for ~~this~~these optional endorsements.

A9. WINDSTORM MITIGATION PROGRAM – ALL FORMS EXCEPT HS 00 04 AND HS 00 06

The title of Rule **A9.** Windstorm Mitigation Program – All Forms Except **HO 00 04, HO 00 06** And **HO 00 14** is replaced by the preceding title.

A. Introduction

With respect to risks located in Territories 110, 120, 130, 140, 150 and 160, premium credits shall be made available for insureds who build, rebuild or retrofit certain residential dwellings, in accordance with specified standards, to better withstand hurricanes and other catastrophic windstorm events.

B. Eligibility

1. A dwelling may be eligible for a premium credit if:
 - a. The dwelling has been designed and constructed in conformity with, and has been certified as meeting, the Hurricane, Tornado and Hail and High Wind requirements of the FORTIFIED for Safer Living™ program promulgated by the Institute for Business and Home Safety® (IBHS);
 - b. The dwelling has been certified as meeting, either the Roof, Silver or Gold hurricane mitigation measures in the FORTIFIED Home™ program promulgated by the IBHS;

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c. The dwelling contains Opening Protection in accordance with the qualification requirements set forth in Paragraph D.2.; or

d. The dwelling contains a Total Hip Roof.

2. Rule A9. does not apply:

a. To condominiums or tenant policies.

b. To dwellings under construction.

3. To be eligible for a premium credit, mitigation features are not required for adjacent structures including, but not limited to, detached garages, storage sheds, barns, apartments, etc. located on the insured premises.

C. Proof Of Compliance

The named insured must submit proof that the windstorm loss mitigation features and/or construction techniques have been implemented for each of the following:

1. IBHS FORTIFIED For Safer Living™

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling.

2. IBHS FORTIFIED Home™

The named insured shall provide a copy of the proper designation certificate from the IBHS issued for the dwelling. The credit will apply for five years from the date of designation. In order to continue receiving the mitigation credit after five years, the dwelling must be reinspected and redesignated by the IBHS. If the IBHS designation expires, the applicable mitigation credit will expire upon renewal.

3. Opening Protection

The existence of Opening Protection may be verified by proof of installation.

4. Total Hip Roof

The existence of a Total Hip Roof may be verified through photographs of the roof.

D. Description Of Mitigation Credit Tables

With respect to dwellings to which Rule A9. applies and subject to all other provisions of this Windstorm Mitigation Program, the following approved and properly maintained windstorm mitigation features shall be recognized for a premium credit:

1. IBHS FORTIFIED Programs:

a. A home designated by the IBHS as FORTIFIED for Safer Living™

b. A home designated by the IBHS as FORTIFIED Home™, including:

(1) FORTIFIED Roof – Hurricane – Existing Roof

(2) FORTIFIED Roof – Hurricane – New Roof

(3) FORTIFIED Home – Hurricane – Silver – Existing Roof

(4) FORTIFIED Home – Hurricane – Silver – New Roof

(5) FORTIFIED Home – Hurricane – Gold – Existing Roof

(6) FORTIFIED Home – Hurricane – Gold – New Roof

2. Opening Protection

a. Building opening protective features must have been certified as having met the Large Missile Test (Missile D) of the American Society for Testing and Materials ASTM E 1886 (standard test method) and ASTM E 1996 (standard specification) or other standards that are determined to be equivalent, including the American Architectural Manufacturers Association (AAMA), AAMA 506 or the Florida Building Code Testing Application Standards TAS 201 and 203. Such opening protective features shall be considered qualified.

b. Qualifying Opening Protection must be present at all exterior envelope openings (such as windows, garage doors, sliding doors, swinging doors, glass block, door sidelights, and skylights) on the dwelling structure. For the credit to apply, the following conditions must be met:

(1) In accordance with the qualification requirements set forth in Paragraph D.2.a.:

(a) All exterior building envelope openings with glazing (e.g., glass) shall have qualified impact-resistant and wind pressure-resistant Opening Protection;

(b) All exterior building envelope openings without glazing shall have qualified wind pressure-resistant Opening Protection; and

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(c) All garage doors (with and without glazing) shall meet or exceed a qualified minimum pressure resistance.

(2) Opening Protection must be installed by a qualified contractor, according to the manufacturer's specifications.

(3) Impact-resistant protective devices must not be made of wood structural panels, such as OSB or plywood, or be homemade.

3. Total Hip Roof

A Total Hip Roof is a roof that slopes in four directions such that the end formed by the intersection of slopes is a triangle.

E. Premium Determination

1. To compute the Base Premium when a risk is eligible for a Windstorm Loss Mitigation Credit, use the Windstorm Mitigation Factor that applies from the following table in conjunction with the instructions found in Rule 301.:

<u>Mitigation Feature</u>	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
<u>Total Hip Roof</u>	<u>0.932</u>	<u>0.934</u>	<u>0.935</u>	<u>0.935</u>	<u>0.940</u>	<u>0.939</u>
<u>Opening Protection</u>	<u>0.931</u>	<u>0.932</u>	<u>0.935</u>	<u>0.935</u>	<u>0.941</u>	<u>0.938</u>
<u>Total Hip Roof and Opening Protection</u>	<u>0.863</u>	<u>0.866</u>	<u>0.872</u>	<u>0.869</u>	<u>0.883</u>	<u>0.877</u>
<u>IBHS Designation:</u>						
<u>FORTIFIED for Safer Living™</u>	<u>0.778</u>	<u>0.765</u>	<u>0.815</u>	<u>0.782</u>	<u>0.872</u>	<u>0.795</u>
<u>FORTIFIED Roof – Hurricane – Existing Roof</u>	<u>0.947</u>	<u>0.947</u>	<u>0.948</u>	<u>0.948</u>	<u>0.953</u>	<u>0.951</u>
<u>FORTIFIED Roof – Hurricane – New Roof</u>	<u>0.917</u>	<u>0.917</u>	<u>0.928</u>	<u>0.918</u>	<u>0.941</u>	<u>0.924</u>
<u>FORTIFIED Home – Hurricane – Silver – Existing Roof</u>	<u>0.867</u>	<u>0.859</u>	<u>0.896</u>	<u>0.867</u>	<u>0.939</u>	<u>0.877</u>
<u>FORTIFIED Home – Hurricane – Silver – New Roof</u>	<u>0.840</u>	<u>0.829</u>	<u>0.876</u>	<u>0.838</u>	<u>0.929</u>	<u>0.848</u>
<u>FORTIFIED Home – Hurricane – Gold – Existing Roof</u>	<u>0.830</u>	<u>0.820</u>	<u>0.862</u>	<u>0.835</u>	<u>0.908</u>	<u>0.845</u>
<u>FORTIFIED Home – Hurricane – Gold – New Roof</u>	<u>0.803</u>	<u>0.790</u>	<u>0.843</u>	<u>0.804</u>	<u>0.899</u>	<u>0.816</u>

Table A9.E.1. Windstorm Mitigation Factors

2. Mitigation Feature credits cannot be combined, except for Total Hip Roof and Opening Protection.

3. If mitigation measures are installed midterm, premium adjustment is required on a pro rata basis.

A10. FORTIFIED ROOF – HURRICANE – NEW ROOF EXPENSE COVERAGES – FORMS HS 00 02, HS 00 03 AND HS 00 08

The title of Rule A10. Fortified Roof – Hurricane – New Roof Expense Coverages – Forms HO 00 02, HO 00 03, HO 00 05 And HO 00 08 is replaced by the preceding title.

A. Coverage Description

FORTIFIED Home™ is an engineering and building standard developed by the Insurance Institute for Business & Home Safety® (IBHS) to mitigate wind-related hurricane damage. The program also includes evaluation and inspection requirements to ensure the technical standards are properly implemented, resulting in the designation of a home as meeting the FORTIFIED Home™ requirements.

A policy covering a risk located in Territory 110, 120, 130, 140, 150 or 160 may be endorsed to provide the following optional coverages:

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1. FORTIFIED Roof – Hurricane – New Roof Expense Coverage

This coverage will pay up to \$5,000, without application of a deductible, for certain expenses necessary to obtain the FORTIFIED Roof – Hurricane – New Roof designation from the IBHS for the roof of the insured dwelling when damage from a covered peril requires the roof to be fully replaced. This coverage applies only if:

- a. The amount of the covered loss to the roof covering of the insured dwelling is greater than 50% of the replacement cost value of the entire roof covering;
- b. The roof sheathing on that dwelling is (or was immediately prior to the loss) a minimum of 7/16-inch Oriented Strand Board (OSB) or plywood; and
- c. That dwelling is not (or was not immediately prior to the loss) on an unreinforced dry stacked foundation or is otherwise ineligible for FORTIFIED Home™ Review as defined by the IBHS.

2. IBHS Certified Evaluator Expense Coverage

If the FORTIFIED Roof – Hurricane – New Roof Expense Coverage described in Paragraph A.1. does not apply, this coverage will pay up to \$600, without application of a deductible, for the direct expenses incurred by the named insured for the services of an IBHS certified evaluator. This coverage applies only if:

- a. The entire roof covering of the insured dwelling is replaced to the FORTIFIED Roof – Hurricane – New Roof standard as recognized by the IBHS during the policy period;
- b. The named insured obtains the IBHS designation FORTIFIED Roof – Hurricane – New Roof from the IBHS; and
- c. Satisfactory proof of the IBHS designation FORTIFIED Roof – Hurricane – New Roof for the insured dwelling is submitted to the insurer.

The insured will be responsible for arranging and coordinating the roof replacement work, as well as the inspections, assessments and verifications required by the IBHS. Nothing in Rule A10. is intended to change the applicable loss settlement provisions of the policy, other than to pay the IBHS costs as referenced previously in Rule A10., subject to the maximum coverage limits of the endorsement.

B. Premium

To compute the premium surcharge, multiply the Base Premium by 0.040.

C. Endorsement

Use FORTIFIED Roof – Hurricane – New Roof Expense Coverages – North Carolina Endorsement HO 32 04.

A11. MATCHING EXTERIOR SURFACING COVERAGE – ALL FORMS EXCEPT HS 00 04, HS 00 06 AND HS 00 08

The title of Rule A11. Matching Exterior Surface Coverage – All Forms Except HO 00 04, HO 00 06 And HO 00 08 is replaced by the preceding title.

A. Introduction

The policy provides:

1. Building loss settlement on a replacement cost basis for that part of the building damaged with material of like kind and quality and for like use; and
2. Roof loss settlement on a specified percentage of replacement cost basis for roof surfacing on buildings covered under Coverage A and Coverage B when damage is caused by the peril of Windstorm Or Hail, based on the specified percentage of replacement cost for the age and type of roof surfacing material that is damaged;
subject to certain conditions.

B. Coverage Description

The policy may be endorsed to provide coverage to match that part of the exterior surface of a building that is undamaged to the part of the exterior surface of the covered building being repaired or replaced due to:

1. A difference in color or texture of material; or
2. Obsolescence of material.

The basic limit is \$5,000. The limit may be increased to \$10,000, \$15,000, \$20,000 or \$25,000. For limits in excess of \$25,000, refer to company.

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C. Premium

1. Determine the All-perils Premium in accordance with Rule 301, using the Roof Surfacing Classification Factor that applies for replacement cost.
2. The additional premium for this option is computed by multiplying the All-perils Premium determined in Paragraph C.1. by the appropriate factor from the following table:

<u>Limit</u>	<u>Matching Exterior Surfacing Coverage Factor Territories 110 – 160</u>
\$ 5,000	0.042
10,000	0.080
15,000	0.107
20,000	0.127
25,000	0.141

Table A11.C.2. Matching Exterior Surfacing Coverage Factors

D. Endorsement

Use Matching Exterior Surfacing Coverage – North Carolina Endorsement **HO 32 97**.

E. Endorsement

Do not use Endorsement **HO 32 97** when the Actual Cash Value Loss Settlement Endorsement, Special Loss Settlement Endorsement, or any other endorsement which modifies the required percentage of replacement value is attached to the policy.

100. INTRODUCTION

In this supplement to the Homeowners Manual, "policy" refers to the Homeowners Windstorm And Hail Coverage Forms unless otherwise specified. ~~Unless otherwise specified, in this rule, "policy" refers to the Homeowners Windstorm And Hail Coverage Forms.~~ For rules not accommodated below, refer to the standard Homeowners Manual. Utilize the following table to determine, where applicable, the appropriate corresponding form:

Homeowners Windstorm Or Hail Policy	Corresponding Form In Homeowners Manual
HS 00 02	HO 00 02
HS 00 03	HO 00 03
HS 00 04	HO 00 04
HS 00 06	HO 00 06
HS 00 08	HO 00 08

Table 100. Corresponding Forms

In North Carolina, Homeowners 14 – Contents Comprehensive Form **HO 00 14** is not available. Disregard all references to it in this manual.

101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. Limits

The limits of liability required under the Homeowners Policy are as follows:

Coverage A – Dwelling	
HS 00 02, HS 00 03, or HS 00 08	Refer to Rule 301, in the state classification pages.

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HS 00 04 or HS 00 06	For HO 00 06, r Refer to Rule 507.A.
Coverage B – Other Structures	
HS 00 02, HS 00 03, or HS 00 08	10% of A (One- and two-family dwellings) 5% of A (Three- and four-family dwellings)
Coverage C – Personal Property	
HS 00 02, HS 00 03, or HS 00 08	50% of A (One- and two-family dwellings) 30% of A (Three-family dwelling) 25% of A (Four-family dwelling)
HS 00 04 or HS 00 06	Refer to Rule 301. in the state classification pages.
Coverage D – Loss Of Use	
HS 00 02 or HS 00 03	20% of A
HS 00 04	20% of C
HS 00 06	40% of C
HS 00 08	10% of A

Table 101.A. Property ~~Damage~~Coverage Limits

B. All Forms

The limit of liability for Coverage C or D of Section I may be increased.

C. Form HS 00 02 Or HS 00 03

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure.

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one- ~~and/or~~ two-family dwelling; 20% of the limit of a three-family dwelling; and 15% of the limit of a four-family dwelling.

D. Form HS 00 06

The limit of liability for Coverage A of Section I may be increased.

E. Form HS 00 08

~~The following are the only Section I options available with this form:~~

- ~~1. Higher Optional Deductibles,~~
- ~~2. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing, and~~
- ~~3. Reduced Coverage C Limits.~~

Actual Cash Value Loss Settlement Endorsement HO 04 81 must be used with Form HS 00 08. It replaces the Repair Cost Or Market Value Loss Settlement provisions in Form HS 00 08 with an Actual Cash Value Loss Settlement condition.

104. ELIGIBILITY

A. Forms HS 00 02, HS 00 03 And HS 00 08

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to the following:

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1. To the owner-occupant(s) of a one-, two-, three- or four-family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs F. and H. and I.). A one-family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a two-, three- or four-family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
2. To the purchaser-occupant(s) who has entered into a long-term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building may be covered using Additional Insured – Residence Premises Endorsement **HS 04 41**; or
3. To the occupant of a dwelling under a life estate arrangement when the Coverage **A** amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building may be covered using Endorsement **HS 04 41**; or
4. When two or more apartment units in a two-, three- or four-family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Windstorm And Hail Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Endorsement **HS 04 41**. A separate Homeowners Windstorm And Hail Form **HS 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Windstorm And Hail Form, without additional premium charge, to cover the interest of a non-occupant joint owner in the building. Use Endorsement **HS 04 41**.

B. Form HS 00 04

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, or a cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Windstorm And Hail Policy under Paragraph **A**;
provided that the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraphs F. and I.). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

C. Form HS 00 06

A Homeowners Windstorm And Hail Policy may be issued in Territory 110, 120, 130, 140, 150 or 160, to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Paragraphs F. and H.). The unit may not be occupied by more than one additional family or two boarders or roomers.

D. Seasonal Dwelling

Subject to all other sections of this rule **Rule 104.**, a Homeowners Windstorm And Hail Policy may be issued to cover a seasonal dwelling.

E. Mobile Home, Trailer Home Or House Trailer

A Homeowners Windstorm And Hail Policy:

1. Shall not be issued to cover such structures mobile homes, trailer homes or house trailers under Coverage **A** – Dwelling, but
2. May be issued to cover personal property in such structures as noted in Paragraph **B**.

F. Permitted Business Occupancies

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rule **510**. for Section **I C** coverage. When it is conducted from an Other Residence, no coverage is available.

G. Farm Property

A Homeowners Windstorm And Hail Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section **I** property damage coverage to any property situated on premises used for farming purposes.

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H. Residence Held In Trust (All Forms Except HS 00 04)

A Homeowners Windstorm And Hail Policy may be issued to an occupant of a one-, two-, three- or four-family dwelling or a condominium unit when legal title to the dwelling or unit is held in trust and:

1. One of the occupants of the dwelling or condominium unit is the grantor/settlor of the trust;
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph F.; and
3. No trustee of the trust is:
 - a. A partnership or joint venture;
 - b. A corporation;
 - c. A limited liability company;
 - d. An organization other than a partnership or joint venture, a corporation or a limited liability company; or
 - e. A licensed professional who provides ongoing professional services with respect to the profession for which that individual is licensed, in connection with the administration of the trust. However, ~~this~~ Paragraph **H.3.e.** does not apply to an individual who is a relative of the grantor/settlor of the trust.

Refer to Rule **526**. in this supplement manual for the rule of application.

I. Temporary Non-residency

The owner-occupant(s), as described in Paragraphs A.1. and B.2., may temporarily not reside at a dwelling, cooperative unit, or in a building containing an apartment not otherwise eligible for a Homeowners Policy under Paragraph A. for a specified period of time.

Refer to Rule 411. for the rule of application.

211. ADDITIONAL INTERESTS

- A. In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is not provided to such persons or organizations under Additional Insured – Residence Premises Endorsement **HS 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph **D**.
- B. Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C. No additional charge is made for use of this endorsement.
- D. Use Additional Interests – Residence Premises Endorsement **HO 04 10**.

301. BASE PREMIUM COMPUTATION

A. All Forms Except HS 00 04 And HS 00 06

1. One- And Two-family Dwelling

- a. From the following Base Class Premium Table, select the Form **HS 00 03** premium for the territory and construction that applies.

Base Class Premium Table

	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
<u>Frame Construction</u>						
<u>HS 00 03</u>	<u>\$ 2,401</u>	<u>\$ 4,066</u>	<u>\$ 1,416</u>	<u>\$ 2,309</u>	<u>\$ 1,092</u>	<u>\$ 1,235</u>
<u>Masonry Construction</u>						
<u>HS 00 03</u>	<u>\$ 2,210</u>	<u>\$ 3,708</u>	<u>\$ 1,295</u>	<u>\$ 2,095</u>	<u>\$ 989</u>	<u>\$ 1,127</u>

Table 301.A.1.a. Base Class Premium

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b. If the policy is eligible for a credit under the Windstorm Mitigation Program, select the Windstorm Mitigation Factor from Rule A9. that applies. If the policy is not eligible for a Windstorm Mitigation Credit or if wind coverage has been excluded from the policy, the Windstorm Mitigation Factor is 1.000.

c. Multiply the Base Class Premium from Paragraph A.1.a. by the Windstorm Mitigation Factor and round to nearest whole dollar.

bd. From the following Key-Factor-Table Age Of Construction Table, select the Key-Factor for the desired limit-of liability Age Of Construction Factor that applies.

<u>Age Of Construction</u>	<u>Factor</u>
<u>0</u> *	<u>0.797</u>
<u>1</u>	<u>0.809</u>
<u>2</u>	<u>0.822</u>
<u>3</u>	<u>0.834</u>
<u>4</u>	<u>0.847</u>
<u>5</u>	<u>0.860</u>
<u>6</u>	<u>0.873</u>
<u>7</u>	<u>0.886</u>
<u>8</u>	<u>0.900</u>
<u>9</u>	<u>0.913</u>
<u>10</u>	<u>0.927</u>
<u>11</u>	<u>0.941</u>
<u>12</u>	<u>0.956</u>
<u>13</u>	<u>0.970</u>
<u>14</u>	<u>0.985</u>
<u>15</u> †	<u>1.000</u>
* <u>Age 0 applies to homes built within the last year as well as homes still under construction.</u>	
† <u>Applies to dwellings built at least 15 years ago.</u>	

Table 301.A.1.d. Age Of Construction Factors

ce. Multiply the Base Class Premium result from Paragraph A.1.ac. by the Key Age Of Construction Factor and round to the nearest whole dollar ~~to arrive at the Base Premium.~~

Base Class Premium Table

	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Frame Construction						
<u>HS-00-03</u>	<u>\$ 2,404</u>	<u>\$ 4,066</u>	<u>\$ 1,446</u>	<u>\$ 2,309</u>	<u>\$ 1,092</u>	<u>\$ 1,235</u>
<u>HS-00-04</u>	<u>106</u>	<u>147</u>	<u>59</u>	<u>87</u>	<u>40</u>	<u>54</u>
<u>HS-00-06</u>	<u>46</u>	<u>85</u>	<u>29</u>	<u>36</u>	<u>12</u>	<u>17</u>
Masonry Construction						
<u>HS-00-03</u>	<u>\$ 2,240</u>	<u>\$ 3,708</u>	<u>\$ 1,295</u>	<u>\$ 2,095</u>	<u>\$ 989</u>	<u>\$ 1,127</u>
<u>HS-00-04</u>	<u>96</u>	<u>134</u>	<u>56</u>	<u>82</u>	<u>39</u>	<u>52</u>
<u>HS-00-06</u>	<u>43</u>	<u>77</u>	<u>27</u>	<u>34</u>	<u>12</u>	<u>16</u>

Table 301.A.1.c.#1 Base Class Premium

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f. From the following Roof Surfacing Classification Table, select the Roof Surfacing Classification Factor that applies. For Form **HS 00 08** the Roof Surfacing Classification Factor is 1.000.

All Territories														
Age Of Roof (In Years)**	Type Of Roof Surfacing Material													
	Asphalt Shingle		Composition Shingle		Tile		Shake/Wood Shingle		Metal		Slate		All Other#	
	Loss Settlement*		Loss Settlement*		Loss Settlement*		Loss Settlement*		Loss Settlement*		Loss Settlement*		Loss Settlement*	
	RPS	RC	RPS	RC	RPS	RC	RPS	RC	RPS	RC	RPS	RC	RPS	RC
<u>Less Than 1</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>	<u>0.896</u>
<u>1</u>	<u>0.909</u>	<u>0.909</u>	<u>0.909</u>	<u>0.909</u>	<u>0.904</u>	<u>0.904</u>	<u>0.904</u>	<u>0.904</u>	<u>0.904</u>	<u>0.904</u>	<u>0.904</u>	<u>0.904</u>	<u>0.904</u>	<u>0.904</u>
<u>2</u>	<u>0.922</u>	<u>0.922</u>	<u>0.922</u>	<u>0.922</u>	<u>0.912</u>	<u>0.912</u>	<u>0.912</u>	<u>0.912</u>	<u>0.912</u>	<u>0.912</u>	<u>0.912</u>	<u>0.912</u>	<u>0.912</u>	<u>0.912</u>
<u>3</u>	<u>0.935</u>	<u>0.935</u>	<u>0.935</u>	<u>0.935</u>	<u>0.920</u>	<u>0.920</u>	<u>0.920</u>	<u>0.920</u>	<u>0.920</u>	<u>0.920</u>	<u>0.920</u>	<u>0.920</u>	<u>0.920</u>	<u>0.920</u>
<u>4</u>	<u>0.948</u>	<u>0.948</u>	<u>0.948</u>	<u>0.948</u>	<u>0.928</u>	<u>0.928</u>	<u>0.928</u>	<u>0.928</u>	<u>0.928</u>	<u>0.928</u>	<u>0.928</u>	<u>0.928</u>	<u>0.928</u>	<u>0.928</u>
<u>5</u>	<u>0.930</u>	<u>0.961</u>	<u>0.930</u>	<u>0.961</u>	<u>0.912</u>	<u>0.936</u>	<u>0.912</u>	<u>0.936</u>	<u>0.912</u>	<u>0.936</u>	<u>0.912</u>	<u>0.936</u>	<u>0.912</u>	<u>0.936</u>
<u>6</u>	<u>0.936</u>	<u>0.974</u>	<u>0.936</u>	<u>0.974</u>	<u>0.916</u>	<u>0.944</u>	<u>0.916</u>	<u>0.944</u>	<u>0.916</u>	<u>0.944</u>	<u>0.916</u>	<u>0.944</u>	<u>0.916</u>	<u>0.944</u>
<u>7</u>	<u>0.941</u>	<u>0.987</u>	<u>0.941</u>	<u>0.987</u>	<u>0.919</u>	<u>0.952</u>	<u>0.919</u>	<u>0.952</u>	<u>0.919</u>	<u>0.952</u>	<u>0.919</u>	<u>0.952</u>	<u>0.919</u>	<u>0.952</u>
<u>8</u>	<u>0.945</u>	<u>1.000</u>	<u>0.945</u>	<u>1.000</u>	<u>0.922</u>	<u>0.960</u>	<u>0.922</u>	<u>0.960</u>	<u>0.922</u>	<u>0.960</u>	<u>0.922</u>	<u>0.960</u>	<u>0.922</u>	<u>0.960</u>
<u>9</u>	<u>0.945</u>	<u>1.008</u>	<u>0.945</u>	<u>1.008</u>	<u>0.925</u>	<u>0.968</u>	<u>0.925</u>	<u>0.968</u>	<u>0.925</u>	<u>0.968</u>	<u>0.925</u>	<u>0.968</u>	<u>0.925</u>	<u>0.968</u>
<u>10</u>	<u>0.944</u>	<u>1.016</u>	<u>0.944</u>	<u>1.016</u>	<u>0.928</u>	<u>0.976</u>	<u>0.928</u>	<u>0.976</u>	<u>0.928</u>	<u>0.976</u>	<u>0.928</u>	<u>0.976</u>	<u>0.928</u>	<u>0.976</u>
<u>11</u>	<u>0.943</u>	<u>1.024</u>	<u>0.943</u>	<u>1.024</u>	<u>0.930</u>	<u>0.984</u>	<u>0.930</u>	<u>0.984</u>	<u>0.930</u>	<u>0.984</u>	<u>0.930</u>	<u>0.984</u>	<u>0.930</u>	<u>0.984</u>
<u>12</u>	<u>0.942</u>	<u>1.032</u>	<u>0.942</u>	<u>1.032</u>	<u>0.932</u>	<u>0.992</u>	<u>0.932</u>	<u>0.992</u>	<u>0.932</u>	<u>0.992</u>	<u>0.932</u>	<u>0.992</u>	<u>0.932</u>	<u>0.992</u>
<u>13</u>	<u>0.940</u>	<u>1.040</u>	<u>0.940</u>	<u>1.040</u>	<u>0.934</u>	<u>1.000</u>	<u>0.934</u>	<u>1.000</u>	<u>0.934</u>	<u>1.000</u>	<u>0.934</u>	<u>1.000</u>	<u>0.934</u>	<u>1.000</u>
<u>14</u>	<u>0.938</u>	<u>1.048</u>	<u>0.938</u>	<u>1.048</u>	<u>0.934</u>	<u>1.006</u>	<u>0.934</u>	<u>1.006</u>	<u>0.934</u>	<u>1.006</u>	<u>0.934</u>	<u>1.006</u>	<u>0.934</u>	<u>1.006</u>
<u>15</u>	<u>0.936</u>	<u>1.056</u>	<u>0.936</u>	<u>1.056</u>	<u>0.934</u>	<u>1.012</u>	<u>0.934</u>	<u>1.012</u>	<u>0.934</u>	<u>1.012</u>	<u>0.934</u>	<u>1.012</u>	<u>0.934</u>	<u>1.012</u>
<u>16</u>	<u>0.933</u>	<u>1.064</u>	<u>0.933</u>	<u>1.064</u>	<u>0.934</u>	<u>1.018</u>	<u>0.934</u>	<u>1.018</u>	<u>0.934</u>	<u>1.018</u>	<u>0.934</u>	<u>1.018</u>	<u>0.934</u>	<u>1.018</u>
<u>17</u>	<u>0.929</u>	<u>1.072</u>	<u>0.929</u>	<u>1.072</u>	<u>0.933</u>	<u>1.024</u>	<u>0.933</u>	<u>1.024</u>	<u>0.933</u>	<u>1.024</u>	<u>0.933</u>	<u>1.024</u>	<u>0.933</u>	<u>1.024</u>
<u>18</u>	<u>0.926</u>	<u>1.080</u>	<u>0.926</u>	<u>1.080</u>	<u>0.933</u>	<u>1.030</u>	<u>0.933</u>	<u>1.030</u>	<u>0.933</u>	<u>1.030</u>	<u>0.933</u>	<u>1.030</u>	<u>0.933</u>	<u>1.030</u>
<u>19</u>	<u>0.922</u>	<u>1.088</u>	<u>0.922</u>	<u>1.088</u>	<u>0.932</u>	<u>1.036</u>	<u>0.932</u>	<u>1.036</u>	<u>0.932</u>	<u>1.036</u>	<u>0.932</u>	<u>1.036</u>	<u>0.932</u>	<u>1.036</u>
<u>20</u>	<u>0.917</u>	<u>1.096</u>	<u>0.917</u>	<u>1.096</u>	<u>0.931</u>	<u>1.042</u>	<u>0.931</u>	<u>1.042</u>	<u>0.931</u>	<u>1.042</u>	<u>0.931</u>	<u>1.042</u>	<u>0.931</u>	<u>1.042</u>
<u>21</u>	<u>0.912</u>	<u>1.104</u>	<u>0.912</u>	<u>1.104</u>	<u>0.930</u>	<u>1.048</u>	<u>0.930</u>	<u>1.048</u>	<u>0.930</u>	<u>1.048</u>	<u>0.930</u>	<u>1.048</u>	<u>0.930</u>	<u>1.048</u>
<u>22</u>	<u>0.907</u>	<u>1.112</u>	<u>0.907</u>	<u>1.112</u>	<u>0.928</u>	<u>1.054</u>	<u>0.928</u>	<u>1.054</u>	<u>0.928</u>	<u>1.054</u>	<u>0.928</u>	<u>1.054</u>	<u>0.928</u>	<u>1.054</u>
<u>23</u>	<u>0.901</u>	<u>1.120</u>	<u>0.901</u>	<u>1.120</u>	<u>0.927</u>	<u>1.060</u>	<u>0.927</u>	<u>1.060</u>	<u>0.927</u>	<u>1.060</u>	<u>0.927</u>	<u>1.060</u>	<u>0.927</u>	<u>1.060</u>
<u>24</u>	<u>0.895</u>	<u>1.128</u>	<u>0.895</u>	<u>1.128</u>	<u>0.925</u>	<u>1.066</u>	<u>0.925</u>	<u>1.066</u>	<u>0.925</u>	<u>1.066</u>	<u>0.925</u>	<u>1.066</u>	<u>0.925</u>	<u>1.066</u>
<u>25+</u>	<u>0.888</u>	<u>1.136</u>	<u>0.888</u>	<u>1.136</u>	<u>0.923</u>	<u>1.072</u>	<u>0.923</u>	<u>1.072</u>	<u>0.923</u>	<u>1.072</u>	<u>0.923</u>	<u>1.072</u>	<u>0.923</u>	<u>1.072</u>
* The loss settlement options for roof surfacing classification are Replacement Cost Loss Settlement (RC) or Roof Payment Schedule (RPS). Refer to Rule 408. for additional information.														
** If the roof age is Unknown, and age of dwelling is less than 11 years for Asphalt Shingles or Composite Shingles or age of dwelling is less than 16 years for All Other Types of Roof Surfacing Material, use age of construction. The roof age at renewal should subsequently progress through the roof surfacing schedule.														
If the roof age is Unknown, and age of dwelling is more than or equal to 11 years for Asphalt Shingles or Composite Shingles or age of dwelling is more than or equal to 16 years for All Other Roof Surfacing Materials, use Roof Age 11 for Asphalt Shingle or Composite Shingle and Age 16 for All Other Types Of Roof Surfacing Material. The roof age at renewal should subsequently progress through the roof surfacing schedule.														
† Applies to age of roof surfacing material 25 years or older														
# Including but not limited to Built Up/Roll														

Table 301.A.1.f. Roof Surfacing Classification Factors

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g. Multiply the result from Paragraph A.1.e. by the Roof Surfacing Classification Factor and round to the nearest whole dollar to arrive at the All-perils Premium.

h. From the following Amount Of Insurance Factors Table, select the Amount Of Insurance Factor for the desired limit of liability.

KeyAmount Of Insurance Factors Table

Cov. A Amt. (In 000)	Factor	
**\$ 10	0.258	
50	0.453	
75	0.556	
100	0.644	
150	0.822	
200	1.000	
300	1.339	
500	1.972	
750	2.764	
1,000	3.556	
1,500	5.111	
2,000	6.667	
3,000	9.778	
4,000	12.889	
5,000	16.000	
Each Add'l \$1,000	0.003	
Minimum Limits Of Liability		
**Section I – Property	HS 00 02 And HS 00 03	HS 00 08
Primary Location	\$ 25,000	\$ 15,000
Secondary Location	\$ 15,000	\$ 10,000

Table 301.A.1.ch.#2 KeyAmount Of Insurance Factors

i. Multiply the All-perils Premium from Paragraph A.1.g. by the Amount Of Insurance Factor and round to the nearest whole dollar to arrive at the Base Premium.

2. Three- And Four-family Dwelling

Multiply the One- and Two-family Dwelling Base Premium by the ~~t~~Three- and ~~f~~Four-family factor of 1.04 to arrive at the Base Premium.

B. Form HS 00 04 Or HS 00 06

1. From the following Base Class Premium Table ~~contained in Paragraph 301.A.1.c.#1~~, select the Form **HS 00 04** or **HS 00 06** premium for the territory and construction that applies.

Base Class Premium Table

	<u>Territory</u>					
	<u>110</u>	<u>120</u>	<u>130</u>	<u>140</u>	<u>150</u>	<u>160</u>
Frame Construction						
HS 00 04	\$ 106	\$ 147	\$ 59	\$ 87	\$ 40	\$ 54
HS 00 06	46	85	29	36	12	17
Masonry Construction						
HS 00 04	\$ 96	\$ 134	\$ 56	\$ 82	\$ 39	\$ 52
HS 00 06	43	77	27	34	12	16

Table 301.B.1. Base Class Premium

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2. From the following **Form ~~HS 00 04~~ or ~~HS 00 06~~ KeyAmount Of Insurance** Factors Table **301.B.2.**, select the **KeyAmount Of Insurance** Factor for the desired limit of liability.

KeyAmount Of Insurance Factors Table

Cov. C Amt. (In 000)	Factor	Cov. C Amt. (In 000)	Factor
**\$ 1	0.37	21	1.98
** 2	0.44	22	2.06
** 3	0.51	23	2.14
** 4	0.58	24	2.22
** 5	0.65	25	2.30
** 6	0.72	26	2.38
** 7	0.79	27	2.46
** 8	0.86	28	2.54
** 9	0.93	29	2.62
** 10	1.00	30	2.70
11	1.10	31	2.78
12	1.20	32	2.86
13	1.30	33	2.94
14	1.40	34	3.02
15	1.50	35	3.10
16	1.58	36	3.18
17	1.66	37	3.26
18	1.74	38	3.34
19	1.82	39	3.42
20	1.90	40	3.50
Each Add'l \$1,000			0.08
Minimum Limits Of Liability			
**Section I – Property			
HS 00 04	– \$	6,000	
HS 00 06	– \$	10,000	

Table 301.B.32. KeyAmount of Insurance Factors

3. Multiply the Base Class Premium from Paragraph **B.1.** by the **KeyAmount Of Insurance** Factor and round to the nearest whole dollar to arrive at the Base Premium.

302. BUILDING LOSS SETTLEMENT OPTIONS – FORMS HS 00 02 AND HS 00 03

The title of Rule **302. Building Loss Settlement Options – Forms HO 00 02, HO 00 03 And HO 00 05** is replaced by the preceding title.

A. Actual Cash Value Loss Settlement –HS 00 02, HS 00 03 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date for the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy **d**Declarations:

- a. Multiply the Coverage **A** limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

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% Of Replacement Value	Factor
20 %	4.00
30 %	2.67
40 %	2.00
50 %	1.60
60 %	1.33
70 %	1.14

Table 302.A.3.a. Factors

- b. Develop a Base Premium in accordance with Rule **301**. for the amount of insurance computed in Paragraph **A.3.a**.
- c. Multiply the premium determined in Paragraph **A.3.b**. by the appropriate factor from the following table:

% Of Replacement Value	Factor
20 %	<u>0.73</u>
30 %	<u>0.74</u>
40 %	<u>0.75</u>
50 %	<u>0.76</u>
60 %	<u>0.77</u>
70 %	<u>0.78</u>
80 %	<u>0.80</u>

Table 302.A.3.c. Factors

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81**.

B. Special Loss Settlement – ~~HS 00 02, HS 00 03 Only~~

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage **A** limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy dDeclarations.

3. Premium Computation

To develop the Base Premium for the Coverage **A** limit of liability shown in the policy dDeclarations:

- a. Approximate the Coverage A limit of liability for 80% of replacement value by Multiplymultiplying the selected Coverage A limit of liability by the appropriate factor from the following table and rounding to the nearest \$1,000:

% Of Replacement Value	Factor
50 %	1.60
60 %	1.33
70 %	1.14

Table 302.B.3.a. Factors

- b. Develop a Base Premium in accordance with Rule **301**. for the amount of insurance computed in preceding Paragraph B.3.a.

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c. Multiply the premium determined in preceding Paragraph **B.3.b.** by the appropriate factor from the following table:

% Of Replacement Value	Factor
50 %	<u>0.96</u>
60 %	<u>0.97</u>
70 %	<u>0.98</u>

Table 302.B.3.c. Factors

4. Endorsement

Use Special Loss Settlement – North Carolina Endorsement **HS 32 56.**

303. ORDINANCE OR LAW COVERAGE – ALL FORMS EXCEPT HS 00 08

The title of Rule **303.** Ordinance Or Law Coverage – All Forms Except **HO 00 08** And HO 00 14 is replaced by the preceding title.

A. Basic Limit

The policy automatically provides up to 10% of the Coverage **A** limit of liability (or for Form **HS 00 04**, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount Of Coverage

1. Description

The policy may be endorsed to increase the basic Ordinance ~~o~~Or Law Coverage amount, as noted in Paragraph **B.2.**, to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

2. Premium Determination

a. Forms HS 00 02, And HS 00 03

To develop the Base Premium, multiply the premium computed in accordance with Rule **301.** by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15 %	25 %	1.13	1.05
40 %	50 %	1.35	1.14
65 %	75 %	1.51	1.20
90 %	100 %	1.67	1.27
For each additional 25% increment, add		<u>0.16</u>	<u>0.07</u>

Table 303.B.2.a. Factors

b. Forms HS 00 04 And HS 00 06

See Rule **513.** for rating instructions.

3. Endorsement

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement **HS 04 77.**

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403. PERSONAL PROPERTY (COVERAGE C) REPLACEMENT COST LOSS SETTLEMENT – ALL FORMS EXCEPT HS 00 08

The title of Rule 403. Personal Property (Coverage C) Replacement Cost Loss Settlement – All Forms Except HO 00 08 And HO 00 14 is replaced by the preceding title.

A. Introduction

The policy provides loss settlement on an ~~A~~actual ~~C~~cash ~~V~~value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a ~~R~~replacement ~~C~~cost basis for such property whether insured on a blanket or scheduled basis. If endorsed, the Coverage **C** limit must be at least:

1. 40% of Coverage **A** for all forms except **HS 00 04** and **HS 00 06**.
2. \$12,000 (if policy limit is less than \$12,000 for Forms ~~HS 00 04~~ or **HS 00 06**).

C. Endorsement

Use Personal Property Replacement Cost Endorsement **HO 04 90**.

D. ~~Scheduled Personal Property~~Premium Determination

Multiply the Base Premium, including any premium adjustment for an increase or decrease of the eCoverage C limits, by a factor of:

1. 1.05 for all forms except **HS 00 04** and **HS 00 06**.
2. 1.40 for Forms ~~HS 00 04~~ ~~or~~and **HS 00 06**.
3. The charge for Replacement Cost Coverage should be applied before the credit or charge for optional deductibles.
4. Minimum additional charge - \$20.

406. DEDUCTIBLES

All policies are subject to a deductible that applies to loss from Windstorm Or Hail, all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

1. A Base Deductible of \$1,000 applies to all forms except **HS 00 04** and **HS 00 06**.
2. A Base Deductible of \$500 applies to Forms **HS 00 04** and **HS 00 06**.

B. Optional Windstorm Or Hail Deductibles – All Forms Except HS 00 04 And HS 00 06

The following deductible options may be used:

1. Percentage Deductibles

a. Deductible Amounts

This option provides for percentage deductibles of 1%, 2%, 3%, 4%, 5%, 7.5% and 10% of the Coverage **A** limit of liability.

b. Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12**.

c. Declarations Instructions

Enter, on the policy Declarations, the percentage amount that applies to Windstorm ~~e~~O~~r~~ Hail. For example:

- ~~(i) Deductible – Windstorm or Hail 1% of Coverage A limit.~~
- ~~(ii) Deductible – Windstorm ~~e~~O~~r~~ Hail 2% of Coverage A limit.~~

d. Deductible Application

In the event of a Windstorm ~~e~~O~~r~~ Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

e. Deductible Factors

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To compute the premium for the deductible amount selected, multiply the Base Premium by the factor selected from the following table:

Percentage Windstorm Or Hail Deductible						
Deductible Percentage	Coverage A Limit					
	Up To \$59,999	\$60,000 To \$99,999	\$100,000 To \$200,000	\$200,001 To \$250,000	\$250,001 To \$350,000	\$350,001 And Over
1 %	0.99	0.99	0.99	1.11	1.11	1.11
2	0.96	0.96	0.96	1.08	1.08	1.08
3	0.94	0.94	0.95	1.07	1.07	1.07
4	0.93	0.93	0.93	1.06	1.06	1.06
5	0.91	0.91	0.92	1.05	1.05	1.05
7.5	0.90	0.90	0.91	1.03	1.03	1.03
10	0.89	0.89	0.90	1.02	1.02	1.02

Table 406.B.1.de. Percentage Deductible

2. Fixed-dollar Deductibles

a. Deductible Amounts

This option provides for fixed-dollar deductible amounts of \$250, \$500, \$1,000, \$2,000, \$5,000, \$7,500 and \$10,000.

b. Endorsement

An endorsement is not required.

c. Declarations Instruction

Separately enter, on the policy Declarations, the deductible amount that applies. For example: \$1,000 for Windstorm eOr Hail.

d. Deductible Application

In the event of a Windstorm eOr Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

e. Deductible Factors

To compute the premium for the deductible amount selected, multiply the Base Premium by the factor selected from the following table:

Fixed-dollar Windstorm Or Hail Deductible						
Deductible Amount	Coverage A Limit					
	Up To \$59,999	\$60,000 To \$99,999	\$100,000 To \$200,000	\$200,001 To \$250,000	\$250,001 To \$350,000	\$350,001 And Over
\$ 250	1.27	1.27	1.27	1.27	1.27	1.27
500	1.15	1.15	1.16	1.22	1.22	1.22
1,000	1.00	1.00	1.00	1.13	1.13	1.13
2,000	0.95	0.95	0.97	1.11	1.11	1.11
5,000	0.91	0.91	0.95	1.09	1.09	1.09
7,500	0.90	0.90	0.93	1.06	1.06	1.06
10,000	0.89	0.89	0.91	1.04	1.04	1.04

Table 406.B.2.de. Fixed-dollar Deductible

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C. Named Storm Percentage Deductible

1. Deductible Amounts

The Named Storm Percentage Deductible option may be used, when an Optional Windstorm Or Hail Deductible is not selected.

A percentage amount of 1%, 2% or 5% of the Coverage **A** or **C** limit of liability, whichever is greater, is available.

2. Endorsement

Use Named Storm Percentage Deductible – North Carolina Endorsement **HO 03 63**.

3. Schedule Instructions

Enter on ~~the~~ Endorsement **HO 03 63** or the policy Declarations the percentage amount that applies to Named Storm.

4. Loss By Windstorm That Is A Named Storm

In the event of Named Storm loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

5. Deductible Factors

To compute the premium for the deductible amount selected, multiply the Base Premium by the factor selected from the following table:

Named Storm Deductible Percentage	HS 00 02, HS 00 03 And HS 00 08	HS 00 04	HS 00 06
1 %	1.13	1.01	1.01
2 %	1.09	1.00	1.00
5 %	1.06	0.99	0.99

Table 406.C.45. Named Storm Percentage Deductible

407. ADDITIONAL AMOUNTS OF INSURANCE – FORMS HS 00 02 AND HS 00 03

The title of Rule **407. Additional Amounts Of Insurance – Forms HO 00 02, ~~And HO 00 03~~ And HO 00 05**, is replaced by the preceding title.

A. Introduction

The policy provides loss settlement for buildings insured under Coverage **A** or **B** on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage **A** only ~~or for Coverages A, B, C, and D~~ when loss to property insured under Coverage **A** – Dwelling exceeds the limit of liability shown in the policy Declarations.

C. Specified Additional Amount Of Insurance For Coverage A Only

When the following option is selected, the Coverage **A** limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage **A** at policy inception or at the time the endorsement is added to the policy:

1. An additional amount of insurance equal to 25% or 50% of the Coverage **A** limit of liability may be selected. This additional amount is available when loss to property insured under Coverage **A** – Dwelling exceeds the Coverage **A** limit of liability shown in the Declarations.
2. 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
25 %	1.02
50 %	1.03

Table 407.C.2. Additional Amounts Of Insurance Factors

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3. Use Specified Additional Amount Of Insurance For Coverage **A** – Dwelling – North Carolina Endorsement **HO 32 20**.

D. Endorsement Exception

Do not use Endorsement **HO 32 20** when the Actual Cash Value Loss Settlement Endorsement, Special Loss Settlement Endorsement, or any other endorsement which modifies the required percentage of replacement value is attached to the policy.

408. ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING ROOF LOSS SETTLEMENT OPTIONS – ALL FORMS EXCEPT HS 00 04 AND HS 00 08

The title of Rule **408. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing Roof Loss Settlement Options** – All Forms Except **HO 00 04, HO 00 08 And HO 00 14**, is replaced by the preceding title.

A. Introduction

1. Notwithstanding Paragraph **A.2.**, the policy provides settlement for building losses, including roof surfacing, on a repair or replacement cost basis, subject to certain conditions.
2. Policy Forms **HS 00 02** and **HS 00 03** provide loss settlement on a specified percentage of replacement cost basis for roof surfacing on buildings covered under Coverage **A** and Coverage **B** when damage is caused by the peril of Windstorm Or Hail. The loss settlement amount shall be determined based on the specified percentage of replacement cost for the age and type of roof surfacing material that is damaged.

B. Replacement Cost Loss Settlement For Roof Surfacing Windstorm Or Hail Losses – Forms HS 00 02 And HS 00 03

The policy may be revised to provide loss settlement to roof surfacing, caused by the peril of Windstorm Or Hail, on a repair or replacement cost basis, subject to certain conditions, by removing Roof Payment Schedule For Windstorm Or Hail Losses To Roof Surfacing – North Carolina Endorsement **HS 32 31** from the policy.

Refer to Rule **301.A.1.f.** for Premium Determination.

C. Actual Cash Value Loss Settlement For Roof Surfacing Windstorm Or Hail Losses – Form HS 00 06

1. Coverage Description

The policy may be endorsed to provide loss settlement exclusively on an actual cash value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.

2. Premium Determination

To develop a premium for this option, multiply the Base Premium by a factor of 0.99.

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

D3. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – North Carolina (All Forms Except **HS 00 04**) Endorsement **HS 04-9332 13**.

411. TEMPORARY NON-RESIDENCY

A. Coverage Description

The Homeowners Policy may be endorsed to extend coverage when the named insureds do not reside at the residence premises for a specified period of time during the policy period. The time period for which such coverage is provided should be specified in the endorsement.

B. Premium Determination

To develop the additional premium for this option, multiply the Base Premium by a factor of 1.02 for the first 30-day period.

For each additional 30-day period, add a factor of 0.02.

For example, for 180 days of coverage, multiply the Base Premium by 1.12.

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C. Endorsement

Use Broadened Residence Premises Definition Endorsement HS 06 49 for all forms except HS 00 06.

Use Broadened Residence Premises Definition – Unit-owners Endorsement HS 17 47 for Form HS 00 06.

412. COSMETIC DAMAGE COVERAGE – ALL FORMS EXCEPT HS 00 04 AND HS 00 06

The title of Rule 412. Cosmetic Damage Exclusion – All Forms Except HO 00 04, HO 00 06 And HO 00 14 is replaced by the preceding title.

A. Introduction

The policy excludes cosmetic damage to all exterior surfacing of buildings covered under Coverage A and Coverage B caused by the peril of Windstorm Or Hail.

B. Coverage Description

The policy may be modified to provide coverage for cosmetic damage to all exterior surfacing of buildings covered under Coverage A and Coverage B caused by the peril of Windstorm Or Hail by removing Cosmetic Damage Exclusion – Windstorm Or Hail Endorsement HO 06 43 from the policy.

C. Premium Computation

The premium to provide coverage for cosmetic damage to all exterior surfacing of buildings covered under Coverage A and Coverage B caused by the peril of Windstorm Or Hail is computed by multiplying the Base Premium by a factor of 1.017.

501. BUILDING ADDITIONS AND ALTERATIONS AT OTHER RESIDENCES – ALL FORMS EXCEPT HS 00 08

The title of Rule 501. Building Additions And Alterations At Other Residences – All Forms Except HO 00 08 And HO 00 14 is replaced by the preceding title.

A. Coverage Description

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

B. Premium Computation

Regardless of the policy issued, To develop the premium per \$1,000 of insurance, multiply the HS 00 04 KeyAmount Of Insurance Factor for "Each Add^{itional} \$1,000" by the HS 00 04 Base Class Premium.

C. Endorsement

Use Building Additions And Alterations – Other Residence Endorsement HO 04 49.

502. BUILDING ADDITIONS AND ALTERATIONS – INCREASED LIMIT – FORM HS 00 04

The title of Rule 502. Building Additions And Alterations – Increased Limit – Form HO 00 04, is replaced by the preceding title.

A. Coverage C Increase

The limit of Liability of 10% of Coverage C may be increased.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the HS 00 04 KeyAmount Of Insurance Factor for "Each Add^{itional} \$1,000" by the HS 00 04 Base Class Premium.

C. Endorsement

Use Building Additions And Alterations Increased Limit Form ~~HS 00 04~~ Endorsement HS 04 51.

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503. BUSINESS PROPERTY – INCREASED LIMIT – ALL FORMS EXCEPT HS 00 08

The title of Rule 503. Business Property – Increased Limit – All Forms Except HO 00 08 and HO 00 14 is replaced by the preceding title.

A. On-premises

1. The ~~\$2,5003,000~~ limit of liability for business property on the residence premises may be increased to \$10,000 in increments of ~~\$2,5001,000~~.
2. Rate per ~~\$2,5001,000~~ increase – ~~\$5023~~.
3. The limit of liability in excess of ~~\$2,5003,000~~ does not apply to:
 - a. Business property in storage or held as a sample or for sale or delivery after sale; or
 - b. Business property pertaining to a business actually conducted on the residence premises.
4. The property described in Paragraphs A.3.a. and A.3.b. ~~are~~ covered under the following optional endorsement: Permitted Incidental Occupancies.

B. Off-premises

When the on-premises limit is increased, the off-premises limit of \$1,500 is automatically increased, at no additional charge, to an amount that is ~~6050~~% of the total on-premises limit of liability.

C. Endorsement

Use Increased Limits On Business Property Endorsement ~~HOS~~ 04 12.

504. CREDIT CARD, ELECTRONIC FUND TRANSFER CARD OR ACCESS DEVICE, FORGERY AND COUNTERFEIT MONEY – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

Rule 504. does not apply.

505. EARTHQUAKE COVERAGE – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

Rule 505. does not apply.

507. ~~FORM HS 00 06~~ COVERAGE A – DWELLING – BASIC AND INCREASED LIMITS – FORM HS 00 06

The title of Rule 507. ~~Form HO 00 06~~ Coverage A – Dwelling – Basic And Increased Limits And Special Coverage – ~~Form HO 00 06~~ is replaced by the preceding title.

A. Basic Limits

The policy automatically provides a basic Coverage A limit of \$1,000 on a named perils basis. If increased limits are not desired, enter "\$1,000" under Coverage A – Dwelling in the ~~P~~policy Declarations.

B. Increased Limits

The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional \$1,000 of insurance, multiply the ~~HS 00 06 Key Factor for "Each Add'l \$1,000" by the HS 00 06~~ Base Class Premium by 0.022.

508. ~~FORM HO 00 06~~ UNITS REGULARLY RENTED TO OTHERS – FORM HO 00 06

Rule 508. does not apply.

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509. LIMITED HOME DAY CARE COVERAGE – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

Rule 509. does not apply.

510. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES – ALL FORMS EXCEPT HS 00 08

The title of Rule 510. Permitted Incidental Occupancies – Residence Premises – All Forms Except HO 00 08 and HO 00 14 is replaced by the preceding title.

A. Coverage Description

Coverage for a permitted incidental occupancy is limited under Section I Property Coverages. The policy may be endorsed to provide expanded Section I Coverage on a permitted incidental occupancy in the dwelling or in an other structure on the residence premises. Use Permitted Incidental Occupancies – (Residence Premises) Endorsement HS 04 42 for Section I Coverage.

B. Permitted Incidental Occupancies

Examples of such occupancies are Offices, Schools or Studios, meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

C. Other Structures

If the permitted incidental occupancy is located in an other structure, Coverage B does not apply to that structure. See Paragraph E. for the additional charge for specific insurance on the structure.

D. Personal Property

The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage C limits stated in the Declarations. If increased Coverage C limits are desired, see Rule 515.A.

E. Premium Computation

1. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
2. If the permitted incidental occupancy is located in an other structure, charge the following amount per \$1,000 of specific insurance on the structure—\$5.
3. To determine the rate per \$1,000, multiply the All-perils Premium for HS 00 02 or HS 00 03 or the Base Class Premium for HS 00 04 or HS 00 06 by the appropriate factor for the following table:

Form	Factor
Form HS 00 02 or HS 00 03	0.005
Form HS 00 04	0.042
Form HS 00 06	0.030

Table 510.E.3. Factors

511. SUPPLEMENTAL LOSS ASSESSMENT COVERAGE – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

Rule 511. does not apply.

512. LOSS OF USE – INCREASED LIMIT

A. When the limit of liability for Coverage D is increased, charge the rate per \$1,000 of additional insurance.

B. To determine the rate per \$1,000, multiply the All-perils Premium for HS 00 02, HS 00 03 or HS 00 08 or the Base Class Premium for HS 00 04 or HS 00 06 by the appropriate factor from the following table:

Form	Factor
Form HS 00 02, HS 00 03 or HS 00 08	0.003
Form HS 00 04	0.025

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Form HS 00 06

0.018

Table 512.B. Factors

513. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – FORMS HS 00 04 AND HS 00 06

The title of Rule 513. Ordinance Or Law Increased Amount Of Coverage – Forms HO 00 04 And HO 00 06; is replaced by the preceding title.

A. Coverage Increase

1. The basic amount of coverage may be initially increased to 100% of the Form **HS 00 04** Building Additions aAnd Alterations limit or 50% of the Form **HS 00 06** Coverage **A** limit.
2. The amount may be further increased in 25% increments above those listed in Paragraph A.1.

B. Premium Determination

1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional \$1,000 of insurance is developed by multiplying the **HS 00 04** or **HS 00 06**, (whichever is appropriate), KeyAmount Of Insurance Factor for "Each Additional! \$1,000" by the appropriate Base Class Premium.

C. Endorsement

Use Ordinance Or Law Increased Amount of Coverage Endorsement HS 04 77.

514. OTHER STRUCTURES

A. On-Premises Structures – Forms HS 00 02 And HS 00 03

1. When insurance is written on a specific structure on the residence premises, the rates per \$1,000 of insurance shall apply separately to each structure.

1a. Specific Structure – Increased Limits

a(1). Premium

Rate per \$1,000 for policies with Windstorm Or Hail Coverage – \$4. To determine the rate per \$1,000, multiply the HS 00 02 or HS 00 03 All-perils Premium by 0.003.

b(2). Endorsement

Use Other Structures On The Residence Premises – Increased Limits Endorsement HO 04 48.

2b. Structure On The Residence Premises Rented To Others

a(1). Premium

Rate per \$1,000 for policies with Windstorm or Hail coverage – \$5. To determine the rate per \$1,000, multiply the HS 00 02 or HS 00 03 All-perils Premium by 0.005.

b(2). Endorsement

Use Structures Rented to Others – Residence Premises Endorsement HS 04 40.

2. If a policy would not otherwise be issued because of unusual circumstances or exposures with regard to a specific other structure, coverage for a specific structure on the residence premises may be excluded under Section I.

a. Endorsement

Use Specified Other Structure(s) Exclusion Endorsement HS 06 21 to indicate that a specific structure on the residence premises is not covered under Section I.

b. Application Of Endorsement

(1) The named insured must acknowledge, in writing, the Specified Other Structure(s) Exclusion endorsement.

(2) The Specified Other Structure(s) Exclusion endorsement shall remain in effect:

(a) For the term of the policy; and

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(b) For each renewal, reinstatement, substitute, modified, replacement or amended policy, until discontinued by the insurer.

c. Form HS 00 08

Endorsement HS 06 21 is also available for Form HS 00 08.

3. Increased Limit

a. The limit of liability for Coverage B may be increased.

b. If increased, the limit of liability for Coverage B may not exceed the Coverage A limit.

c. Charge the additional company rate per \$1,000 of insurance.

d. To determine the rate per \$1,000, multiply the HS 00 02 or HS 00 03 All-perils Premium by 0.003.

e. Use Coverage B – Unscheduled Other Structures Increased Limit – North Carolina Endorsement HO 32 03.

B. Structures Off The Residence Premises

1. Forms HS 00 02 And HS 00 03

a. Coverage Description

(1) The policy automatically provides Coverage B – Other Structures on a blanket basis to structures located on the residence premises. For structures that are buildings, losses are settled on a replacement cost basis. For structures that are not buildings, losses are settled on an actual cash value basis.

(2) This blanket coverage may be endorsed to expand coverage to include structures located away from the residence premises if used in connection with the residence premises.

(3) For other structures away from the residence premises that are buildings, losses can be settled on either a replacement cost basis or an actual cash value basis. For other structures away from the residence premises that are not buildings, losses are settled on an actual cash value basis.

b. Premium

Refer to state company rates for rate to be charged. To determine the rate per policy, multiply the HS 00 02 or HS 00 03 All-perils Premium by:

(1) 0.015 for actual cash value loss settlement; or

(2) 0.017 for replacement cost loss settlement.

c. Endorsement

For replacement cost loss settlement on buildings located away from the residence premises, use Coverage B – Other Structures Away From The Residence Premises – Replacement Cost Loss Settlement For Buildings Endorsement HO 06 91.

For actual cash value loss settlement on buildings located away from the residence premises, use Coverage B – Other Structures Away From The Residence Premises – Actual Cash Value Loss Settlement Endorsement HO 04 91.

2. All Forms Except HS 00 08

a. Premium

(1) When insurance is written on a specific structure located away from the residence premises, losses to such structures that are buildings may be settled on either a replacement cost basis or an actual cash value basis, the rate per \$1,000 of insurance shall apply separately to each location

(2) Refer to state company rates for rate to be charged. To determine the rate per \$1,000, multiply the HS 00 02 or HS 00 03 All-perils Premium by:

(a) 0.004 for actual cash value loss settlement; or

(b) 0.005 for replacement cost loss settlement.

The rate per \$1,000 of insurance shall apply separately to each location.

(3) To determine the rate per \$1,000, multiply the HS 00 04 Base Class Premium by:

(a) 0.033 for actual cash value loss settlement; or

(b) 0.038 for replacement cost loss settlement.

The rate per \$1,000 of insurance shall apply separately to each location.

(4) To determine the rate per \$1,000, multiply the HS 00 06 Base Class Premium by:

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(a) 0.024 for actual cash value loss settlement; or

(b) 0.028 for replacement cost loss settlement.

The rate per \$1,000 of insurance shall apply separately to each location.

b. Endorsement

For replacement cost loss settlement on specific buildings located away from the residence premises, use Specific Structures Away From The Residence Premises – Replacement Cost Loss Settlement For Buildings Endorsement HO 06 92.

For actual cash value loss settlement on structures, including buildings, Use Specific Structures Away From The Residence Premises – Actual Cash Value Loss Settlement Endorsement HO 04 92.

515. PERSONAL PROPERTY

A. Increased Limit – Forms HS 00 02 And HS 00 03

1. The limit of liability for Coverage C may be increased.
2. Charge the additional company rate per \$1,000 of insurance.

~~3. Rate per \$1,000:~~

~~HS 00 02 or HS 00 03 \$2.~~

3. To determine the rate per \$1,000, multiply the All-perils Premium by the appropriate factor from the following table:

<u>Form</u>	<u>Factor</u>
<u>Form HS 00 02 or HS 00 03</u>	<u>0.003</u>

Table 515.A.3. Factor

B. Increased Limits – Other Residences – All Forms Except HS 00 08

1. Coverage for personal property usually located at other residences is limited in the policy form to 10% of Coverage C or ~~\$1,000~~1,500, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000.

~~3. Rate per \$1,000 – \$7.~~

3. To determine the rate per \$1,000, multiply the All-perils Premium for HS 00 02 or HS 00 03 or the Base Class Premium for HS 00 04 or HS 00 06 by the appropriate factor from the following table:

<u>Form</u>	<u>Factor</u>
<u>Form HS 00 02 or HS 00 03</u>	<u>0.011</u>
<u>Form HS 00 04</u>	<u>0.088</u>
<u>Form HS 00 06</u>	<u>0.063</u>

Table 515.B.3. Factors

4. Use Increased ~~Limits~~Amount Of Insurance For Or Personal Property ~~In At~~ Other Residences Endorsement HO 04 50.

C. Increased Limit – Self-storage Facilities – All Forms Except HS 00 08

1. Coverage for personal property located in self-storage facilities is limited in the policy form to 10% of Coverage C, or ~~\$1,000~~1,500, whichever is greater. This limit may be increased.
2. Charge the additional company rate per \$1,000 of insurance.

~~3. Rate per \$1,000 – \$5.~~

3. To determine the rate per \$1,000, multiply the All-perils Premium for HS 00 02 or HS 00 03 or the Base Class Premium for HS 00 04 or HS 00 06 by the appropriate factor from the following table:

<u>Form</u>	<u>Factor</u>
-------------	---------------

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Form HS 00 02 or HS 00 03	<u>0.007</u>
Form HS 00 04	<u>0.057</u>
Form HS 00 06	<u>0.041</u>

Table 515.C.3. Factors

4. Use Increased Amount ~~e~~Of Insurance For Personal ~~p~~Property Located In A Self-storage Facility Endorsement **HO 06 14**.

D. Reduction In Limit – All Forms Except HS 00 04 And HS 00 06

1. The limit of liability for Coverage **C** may be reduced in accordance with Rule **101.C**.
2. ~~Credit per \$1,000 – \$1.~~To determine the rate per \$1,000, multiply the Form **HS 00 02**, **HS 00 03** or **HS 00 08** All-perils Premium by 0.002.

E. Rented Personal Property

1. Basic Limit

Under Forms **HS 00 02** and **HS 00 03**, the policy automatically provides, at no additional charge, \$2,500 of ~~l~~Landlord's ~~f~~Furnishings ~~e~~Coverage, for property regularly rented or held for rental in an apartment on the residence premises.

2. Increased Limits

- a. The basic limit noted in Paragraph **E.1**. may be increased up to the Coverage **C** limit of liability.
- b. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.
- c. Rate per \$1,000 per unit - \$2.

3. Endorsement

- a. Rented Personal Property – North Carolina Endorsement **HOS 32 21** indicates when the Increased Limits option is selected.
- ~~b. The Theft Option designated on the endorsement does not apply and should not be selected.~~
- bc.** When ~~l~~Increased ~~L~~Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.

516. PERSONAL PROPERTY – SCHEDULED – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

Rule **516**. does not apply.

517. RENTAL TO OTHERS – EXTENDED THEFT COVERAGE – ALL FORMS EXCEPT HO 00 05, HO 00 08, HO 00 14, HO 00 04 WITH HO ~~05-24~~32 95 ORAND HO 00 06 WITH HO ~~17-31~~32 35

Rule **517**. does not apply.

518. SINKHOLE COLLAPSE COVERAGE – ALL FORMS EXCEPT HO 00 ~~0408~~ AND HO 00 ~~0614~~

Rule **518**. does not apply.

519. ~~BROADENED HOME-SHARING HOST ACTIVITIES COVERAGE – ALL FORMS EXCEPT HO 00 08SPECIAL-COMPUTER COVERAGE ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH HO 05-24 OR HO 00 06 WITH HO 17-31~~

Rule **519**. does not apply.

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~~520. LIVESTOCK COLLISION COVERAGE~~

Rule ~~520.~~ does not apply.

521. LIMITED OR BROADENED WATER BACK-UP AND SUMP DISCHARGE OR OVERFLOW COVERAGE – ALL FORMS EXCEPT HO 00 08

Rule 521. does not apply.

~~522. LANDLORDS FURNISHINGS~~

Rule ~~522.~~ does not apply.

523. ASSISTED LIVING CARE COVERAGE – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

Rule 523. does not apply.

524. OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD ADDITIONAL INSURED – HOUSEHOLD RESIDENT – ALL FORMS EXCEPT HS 00 08

The title of Rule 524. Additional Insured – Household Resident – All Forms Except HO 00 08 is replaced by the preceding title.

A. Introduction

The policy provides coverage to named insureds, resident relatives who are members of the named insured's household and persons under the age of 21 who are in the care of an insured.

B. Coverage Description

1. The policy may be endorsed to provide coverage to a person who is a member of the named insured's household but does not fall under the definition of insured in the policy. ~~It does not cover~~ The option does not apply to a guest, residence employee, roomer, boarder, ~~or~~ tenant or home-sharing occupant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in the legal custody of that person.
2. All coverages and provisions under Sections I of the policy that apply to insureds also apply to the persons described in Paragraph B.1. except Coverages A, B and D (Fair Rental Value only).

C. Premium

Section I additional charge:

Rate per person named in the Schedule ~~— \$6063~~

D. Endorsement

Use ~~Other Members Of Your Household~~ Additional Insured – Household Resident Endorsement **HS 04 58**.

525. MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

Rule 525. does not apply.

526. RESIDENCE HELD IN TRUST – ALL FORMS EXCEPT HS 00 04

The title of Rule 526. Residence Held In Trust – All Forms Except HO 00 04 And HO 00 14, is replaced by the preceding title.

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A. Coverage

A Homeowners Windstorm And Hail Policy may be endorsed to insure a trustee, and if applicable, a trust under Section I – Property Coverages, for any insurable interest in the dwelling or other structure held in trust.

B. Endorsement

Use Trust [Coverage – North Carolina](#) Endorsement **HS 32 12**.

C. Premium

For basic limits rates:

Trust charge per policy - \$26.

527. STUDENT AWAY FROM HOME – ALL FORMS EXCEPT HS 00 08

[The title of Rule 527. Student Away From Home – All Forms Except HO 00 08 And HO 00 14 is replaced by the preceding title.](#)

A. Introduction

The policy provides coverage for a full-time student, who was a resident of the named insured's household before moving out to attend school and is under the age of:

1. 24 and a relative of the named insured; or
2. 21 and in the care of the named insured or a resident relative.

B. Coverage Description

The policy may be endorsed to provide coverage for other types of students who were residents of the named insured's household before moving out to attend school: ~~(F~~for example, part-time students or students 24 or older).

C. Premium Determination

Section I:

Rate per location ~~– \$6876~~.

D. Endorsement

Use Additional Insured – Student Living Away From The Residence Premises Endorsement **HS 05 27**.

528. HOME BUSINESS INSURANCE COVERAGE – ALL FORMS EXCEPT HO 00 14

Rule 528. does not apply.

530. IDENTITY FRAUD EXPENSE COVERAGE – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

[Rule 530. does not apply.](#)

532. GREEN UPGRADES COVERAGE – ALL FORMS EXCEPT HS 00 04 AND HS 00 08

[The title of Rule 532. Green Upgrades Coverage – All Forms Except HO 00 04, HO 00 08 And HO 00 14 is replaced by the preceding title.](#)

A. Introduction

[The policy may be endorsed to provide coverage for green upgrades to the residence premises, other building structures and personal property, and for related expenses.](#)

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B. Coverage Description

1. Green Upgrades Property Coverage

Green Upgrades Property Coverage modifies replacement cost loss settlement to address loss settlement of damaged property using more energy-efficient, environmentally preferable materials and methods in design and construction as recognized by a Green standards-setter. At the option of either the insurer or the named insured, coverage may also be provided for replacement of a non-vegetated roof with a vegetated roof.

a. Eligibility for Green Upgrades Property Coverage is generally limited to property to which replacement cost loss settlement applies. Therefore, Personal Property Replacement Cost Loss Settlement Endorsement **HO 04 90** must be attached to the policy.

b. The amount of coverage for Green Upgrades Property Coverage is based on a selected percentage which is applied to the amount of loss subject to a maximum dollar amount in the Schedule of the Green Upgrades Coverage endorsement:

(1) For Increased Cost Of Loss, enter a percentage of 10%, 20%, 30%, 40% or 50%.

(2) Enter a dollar limit under Green Upgrades Property Coverage for the maximum dollar amount. The Green Upgrades maximum dollar limit is not a function of the aforementioned percentage, except that such dollar limit shall not exceed the amount determined by applying the Increased Cost Of Loss percentage to the underlying Coverage A Limit Of Liability. For example, if the underlying Coverage A Limit Of Liability is \$300,000 and the selected Increased Cost Of Loss percentage is 30%, the selected dollar limit for Maximum Amount for Green Upgrades Property Coverage shall not exceed \$90,000.

(3) Coverage for the replacement of a non-vegetated roof with a vegetated roof is optional and must be indicated by checking the applicable checkbox in the Schedule. If this option is applicable, the amounts selected in Paragraphs **B.1.b.(1)** and **B.1.b.(2)** should account for the increased cost of replacing the non-vegetated roof with a vegetated roof.

2. Green Upgrades Related Expense Coverage

Green Upgrades Related Expense Coverage is optional and must be indicated by checking the applicable checkbox in the Schedule. Enter the total dollar amount of related expense coverage selected in the Schedule.

C. Premium Determination

1. Green Upgrades Property Coverage

a. Divide the selected Green Upgrades Property Coverage maximum dollar amount by the underlying Limit of Insurance on the property.

b. Divide the result of Paragraph **C.1.a.** by the selected Increased Cost Of Loss percentage in factor form. The result is the Ratio.

c. Select the appropriate Rate Modification Factor from Table **532.C.1.c.**, based on the Ratio. If the calculated Ratio is not shown in the table, use the Rate Modification Factor associated with the next higher Ratio.

<u>Ratio</u>	<u>Rate Modification Factor</u>
<u>1.00</u>	<u>0.50</u>
<u>0.90</u>	<u>0.55</u>
<u>0.80</u>	<u>0.60</u>
<u>0.70</u>	<u>0.65</u>
<u>0.60</u>	<u>0.70</u>
<u>0.50</u>	<u>0.75</u>
<u>0.40</u>	<u>0.80</u>
<u>0.30</u>	<u>0.85</u>
<u>0.20</u>	<u>0.90</u>
<u>0.10</u>	<u>0.95</u>

Table 532.C.1.c. Green Upgrades Rate Modification Factors

d. Develop the rate per \$1,000 of insurance by multiplying the **HS 00 02**, **HS 00 03** or **HS 00 06** Amount of Insurance Factor for "Each Additional \$1,000" by the All-perils Premium for **HS 00 02** and **HS 00 03** or by the Base Class Premium for **HS 00 06**.

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e. Develop a Green Upgrades Property Coverage rate by applying the factor determined in Paragraph C.1.c. to the rate per \$1,000 in Paragraph C.1.d. To determine the Green Upgrades premium, apply the Green Upgrades rate to the Limit of Insurance selected for Green Upgrades, in thousands.

2. Example Of Green Upgrades Property Coverage Premium Computation

a. If the underlying Coverage A Limit Of Liability is \$300,000, the selected Increased Cost Of Loss percentage is 30% (0.30) and the selected Green Upgrades Property Coverage maximum dollar amount is \$90,000:

Step (1) $\$90,000 \div \$300,000 = 0.30$

Step (2) $0.30 \div 0.30 = \text{Ratio of } 1$

b. If the Amount Of Insurance Factor for "Each Additional \$1,000" is 0.007 and the All-perils Premium is \$328 (for an HS 00 03 policy), multiply these amounts to develop to the rate per \$1,000 of insurance:

Step (1) $0.007 \times \$328 = \2.30

c. According to Table 532.C.1.c., if the Ratio is 1, the Rate Modification Factor is 0.50. Apply the Rate Modification Factor of 0.50 to the rate per \$1,000 determined in Paragraph C.2.b. and multiply the resulting rate by the Green Upgrades limit, in thousands.

Step (1) $\$2.30 \times 0.50 = \1.15

Step (2) $\$1.15 \times 90 = \103.50

3. Green Upgrades Related Expense Coverage

The rate for Related Expenses is equal to the rate determined in Paragraph C.1.d. To determine the premium for Related Expenses, apply the Related Expenses rate to the Limit of Insurance selected for Related Expenses, in thousands.

D. Endorsements

Use Green Upgrades Coverage Endorsement HS 06 31 and Personal Property Replacement Cost Loss Settlement Endorsement HO 04 90.

533. MECHANICAL BREAKDOWN COVERAGE – ALL FORMS EXCEPT HO 00 04, HO 00 08 AND HO 00 14

Rule 533. does not apply.

534. UTILITY LINE EXPENSE COVERAGE – ALL FORMS EXCEPT HO 00 04, HO 00 08 AND HO 00 14

Rule 534. does not apply.

535. LIMITED CANNABIS PROPERTY COVERAGE – ALL FORMS EXCEPT HO 00 08 AND HO 00 14

Rule 535. does not apply.

601. – 700. RESERVED FOR FUTURE USE

Part VI – Section II – Liability – Additional Coverages And Increased Limits, of the Homeowners Policy Program Manual does not apply to the North Carolina Windstorm And Hail Policy Program.